

CLEVELAND FIRE AUTHORITY**MINUTES OF ORDINARY MEETING****9 FEBRUARY 2024****PRESENT:****CHAIR**

Cllr David Coupe – Middlesbrough Council

HARTLEPOOL BOROUGH COUNCIL

Cllr Ben Clayton

MIDDLESBROUGH COUNCIL

Cllr John Kabuye

REDCAR & CLEVELAND BOROUGH COUNCIL

Cllrs Peter Chaney, Steve Kay, Mary Ovens

STOCKTON ON TEES BOROUGH COUNCIL

Councillors Jim Beall, John Gardner, Mick Stoker

AUTHORISED OFFICERS

Chief Fire Officer, Legal Adviser & Monitoring Officer, Treasurer

Assistant Chief Fire Officer - Strategic Planning & Resources

Acting Assistant Chief Fire Officer - Community Protection

APOLOGIES:

Cllr Tom Cassidy - Hartlepool Borough Council

Cllrs Naweed Hussain, Dennis McCabe - Middlesbrough Council

Cllrs Stefan Houghton, Sufi Mubeen - Stockton Borough Council

74. DECLARATIONS OF MEMBERS INTEREST

It was noted no Declarations of Interests were submitted to the meeting.

75. MINUTES**RESOLVED – that the Minutes of proceedings of the Ordinary Meeting of 8 December 2023 be confirmed.****76. MINUTES OF MEETINGS****RESOLVED - that the Minutes of the Executive Committee meeting on 19 January 2024 be confirmed.****77. COMMUNICATIONS RECEIVED BY THE CHAIR**

Communications were received from LGA:

- Appointment of Independent Chair of RAP/TAP Panel
- Gold Book Pay Award 2024

78. REPORTS OF THE CHIEF FIRE OFFICER**78.1 Government White Paper: 'Reforming our Fire and Rescue Service'**

Members received a summary of the Government's consultation response to the fire reform White Paper which covered the case for reform, integrity matters and keeping communities safe during strikes.

78.1 Government White Paper: ‘Reforming our Fire and Rescue Service’ cont.

The Government’s vision for reform centred around three key themes:

- People – improving systems, flexibility and culture
- Professionalism – helping fire professionals to best serve their communities
- Governance – strengthening oversight and leadership

The CFO outlined the Home Office Actions against each of the key elements of the proposed reform package and agreed that any internal actions will be included in the prioritised corporate internal operating plan.

Councillor Kay referred to the proposal to provide cover during strike periods and asked what impact that would have. The CFO acknowledged that whilst this was an anti-union stance, from his perspective it would ensure the Brigade had adequate resources to fulfil its statutory duty of keeping the public safe at all times.

Members discussed the governance of fire authorities being transferred to police and crime commissioners and acknowledged that while there may be some benefits they did not consider it would provide the same level of scrutiny that the current arrangement has. In addition, they felt increased efficiencies could be achieved through the continuation of the Brigade’s existing collaborative working with Cleveland Police.

RESOLVED - that Members approved that views and comments provided be used to inform internal actions for inclusion in the Authority’s Corporate Internal Operating Plan to be included in the Authority’s Service Plan 2024/25 and circulated for approval on 22 March 2024.

78.2 Scale of Charges 2024/25

The CFO presented the Scale of Charges which had been fully reviewed for 2024/25 for implementation from 1 April 2024. The review was undertaken in agreement with the Treasurer and entailed a 3% uplift to all pay-related elements (not the 5% as stated in the report) to reflect the medium term financial strategy forecast pay award and a 4% uplift to all non-pay items based on the November 2023 CPI figure.

The CFO confirmed that the Scale of Charges had been approved in line with the delegation scheme and will be published on the Brigade website by 31 March 2024.

RESOLVED – That Members noted the Scale of Charges for 2024/25 to be implemented with effect of 1 April 2024.

78.3 Information Pack

- 78.3.1 National Joint Circulars
- 78.3.2 Campaigns

RESOLVED – that the information pack be noted.

79. REPORT OF THE TREASURER

79.1 Medium Term Financial Strategy 2024/25 – 2026/27

The Treasurer provided Members with a detailed presentation outlining the changes to the Authority's Medium Term Financial Strategy (MTFS) 2024/25 – 2026/27 which had occurred since the meeting on 8 December 2023. This included:

- 2024/25 Final Settlement & Impact on the Authority
 - MTFS planning assumption 5% increase
 - Actual increase 7% (£1.062m) includes Funding Guarantee grant but before Services Grant cut
 - Net increase 4.79% (£0.747m) after Services Grant cut
 - £0.299m more than provisional settlement reported to Executive Committee
 - Business Rates/section 31 grants £0.118m less than forecast
 - Net impact £0.181m increase in resources
- Updated Planning Assumptions 2024/25
 - Proposal to reduce Grey Book (Firefighters) pay provision to 3% - reduction £0.439m
 - Rational - falling inflation and falling private sector wages
 - Risk – actual increase is higher = increase in budget deficit
 - 'Housekeeping' efficiency saving identified £0.175m
 - Council Tax base higher than forecast £0.189m
 - Reduces gross 24/25 deficit from £2.324m to £1.521m
- Proposal to manage 2024/25 revised deficit of £1.521m
 - Proposed funding strategy
 - Revenue Support / Top- up Grant increase = £0.453m – 30% of deficit
 - Funding Guarantee grant = £0.294m – 19% of deficit
 - Local Resource = £0.774m – 51% of deficit
 - Includes £0.418m from 3% Council Tax increase (which is 27% of the deficit)
 - Council Tax requires annual decision – many other taxes do not
 - Impact on households
 - 91% (241,000) increase is less than 5p per week
- 2025/26 and 2026/27 updated deficits
- 2023/24 to 2028/29 Asset Management Plan (AMP)
- Reserves
- Robustness Advice and Conclusions

The Treasurer informed Members that the recommendations allowed the Authority to set a balance budget for 2024/25 which manages the financial uncertainties relating to national pay awards and inflation. This also protects existing services and provides financial resilience into 2025/26 and 2026/27 when inflation is expected to be reduced to the Bank of England's target of 2% and multi-year settlements reinstated by 2026/27.

Councillor Kay asked if there was any flexibility around the 3% council tax proposal. The Treasurer informed Members that the funding formula did not work with Cleveland's low council tax base and it was his professional advice to stay with the 3% rise.

He confirmed that representations had been made to Government by the Authority on the unfairness of this formula many times in the past and suggested it may be time to re-double efforts.

79.1 Medium Term Financial Strategy 2024/25 – 2026/27 cont.

Councillor Kaye asked whether risk was taken into consideration. The CFO confirmed that in the past risk was a factor but the funding formula now is based on population count.

The Legal Adviser and Monitoring Officer (LAMO) informed Members that in line with best practice a vote would be recorded on the budget decision. Votes were cast and Members unanimously supported the recommendations from the Executive Committee, which had been updated to reflect the latest information tabled at Appendices G and H.

RESOLVED:-

(i) that as recommended by the Executive Committee on 19 January 2024:

- 1. Members approved the proposal to transfer the forecast 2023/24 revenue underspend of £0.160m to the Unearmarked General Fund Reserve to increase this reserve to £1.712m, which will maintain this reserve at 5% of the 2024/25 budget requirement.**
- 2. Members noted that the 2024/25 Local Government Finance Settlement is for one year (the 6th annual settlement) and provides an increase national Core Spending Power of £3.903 billion (6.5%), which assumes 53% (£2.078 billion) of this increase will be funded by all authorities using the available Council Tax and Adult Social Care precept flexibility.**
- 3. Members noted that for standalone Fire and Rescue Authorities the average Core Spending Power increase is 4.6% (range 4.2% to 5%) and Cleveland has the joint lowest increase with West Midlands of 4.2%.**
- 4. Members noted that in line with the approach adopted by other Fire and Rescue Authorities in response to lower inflation and affordability the provision for the national Grey Book (Fire fighters) pay award for 2024 has been reduced to 3% and reflected in the revised 2024/25 budget deficit. Members also noted that each 1% additional pay award would result in an unbudgeted cost of £223,000, which would need to be funded by making additional permanent budget reductions.**
- 5. Members approved a 3% Council Tax increase in line with the Government’s Referendum Limit, which will provide additional recurring resources of £0.418m to help sustain services.**
- 6. Members noted that approving recommendation (5) will result in approximately 241,000 households (91.4%) having to pay a weekly increase of 5p or less, as highlighted in the following table.**

2023/24		2024/25						
Annual Council Tax	Property Band	Annual Council Tax	Weekly Council Tax	Annual increase	Weekly increase (pence)	Number of households	% households	
£57.91	A	£59.64	£1.15	£1.73	3p	119,016	45.1%	
£67.56	B	£69.58	£1.34	£2.02	4p	49,328	18.7%	
£77.21	C	£79.52	£1.53	£2.31	4p	48,132	18.3%	
£86.86	D	£89.46	£1.72	£2.60	5p	24,563	9.3%	
£106.16	E	£109.34	£2.10	£3.18	6p	13,999	5.3%	
£125.46	F	£129.22	£2.49	£3.76	7p	5,419	2.1%	
£144.77	G	£149.10	£2.87	£4.33	8p	2,949	1.1%	
£173.72	H	£178.92	£3.44	£5.20	10p	296	0.1%	
						263,702	100.0%	

79.1 Medium Term Financial Strategy 2024/25 – 2026/27 cont.

7. Members noted that based on recommendation (5) being approved the 2024/25 budget will be balanced through a combination of the following measures:

	£'m	Percentage of total deficit
Grant Funding Increase (net of Service Grant reduction)	0.453	30%
3% Council Tax increase	0.418	28%
Investment income	0.250	16%
Business Rates/Section 31 grants increase.	0.097	6%
Use of Budget Support Fund Reserves	0.009	1%
Funding Guarantee Grant	0.294	19%
Total Gross Deficit (paragraph 7.13)	1.521	100%

8. Members noted that to ensure the Authority’s budget position does not become unmanageable the Chief Fire Officer brings forward savings proposals in two stages:

- **Stage 1 savings proposals to address any additional deficit if the national 2024 Grey book pay award is higher than provided for in the 2024/25 budget, as soon as practical after the 2024 Grey book pay award is settled for consideration by the Authority. This will enable Members to consider these proposals and if approved provide an appropriate lead time to implement these measures from 1st April 2025.**
- **Stage 2 savings proposals to address the range of forecast deficits for 2025/26 and 2026/27 (detailed in paragraph 8.5) for consideration by the Authority during 2024.**

9. Members approved the establishment of an Investment Income phasing reserves to ensure the £0.250m of support provided to the 2024/25 budget can be sustained in 2025/26, 2026/27 and potentially 2027/28, which will continue to protect services.

10. Members noted the updated forecast deficits for 2025/26 and 2026/27 detailed in section 8.5.

11. Members approved the updated Asset Management Plan detailed in Appendix D and the earmarking on one-off resources as detailed in paragraphs 9.4 and 9.5 to manage AMP inflation risks over the period 2024/25 to 2028/29. Members noted that as the final one-off Collection Fund figures were higher than forecast these resources reduced the forecast AMP inflation risk short-fall from £0.284m to £0.166m. Members noted that if these resources are not needed to cover inflation risks a future MTFS report will detail alternative proposals for using these resources, including reducing the level of borrowing used to fund the Asset Management Plan.

12. Members noted the Reserves review detailed in section 10 and Robustness Advice detailed in section 11 which underpin the above decisions and the financial resilience of the MTFS pending the reintroduction of multi-year Local Government Financial Settlements.

79.1 Medium Term Financial Strategy 2024/25 – 2026/27 cont.

- (ii) **Members approved the supporting statutory calculations detailed in Appendix G and the 2023/24 Revenue Budget detailed in Appendix H which were tabled at the meeting.**

**80. LOCAL GOVERNMENT (ACCESS TO INFORMATION) (VARIATION ORDER) 2006
RESOLVED - “That Under Section 100(A) (4) of the Local Government Act 1972, the press and public be excluded from the meeting for the following item of business, on the grounds that it involves the likely disclosure of exempt information as defined in paragraphs 1, 3 and 4 of Part 1 Schedule 12A of the Local Government Act 1972 as amended by the Local Government (Access to Information) (Variation) Order 2006, namely information relating to any individual; information relating to the financial or business affairs of any particular person (including the authority) holding that information and namely information relating to any consultations or negotiations, or contemplated consultations or negotiations, in connection with any labour relations matter arising between the authority or a Minister of the Crown and employees of, or office holders under, the authority.”**

**81. CONFIDENTIAL MINUTES
RESOLVED – that the Confidential Minutes of proceedings of the Ordinary Meeting of 8 December 2023 be confirmed.**

**82. CONFIDENTIAL MINUTES OF MEETINGS
RESOLVED – that the Confidential Minutes of the Executive Committee meeting on 19 January 2024 be confirmed.**

**COUNCILLOR DAVID COUPE
CHAIR**