CLEVELAND FIRE AUTHORITY

MINUTES OF ORDINARY MEETING

15 FEBRUARY 2019

PRESENT:

CHAIR
Cllr Jan Brunton Dobson - Middlesbrough Council
HARTLEPOOL BOROUGH COUNCIL
Cllrs Marjorie James, Rob Cook, Mike Young
MIDDLESBROUGH COUNCIL
Cllr Naweed Hussain, Tom Mawston
REDCAR & CLEVELAND BOROUGH COUNCIL
Cllrs Neil Bendelow, Norah Cooney, Ray Goddard
STOCKTON ON TEES BOROUGH COUNCIL
Cllrs Jean O'Donnell, Mick Stoker, William Woodhead MBE
AUTHORISED OFFICERS
Chief Fire Officer, Director of Corporate Services, Legal Adviser and Monitoring Officer, Treasurer
IN ATTENDANCE
Martin Miley – Station Manager (observing)
Stuart Simpson – Station Manager
Michael Ireland – Watch Manager – Stockton Blue Watch

APOLOGIES FOR ABSENCE: Councillor Mary Ovens – Redcar & Cleveland Borough Council

91. DECLARATIONS OF MEMBERS INTEREST
It was noted no Declarations of Interest were submitted to the meeting.

92. MINUTES
RESOLVED – that the minutes of the Ordinary Meeting of 14 December 2018 be confirmed.

93. MINUTES OF MEETINGS
RESOLVED - that the Minutes of the Executive Committees on 25 January 2019.

94. COMMUNICATIONS RECEIVED BY THE CHAIR

Zoe Billingham	Fire & Rescue Inspection Updates
	Publication of First Tranche of FRS Reports
LGA	Circular NJC/1/19 – Tap Hereford & Worcester FRS
Home Office	Jonny Bugg – Head of Fire Strategy & Reform
	Shehla Husain – Fire Revenue Firelink Grant
	Luke Edwards, Director of Fire & Resilience

RESOLVED – that the communications be noted.

95. REPORTS OF THE CHIEF FIRE OFFICER

95.1 HMICFRS – Public Perception of Fire and Rescue Services in England 2018

The Chief Fire Officer (CFO) provided Members with the summary of key findings to emerge from the HMICFRS Public Perceptions Survey commissioned by the HMICFRS, as attached at Appendix 1.

He referred Members to section 4 of the report which covered:

- Survey Details and response rates
- Findings within Cleveland
- Comparisons with the national Picture
- Perceptions, image and reputation of the FRS
- Representativeness of the FRS
- Interest and Engagement with the FRS
- Top three areas of interest within the FRS
- Top three methods for gaining information
- Accessing the FRS
- Contact with the FRS
- Responsibilities and Priorities of the FRS

The CFO reported that Cleveland had a pleasing 77% return, 7% higher than the national average, and overall it was a very positive picture for the Authority and the FRS. Councillor James referred to paragraph 4.4 and noted the response rate across all four constituent areas was reflective per capita.

RESOLVED - That the outcomes reported from the HMICFRS Public Perceptions of Fire and Rescue Services in England 2018 Survey, as detailed within the Executive Summary at Appendix 1, be noted.

95.1 HMICFRS – Update

The CFO provided Members with the outcomes from the first tranche of inspections undertaken in 14 fire and rescue authorities (FRAs), as detailed at Appendix 1.

He referred Members to the table at section 3.4 of the report giving an overview of how the 14 FRAs had been rated from Outstanding, Good, Requires Improvement or Inadequate on the three pillars of judgement: Effective; Efficiency; People. He noted no service had received an ‘outstanding’ rating with only Lancashire and Cambridgeshire being rated as ‘Good’. He informed Members that Cleveland would be inspected in the third tranche taking place in Spring/Summer 2019.

Councillor Young asked if work would be undertaken to learn from the experiences of Tranche 1 inspections. The Director of Corporate Services (DoCS) advised that she would be taking cognisance of those outcomes.

RESOLVED - that the HMICFRS summary report and appendices be noted.

95.2 Prior Court – Presentation

Station Manager Stuart Simpson provided Members with a presentation on the 11th floor flat fire at Prior Court, Billingham which occurred on 25 November 2018. This covered:

- Timeline
- Resources used
- Factors to Deal with
- Damage
- Fire Investigation
- Post incident response

The Chair passed on thanks to the crews involved on behalf of the Authority and praised the fast response.

Councillor James noted that building regulations were being reviewed by the government following the Grenfell Fire. The CFO reported that Cleveland had responded to the Independent Review of Building Regulations and Fire Safety consultation by Dame Judith Hackitt and the ongoing public enquiry was being monitored closely by the Brigade's fire engineering department.

RESOLVED:-

(i) That the presentation be noted.

(ii) That a copy of the presentation be circulated to Members as requested.

95.3 Information Pack

96.4.1 Employers Circulars
96.4.2 National Joint Council Circulars
96.4.3 Campaigns

RESOLVED – that the information pack be noted.

96. REPORT OF THE TREASURER

96.1 Treasury Management Strategy

The Treasurer reported that owing to the timing of the meeting the Treasury Management Strategy 2019/20 would be scrutinised by the Audit & Governance Committee on 22 February 2019 and any issues raised reported back to the Authority. He briefly outlined the contents of the report which covered:

- Economic Background and Outlook for Interest Rates
- Interest Rate Forecasts
- Treasury Management Outturn Position 2017/18 and 2018/19 Mid-Year Review
- Treasury Management Strategy 2019/20
- Borrowing Strategy 2019/20
- Investment Strategy 2019/20
- Minimum Revenue Provision and Interest Costs / Regulatory Information 2019/20

RESOLVED:-

(i) That the 2019/20 prudential indicators outlined in Appendix B be approved.

(ii) That the 2017/18 Treasury Management outturn detailed in section 5 and Appendix A be noted.

(iii) That the 2018/19 Treasury Management mid-year position detailed in section 6 be noted.

96.1 Treasury Management Strategy continued

(iv) <u>Borrowing Strategy 2019/20</u>

Members noted that in the event of a change in economic circumstances the Treasurer may take out additional borrowing in advance of need to fund the Asset Management Plan if this secures the lowest long term interest cost.

(v) <u>Investment Strategy 2019/20</u>

a. **That the Counterparty limits as set out in paragraph 9.7 be approved.**

(vi) <u>Minimum Revenue Provision (MRP) Statement</u>

- **That the following MRP statement be approved:**
  For capital expenditure incurred before 1st April, 2008 the Authority's MRP policy is to calculate MRP in accordance with former CLG Regulations. This is 4% of the Capital Financing Requirement except where the Authority makes Voluntary Revenue Payments which is in excess of the amount required by these regulations, based on asset life;
- **From 1st April, 2008 the Authority calculates MRP based on asset life for all assets or where prudential borrowing is financed by a specific annuity loan, MRP will be calculated according to the actual annuity loan repayments.**

(vii) Members noted that owing to the timing of the meeting it was not possible to submit the report to the Audit and Governance Committee prior to this meeting, therefore the report will be submitted to the Audit and Governance Committee on 22nd February and should they make any recommendations these will be reported to the next Authority meeting.

97. JOINT REPORT OF THE CHIEF FIRE OFFICER AND TREASURER

97.1 Medium Term Financial Strategy 2018/19 to 2022/23 and Reserves Strategy

The Treasurer presented Members with an update of the Medium Term Financial Strategy (MTFS) to reflect the 2019/20 Local Government Finance Settlement announcement and to enable Members to consider the 2019/20 budget and Council Tax recommendations referred from the Executive Committee meeting on 25 January 2019. The report covered:

The Treasurer took Members through a presentation on CFA Funding and Budget 2019-2023 covering:

- Core Spending Power
- Funding Pressures
- Financial Assumptions
- MTFS 2019/20
- MTFS 2020-2023 (forecasted)
- Potential Sustainable Savings
- Reserves – Benchmarking
- Earmarked Reserves
- Conclusions and Recommendations

He confirmed that 2019/20 will be the 9th consecutive year of grant cuts representing £7.3m less grant than 2010/11 and gave MTFS 2020-2023 forecasted scenarios outlining the impact of both 2% and 3% pay awards with funded and unfunded pension costs giving a cumulative total deficit ranging from - £2.968m to -£4.852m.

97.1 Medium Term Financial Strategy 2018/19 to 2022/23 and Reserves Strategy cont.
The Treasure outlined potential sustainable savings to be made from transferring two wholetime duty pumps to day duty and three wholetime pumps to retained duty system. The presentation also covered the impact of council tax increases of £7 per annum or a referendum.

Councillor Young asked if there was anything that caused great concern. The CFO reported that it would be extremely difficult to plan and budget on a year-on-year basis. Councillor Bendelow asked why pension costs had increased. The Treasurer reported that there was a technical change in discount factor used to calculate pension rates forecast over a 30-40 year period and at this stage this amount cannot be quantified.

Members agreed to continue lobbying government for fair funding. Councillor Young stated that every pound taken away could have an impact on a life and he would support any petition to the government to say 'enough is enough'.

The Legal Adviser and Monitoring Officer (LAMO) asked Members to vote on the recommendations of the Executive Committee. Members voted unanimously in favour of the recommendations.

RESOLVED - That the following recommendations made by the Executive Committee at its meeting on 25 January 2019 be approved:-

(i) That details of the 2019/20 Provisional Local Government Finance Settlement which had been has issued in December be noted. Members are advised that the final settlement was issued on 29th January and this confirms:

- **a Council Tax Referendum Limit for Fire and Rescue Authorities of 3%;**
- **a reduction in core Government funding for the Authority of £310,000, compared to indicative December 2017 reduction of £320,000;**
- **the allocation of one off funding of £141,000 for 2019/20, which is the Authority's share of the national Business Rates retention levy account surplus;**

(ii) Members noted that the Chief Fire Officer will implement the approved 2019/20 CIRMP savings as follows:

	£'000
Incident Command unit alternative staffing model	43
Review of Control Room	145
Extend implementation of 4 riders to all appliances	483
Total 2019/20 savings	671

(iii) That the proposal to delay implementation of the CIRMP alternative crewing model saving of £253,000 from 2019/20 to 2020/21 to provide a longer lead time to make this saving be approved;

97.1 Medium Term Financial Strategy 2018/19 to 2022/23 and Reserves Strategy cont.

(iv) That the proposal that in 2019/20 the delay in implementation of the CIRMP alternative crewing model saving is funded from a combination of the one off allocation from the Business Rates retention levy account surplus of £141,000, lower reduction in Core Government Grant £10,000 and use of reserves of £102,000 be approved.

(v) Members noted that the proposed use of reserves may need to change to address any variation in the final Collection Fund figures for 2019/20, and details will be verbally reported at the meeting on 15 February 2019.

(vi) That the 2019/20 Council Tax increases of 2.9% and supporting statutory calculations detailed in Appendix G be approved. The recommended Council Tax increase is below the 3% Government Council Tax referendum limit, and provides recurring addition funding of £330,000 and will result in the following Council Tax levels;

2018/19		2019/20		
Weekly Council Tax £	Property Band	Annual Council Tax £	Weekly Council Tax £	Annual increase £
0.96	A	51.57	0.99	1.45
1.12	B	60.17	1.16	1.70
1.29	C	68.76	1.32	1.93
1.45	D	77.36	1.49	2.18
1.77	E	94.55	1.82	2.66
2.09	F	111.74	2.15	3.15
2.41	G	128.93	2.48	3.63
2.90	H	154.72	2.98	4.36

Approximately 65% of households are in Band A or B

(vii) That the 2019/20 revenue budget detailed in Appendix E be approved;

(viii) Members noted the significant financial risks and uncertainties facing the Authority over the period 2020/21 to 2022/23 detailed in the report;

(ix) Members instructed the Chief Fire Officer to develop a contingency savings plan based on scenarios 1a and 1b (i.e. forecast deficits of £2.297m and £3.497m respectively) and to report details to a future meeting as part of the process for setting the 2020/21 budget;

(x) That the Reserves Strategy detailed in section 7 and Appendix C be approved;

97.1 Medium Term Financial Strategy 2018/19 to 2022/23 and Reserves Strategy cont.

(xi) That the proposals to fund increased Asset Management Plan costs of £0.983m from the uncommitted Capital Receipts of £0.580m and Capital Investment Reserve of £0.403m be approved.

(xii) That the proposal to earmarked the net uncommitted Capital Investment Reserve of £0.334m to meet potential inflation and exchange rate risks of replacing fire appliances over the period 2020/21 to 2024/25 be approved.

(xiii) That the revised Asset Management Plan proposals for 2018/19 to 2025/26 as detailed in Appendix D be approved.

(xiv) Members noted the robustness advice detailed in section 9.

98. ANY OTHER BUSINESS

98.1 Cleveland Fire Support Network (CFSN) Vehicle Donation

CFSN Board Member Councillor Higgins passed on thanks on behalf of the CFSN to the Authority for donating two de-commissioned Brigade vehicles to enable the charity to carry out valuable safety work. Councillor James asked why volunteers were delivering Home Fire Safety Visits (HFSVs). The CFO clarified that Cleveland operated a unique model whereby it established a Community Interest Company (CIC) back in 2011 to generate profits for community good and some of these profits were provided to the voluntary sector.

99. 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 items of business, on the grounds that it involves the likely disclosure of exempt information as defined in paragraphs 3 & 4 below of Part 1 Schedule 12A of the Local Government Act 1972 as mended by the Local Government (Access to Information) (Variation) Order 2006", namely information relating to any 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."

100. CONFIDENTIAL MINUTES

RESOLVED – that the Confidential Minutes of the Ordinary Meeting of 14 December 2018 be confirmed.

101. CONFIDENTIAL MINUTES OF MEETINGS

RESOLVED - that the Confidential Minutes of the Executive Committee on 25 January 2019 be confirmed.

COUNCILLOR JAN BRUNTON DOBSON
CHAIR