

EAST SUSSEX FIRE AUTHORITY

Minutes of the meeting of the East Sussex Fire Authority held at East Sussex Fire & Rescue Service Headquarters, 20 Upperton Road, Eastbourne at 10.30 hours on Thursday 12 February 2015.

Present: Councillors Barnes, Buchanan, Butler, Carden, Earl, Galley, Hawtree, Howson (Chairman), Lambert (Vice-Chair), Peltzer Dunn, Pragnell, Powell, Scott, Sheppard, Taylor and Theobald.

Also present:

Mr. D. Prichard (Chief Fire Officer & Chief Executive), Mr. G. Walsh (Deputy Chief Fire Officer), Mr. G. Ferrand (Assistant Chief Fire Officer), Mr. D. Savage (Treasurer), Miss. E Woodley (Deputy Monitoring Officer), Mr. W. Tricker (Head of Finance and Procurement) and Mrs. K. Ward (Clerk).

826. DISCLOSABLE PECUNIARY INTERESTS

826.1 It was noted that, in relation to matters on the agenda, no participating Member had any disclosable pecuniary interest under Section 30 of the Localism Act 2011.

827. APOLOGIES FOR ABSENCE

827.1 An apology for absence was received from Councillors Deane and Wincott.

828. URGENT ITEMS AND CHAIRMAN'S BUSINESS

828.1 Councillor Powell informed Members that she attended an Equality & Diversity briefing at Westminster on 11th February 2015. The briefing was very informative and reiterated the importance of applying equality & diversity across all sectors of the Service and treating everyone in a fair manner.

828.2 Councillor Scott requested that the Chairman consider his request to ask the Fire Authority to review a decision made by Policy & Resources on 15 May 2014 regarding the Automatic Fire Alarm Policy. The Chairman declined his request stating there were other more appropriate channels to raise this matter and as a consequence did not consider it to be urgent business.

828.3 The Chairman advised the Fire Authority that this would be Councillor Carden's last meeting as a Fire Authority Member as he had decided not to stand for re-election in the up-coming Brighton & Hove elections. Councillor Carden has been on the Fire Authority since June 2001 and would be welcomed back to a future meeting for a formal presentation.

829. TO CONSIDER PUBLIC QUESTIONS, IF ANY

829.1 There were none.

830. TO CONSIDER PUBLIC PETITIONS, IF ANY

830.1 There were none.

831. NON-CONFIDENTIAL MINUTES OF THE MEETING HELD ON 11 DECEMBER 2014

831.1 **RESOLVED** – That the non-confidential Minutes of the meeting held on 11 December 2014 be approved and signed by the Chairman. (Copy in Minute Book).

832. **CALLOVER**

832.1 Members reserved the following items for debate:

- 833. Fire Authority Service Planning Processes for 2014/15 and beyond
 - Part A Draft Annual Plan 2014/15
 - Part B Fire Authority Service Planning processes for 2014/15 and beyond – Revenue Budget 2014/15 and Interim Capital Programme 2014/15-2018/19
- 834. ESFRS Maritime Response Team
- 835. Fire Authority Treasury Management Strategy 2015/16
- 837. Firefighters' Pension Scheme – new governance requirements

832.2 **RESOLVED** – That all other reports be resolved in accordance with the recommendations as detailed below.

833. **FIRE AUTHORITY SERVICE PLANNING PROCESSES FOR 2015/16 AND BEYOND**

833.1 The Fire Authority considered a joint report of the Chief Fire Officer & Chief Executive and the Treasurer that presented the relevant reports on the Service Planning Processes for 2015/16 and beyond for approval for the purposes of setting the 2015/16 Council Tax precept and other relevant matters. (Copy in Minute Book).

833.A **Draft Annual Plan 2015/16**

833.A.1 The Fire Authority considered a report of the Chief Fire Officer & Chief Executive that summarised the outstanding actions required to complete the Draft Annual Plan 2015/16 for approval and for final completion by the publication date of 30 June 2015. The current 2014/15 Annual Plan contained key information on the Fire Authority's Service priorities for the year ahead including summary performance information and available resources. The draft 2015/16 Annual Plan had been prepared alongside the decisions being made by the Fire Authority and its Panels on similar issues for 2015/16 and beyond. (Copy in Minute Book).

833.A.2 The final version of the draft 2015/16 Annual Plan would be adapted to take into consideration the outcomes of all of the 2015/16 Service Planning preparations including current Community Risk Management review activities, the latest Revenue Budget and Capital Programme as well as the outcome of the corporate performance results 2014/15.

833.A.3 **RESOLVED** that:

- i) the roll forward of the draft Annual Plan for publication by 30 June 2015, subject to any final amendments once the Revenue Budget has been approved at this meeting and other outstanding information set out in the report, be approved in principle; and
- ii) approval of the final version of the Annual Plan be delegated to the Chief Fire Officer & Chief Executive in consultation with the Chairman.

833.B **Fire Authority Service Planning processes for 2015/16 and beyond – Revenue Budget 2015/16 and Interim Capital Programme 2015/16 to 2019/20**

833.B.1 The Fire Authority considered a joint report of the Chief Fire Officer & Chief Executive and the Treasurer that set out the final draft 2015/16 Fire Authority Revenue Budget and Capital Programme. The Fire Authority was statutorily required to set its precept for 2015/16 before 1 March 2015. (Copy in Minute Book).

- 833.B.2 An initial report on the draft Revenue Budget 2015/16 and Capital Programme 2015/16 – 2019/20 was considered by Members of the Policy & Resources Panel at their meeting on 15 January 2015. Subsequent to that meeting the following additional financial information has been incorporated into the final budget proposals:
- Council Tax and Business Rates bases
 - Collection Fund surpluses for Council Tax and Business Rates
 - Revised estimates of income from the Business Rate Pool
- 833.B.3 Local Government Finance Settlement (LGFS) will not be finalised until the Local Government Finance Report (England) 2015/16 has been approved by Parliament.
- 833.B.4 The Authority had made good progress in identifying and agreeing savings proposals over the last 12 months, through its Changing the Service, Shaping our Future programme. When pre-existing programmes and other non-operational savings were taken into account the Authority had already identified £5.7m of savings for delivery by 2019/20. Depending on decisions on Council Tax, the Authority would still need to find up to another £1.7m of savings over that period. Options for changes to operational and non-operational services (phase 3) that were expected to deliver additional savings would be presented to the Authority to consider over the next 12-18 months.
- 833.B.5 There remained a number of uncertainties for funding in 2015/16 and beyond and the Fire Authority would need to remain flexible in its approach to its financial planning, especially in advance of the next Spending Review which was expected to follow the national elections in May 2015. Current assumptions were based on the most up to date information available. The late announcement of key financial information through both the Autumn Statement and the Local Government Finance Settlement (LGFS) continued to hamper effective and timely planning and reporting.
- 833.B.6 Members considered the two options presented in the report, either: A) to increase the Council Tax by 1.94% taking the Band D charge to £85.07 and generating additional income of £0.441m in 2015/16; or B) to accept the 2015/16 Council Tax Freeze Grant of £0.259m and to maintain the Council Tax Band D at £83.45 for the second year in a row.
- 833.B.7 Councillor Galley highlighted the £13,833,000 in total usable reserves which he considered high and felt the Fire Authority shouldn't be asking for more money from Council Tax payers at this time. He noted the combination of the underspend of £175,000 within earmarked reserves together with the acceptance of the freeze grant would equate to putting Council tax up by 1.94%.
- 833.B.8 The Treasurer noted the reduction in funding by 40% made this parliament with an expected 60% still to come during the next parliament. Some commentaries were predicting a zero grant situation by 2020 and the Fire Authority needed to consider that possibility. The Service had made good progress by identifying and delivering savings, but there was still a lot of work to do to meet the funding gap.
- 833.B.9 The Treasurer advised Members of the comparable information based on a benchmarking exercise which showed that East Sussex was below the national average for reserves. It was important to maintain reserves to enable the Service to deliver capital projects such as the Breathing Apparatus replacement programme, implementation of day crewed plus accommodation, possible replacement of the ALP to ARP and to enable projects such as the joint transport bid and future proposals for Preston Circus and Headquarters. A significant amount of the reserves were already earmarked for capital projects that had been agreed by the Fire Authority.

- 833.B.10 The Chief Fire Officer & Chief Executive reminded Members of the Fire Authority's decision to sell all service housing by 31 March 2015 and that the current Capital Expenditure budget position was largely due to the receipt of those sales. The current Capital Expenditure budget was supported by a contribution from the Revenue Budget which the Fire Authority had already agreed would decrease from £1m per annum to £500,000 per annum over the next 2 years as part of the savings in the MTFP. This reduction in the revenue contribution would put further strain on the existing capital reserves in future years.
- 833.B.11 Councillor Hawtree reiterated the views of local residents in that they understood and supported an increase in Council Tax and that Members should take that on board in their deliberations.
- 833.B.12 Councillor Lambert agreed with Councillor Hawtree and felt that to mitigate the difficult decisions they had made Members should increase Council Tax and progress the CIC to help support local businesses and generate income.
- 833.B.13 Councillor Peltzer Dunn noted the public consultation undertaken was two years ago and that the results were not conclusive as it only showed the views of those that had responded. Officers were asked to provide the number of respondees to the consultation so that the outcomes could be put into context.
- 833.B.14 Councillor Barnes highlighted the importance of capital investment to support new money saving schemes and that there may now be an opportunity to review the Authority's approach to capital. Whilst he did not agree generally with increasing taxation, Councillor Barnes felt it important to increase Council Tax this year in order to underpin the budget and have some control over its future, particularly as there was still £1.4m of savings to be found in the budget.
- 833.B.15 Councillor Scott informed members that there were elements of the budget which he could not support. Pressure on the budget would not change but get worse and Councillor Scott felt it was time to go back to delivering Core services.
- 833.B.16 **RESOLVED** – That
- (1) an increase in Council Tax of 1.94% (Option A) be approved and as a result the following be approved:
 - (i) the budget proposals set out in this Report and the net budget requirement of £38.627m for 2015/16;
 - (ii) the Council Tax requirement of £23.170m; and
 - (iii) the Council Tax and precepts as set out in Appendix G, part 1;
 - (iv) the capital programme for the next five years and the capital budget of £5.855m for 2015/16 and the plans to use capital grant, capital receipts and revenue contributions to finance that expenditure;
 - (v) the maintenance of the General Reserve at a minimum of 8% of the net revenue budget over the medium term;
 - (vi) the transfer £95,000 from Earmarked Reserves no longer required into the Improvement & Efficiency Reserve;
 - (vii) the transfer of the projected revenue underspend of £0.132m for 2014/15 to the Capital Programme Reserve; and
 - (viii) the fees and charges set out in Appendix D;
 - (2) the Chief Fire Officer & Chief Executive, in consultation with the Chairman and Treasurer, be authorised to make adjustments to the presentation of the budget to reflect the final Local Government Finance Settlement.

Councillor Powell wished it formally recorded that she felt the Fire Authority should have approved a higher Council Tax increase.

Council Tax Calculations

Option a

EAST SUSSEX FIRE AUTHORITY: PRECEPT FOR 2015/16

REF: S43 LOCAL GOVERNMENT FINANCE ACT 1992

	£	£
NET BUDGET REQUIREMENT		38,627,000.00
Forecast Business Rates retained	2,561,000.00	
Top Up grant	4,729,000.00	
Total Base Line funding	<u>7,290,000.00</u>	
Add Revenue Support Grant	<u>7,514,000.00</u>	
Settlement Funding Assessment	14,804,000.00	
Section 31 Grant Business Rates adjustment	276,000.00	
Council Tax Freeze Grant	0.00	
Previous Year's Surpluses/(Deficits)	377,000.00	
Total Council Tax Requirement		<u>23,170,000.00</u>
Tax base	272,366.01	
Basic Council Tax (Band D equivalent)		85.07
Basic Council Tax from above calculation		<u>Council Tax</u>
Band A	6/9	56.71
Band B	7/9	66.17
Band C	8/9	75.62
Band D	9/9	85.07
Band E	11/9	103.97
Band F	13/9	122.88
Band G	15/9	141.78
Band H	18/9	170.14
	<u>Tax Base</u>	<u>Precept</u>
Brighton and Hove	83,633.50	7,114,702
Eastbourne	32,558.90	2,769,786
Hastings	24,281.00	2,065,585
Lewes	34,979.80	2,975,732
Rother	35,708.31	3,037,706
Wealden	61,204.50	5,206,667
	272,366.01	23,170,178

834. **ESFRS MARITIME RESPONSE TEAM – FUTURE OPTIONS**

- 834.1 The Fire Authority considered a report of the Chief Fire Officer & Chief Executive that provided an update on the Integrated Risk Management Plan (IRMP) Phase 3 Review of Offshore Maritime Response. (Copy in Minute Book).
- 834.2 Coastal Fire and Rescue Services (FRS) had a statutory duty to fight fires on vessels within their area by virtue of Section 72 of the Local Government Act 1972. The area of responsibility for Coastal Fire Authorities generally extended to the mean low water mark (MLWM) at ordinary tide. There was no statutory duty for provision of offshore firefighting beyond the MLWM. East Sussex Fire & Rescue Service (ESFRS) had a long history of supporting an offshore maritime response to those in distress as a result of fire on board ship.
- 834.3 Since the last review of the Authority decision to support an offshore maritime response, both the Maritime Coastguard Agency's (MCA) funding and the interim Chief Fire Officers' Association (CFOA) National Resilience Fire & Rescue Marine Response framework had ceased operations.
- 834.4 Along with some other coastal FRSs, ESFRS was successful in identifying funding to enable it to maintain an offshore response managed under local arrangements; this had been operating in its current format since early 2012.
- 834.5 Members considered options, (in light of the financial challenges now facing the Service), for the future of the ESFRS Maritime Response Team, or to cease providing the capability altogether. Option 1 was to maintain existing offshore maritime capability; option 2 was to reduce the size of the Maritime Response Team and introduce a range of efficiency measures; and option 3 was to cease to provide an offshore maritime response capability. Members considered the risks locally, as well as the financial implications of the options presented.
- 834.6 Councillor Lambert favoured option 2 as she felt it important that the Service should have an offshore response team, particularly having regard to the significant growth proposed in Newhaven with regards the proposed additional berths and windfarm, and to support firefighting at other sites such as Hastings, Eastbourne and Brighton Piers.
- 834.7 Councillor Powell agreed but noted her concern that there was no Union view on the proposals.
- 834.8 Deputy Chief Fire Officer Walsh noted a conversation he had with the FBU in which they stated it was not a Core Service and therefore they would not support maintaining the team and would therefore support option 3, although this had not been a formal consultation.
- 834.9 Councillor Barnes didn't feel it appropriate to cut Maritime Response at the moment as Newhaven was at risk due to the level of expansion in the area and suggested it would be appropriate to look at charges should the team be called to the windfarm.
- 834.10 Councillor Butler wished to record her thanks for the support provided by Members and also highlighted the new cross channel ferry service to France from Newhaven.
- 834.11 **RESOLVED** – That an offshore maritime response continue to be provided in line with a revised model (Option 2) for a further period of three years subject to the necessary consultation with staff, be approved in principle.

835. **FIRE AUTHORITY TREASURY MANAGEMENT STRATEGY FOR 2014/15**

835.1 The Fire Authority considered a report of the Treasurer that recommended borrowing limits, the prudential indicators and limits, the investment strategy and policy as required by Section 3 (1) of the Local Government Act 2003 and the Prudential Code for Capital Finance 2004. (Copy in Minute Book).

835.2 The emphasis continued to be on security (protection of the capital sum invested) and liquidity (keeping money readily available for expenditure when needed). The strategy and limits were consistent with the proposed capital programme and revenue budget. It was impossible in practical terms to eliminate all credit risk. The Fire Authority sought to be prudent

835.3 The Authority was recommended to approve borrowing limits to give flexibility for any future consideration in undertaking new external long-term / replacement borrowing should the need arise or market conditions prove favourable.

835.4 The Fire Authority had always adopted a prudent approach on its investment strategy and, in the last few years, there had been regular changes to the list of the approved organisations used for investment of short term surpluses. This list was regularly reviewed to ensure that the Authority was able to invest at the best available rates consistent with low risk, and the organisations were regularly monitored to ensure that their financial strength and low risk had been maintained. The 2015/16 strategy continued the prudent approach and ensured that all investments were only to the highest quality rated banks and only up to a period of one year.

835.5 The Authority was recommended to approve an increase in investment with any approved counterparty from £3m to £4m. This would allow the Authority to be more flexible with its cash balances during the year.

835.6 The Treasury Management policy statement for 2015/16 remained unchanged from the current year.

835.7 **RESOLVED** – That

- i) the treasury management strategy and policy statement for 2015/16 be approved (and adopted for the remainder of 2014/15);
- ii) for 2015/16 the Authorised Limit for borrowing shall be determined at £13.831m;
- iii) the prudential indicators as set out in the attached Appendix 2 to the report be adopted; and
- iv) the Minimum Revenue Provision (MRP) Statement for 2015/16 as set out in the attached Appendix 3 to the report be approved.

836. **APPROVAL OF PAY POLICY STATEMENT 2015/16**

836.1 The Fire Authority considered a report of the Monitoring Officer that set out the legal requirements relating to the adoption of a pay policy statement, and sought approval to the Fire Authority's Pay Policy statement for the period 1 April 2015 to 31 March 2016. (Copy in Minute Book).

836.2 The Statement had been drawn up with due regard to all relevant guidance and last year's policy and had to be approved by 31 March 2015. The Localism Act 2011 prevented approval of a pay policy statement being delegated by the Authority to a Panel.

836.3 **RESOLVED** – That the Pay Policy Statement for 2015/16, appended to the report, be approved.

837. **FIREFIGHTERS’ PENSION SCHEME – NEW GOVERNANCE ARRANGEMENTS**

837.1 The Fire Authority considered a joint report of the Chief Fire Officer & Chief Executive, Treasurer and Monitoring Officer that advised Members of the requirements of the Public Service Pensions Act 2013 and sought approval for the arrangements to establish a Pension Board. (Copy in Minute Book).

837.2 The Public Service Pensions Act 2013 (the ‘2013 Act’) introduced key provisions on scheme governance in relation to the Firefighters’ Pension Scheme and other public service pension schemes. It provided for :

- A ‘responsible authority’ which makes the regulations for the scheme – this will be the Department for Communities and Local Government
- A ‘scheme manager’ to be responsible for managing the administering the scheme – this will be the Fire Authority.

837.3 Draft Regulations issued by DCLG as the responsible authority provided for:

- The establishment of a new local ‘pension board’ to assist the scheme manager.
- The establishment of a new national ‘scheme advisory board’ to provide advice to the Department for Communities & Local Government in relation to changes to the scheme and to provide advice to the scheme manager(s) and pension boards(s).

837.4 The Pension Board is not a decision making body as such, it should not be called a Sub-Committee or Sub-Panel. However, its deliberations should be brought to the attention of the wider Fire Authority, and it is proposed that it should report to the Scrutiny & Audit Panel. The political balance rules will not apply to Member appointments on the Board as it is not a “committee” for the purposes of the Local Government and Housing Act 1989.

837.5 The Pension Board will assist the Fire Authority in its role as the scheme manager to :

- Secure compliance with the scheme regulations and other relevant legislation in respect of governance and administration.
- Secure compliance with the requirements imposed by the Pensions Regulator.
- Assist with any other matters as may be specified in the relevant legislation.

837.6 The Board has to include a minimum of 4 members with equal numbers of employer and member representatives. Independent members can also be appointed. To ensure quoracy and appropriate representation, it was recommended that the Board be formed of 8 members (or 9 if it is decided to recruit an independent chair).

837.7 Member representatives may be trade union representatives but any active (i.e. contributing but not deferred or pensioner) member of the FPS may be appointed. To ensure fair representation, it is recommended that each of the four representative bodies (FBU, FOA, RFU, APFO) is asked to nominate a suitable Board member.

837.8 Employer representatives may be councillors or officers but may not be those with responsibility for making decisions on the pension scheme (i.e. where there is a conflict of interest). These may be a mix of Councillors and officers but given the extent to which many senior officers would be conflicted by their role in the management and administration of the Scheme it is recommended that four Councillors are nominated to be members of the Board. Officers would then be free to advise the Board or be called to attend should the need arise.

837.9 Members discussed the merits of appointing an independent Chair or an Authority appointed Chair. It was agreed given the savings the Fire Authority were having to make, that an Authority Appointed Chair would be the best option with a review to be carried out after one year.

837.10 Officers advised that there would be approximately two meetings a year, however during the first year there would be additional meetings in order to provide the necessary training. Members felt that this responsibility should attract half the special responsibility allowance in order to save cost and this would match the small number of meetings requiring attendance.

837.11 **RESOLVED** – That the requirements of the Public Service Pensions Act 2013 and to comment on and approve the arrangements set out in the report to establish a local Pension Board be noted and specifically

(i) the Terms of Reference as set out in Appendix B be approved; and

(ii) agree to the appointment of an Authority appointed Chair.

(iii) the Members' Allowances Scheme be amended to:

(a) extend the payment of allowances to the local Pension Board members equivalent to half the special responsibility allowance for membership of a Panel; and

(b) the payment of an allowance equivalent to half the Members' Basic Allowance to an independent Chair, should one be appointed be approved; and

(iv) authority be delegated to the Chief Fire Officer & Chief Executive, in consultation with the Monitoring Officer, the Treasurer and the Chairman of the Fire Authority, to finalise the details of the establishment of the local Pension Board in line with the final statutory instrument and any further guidance issued by the DCLG or other relevant bodies.

838. **DATE OF ANNUAL MEETING OF THE FIRE AUTHORITY**

838.1 The Fire Authority considered a report of the Chief Fire Officer & Chief Executive, that sought approval to change the scheduled date of the annual meeting from 4 June to 18 June 2015. This would allow time for a report on the Service Headquarters relocation to be considered by the Policy & Resources Panel at its meeting on 28 May 2015, prior to the report and any subsequent further recommendations from the Panel being considered by the Fire Authority. (Copy in Minute Book).

838.2 **RESOLVED** - That the annual meeting of the Fire Authority be moved from 4 June to 18 June 2015.

839. **FIRE AUTHORITY AND PANEL MEETINGS**

839.1 **RESOLVED** – That the following dates be approved for meetings of the Fire Authority and its Panels:

Fire Authority:

18 June 2015
10 September 2015
10 December 2015
11 February 2016
16 June 2016

Panel Meetings:

28 May 2015	Policy & Resources, Scrutiny & Audit
09 July 2015	Policy & Resources, Scrutiny & Audit
17 September 2015	Scrutiny & Audit
05 November 2015	Policy & Resources, Scrutiny & Audit
14 January 2016	Policy & Resources, Scrutiny & Audit
12 May 2016	Policy & Resources, Scrutiny & Audit

Members' Seminars:

Friday 13 March 2015
Tuesday 7 July 2015
Wednesday 7 October 2015

840. **EXCLUSION OF PRESS AND PUBLIC**

840.1 **RESOLVED** – That the following items be exempt under the paragraphs indicated of Schedule 12A to the Local Government Act 1972 as amended by the Local Government (Access to Information) (Variation) Order 2006 and accordingly are not open for public inspection on the grounds that they include information relating to the financial or business affairs of any particular person (including the authority holding that information), and information relating to an individual.

Item 841 Paragraphs 1 & 3
Item 842 Paragraph 3

The meeting concluded at 12.50 hours.

Signed

Chairman

Dated this 18th day of June 2015.

