

## **EAST SUSSEX FIRE AUTHORITY**

**NON-CONFIDENTIAL Minutes of the meeting of the EAST SUSSEX FIRE AUTHORITY held at County Hall, St Anne's Crescent, Lewes BN7 1UE at 10:30 hours on Thursday, 6 September 2018.**

Present: Councillors Barnes (Chairman), Dowling, Elford, Galley, Lambert, MacCafferty, Morris, Osborne, Peltzer Dunn, Penn, Sheppard, Smith and Taylor.

### **Also present:**

D Whittaker (Chief Fire Officer), M O'Brien (Deputy Chief Fire Officer), M Andrews (Assistant Chief Fire Officer), A Ghebre-Ghiorghis (Monitoring Officer), D Savage (Assistant Director Resources/Treasurer), L Ridley (Assistant Director Planning & Improvement), M Matthews (Assistant Director Safer Communities), H Scott-Youldon (Assistant Director Training & Assurance), V Chart (Assistant Director HR & OD), R Fowler (Assistant Director Operational Support & Resilience), L Woodley (Deputy Monitoring Officer), C George (Procurement Manager), E Curtis (Communications & Marketing Manager), L Stevenson (Contracts & Insurance Assistant), A Collins (Communications Officer), Huw Oxburgh (Press), E Simpkin (Democratic Services Officer), Z Downton (Democratic Services Officer) and A Blanshard (Senior Democratic Services Officer).

### **48            INTERESTS**

48.1            It was noted that, in relation to matters on the agenda, no participating Member had any disclosable interest under the Fire Authority's Code of Conduct for Members.

### **49            APOLOGIES FOR ABSENCE**

49.1            Apologies had been received from Councillors Deane, Earl, O'Quinn, Scott and Tutt.

### **50            URGENT ITEMS AND CHAIRMAN'S BUSINESS**

50.1            The Chairman informed Members that East Sussex Fire & Rescue Service (ESFRS) had received an update from HM Inspector of Fire and Rescue Service on the HM Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) inspection regime. The key points of note were that:

- Tranche 1 of Fire and Rescue Service (FRS) Inspections were currently undergoing inspection fieldwork;
- Tranche 2 of the FRS were in the midst of data collection and discovery activity with inspections being undertaken in November and January.

50.2            ESFRS would be inspected in Tranche 3, commencing in Spring 2019. There was no date set, however officers were already working hard on preparing the service for inspection and working closely with HMICFRS on data submissions and other requirements.

**51** **TO CONSIDER PUBLIC QUESTIONS, IF ANY**

51.1 There were none.

**52** **TO CONSIDER PUBLIC PETITIONS, IF ANY**

52.1 There were none.

**53** **MINUTES OF THE MEETING HELD ON 14 JUNE 2018**

53.1 **RESOLVED** – That the minutes of the meeting held on 14 June 2018 be approved and signed by the Chairman. (*Copy in Minute Book*)

**54** **CALLOVER**

54.1 Members reserved the following items for debate:

55 Strategic Service Planning and Medium Term Financial Plan 2019/20

56 Provision of Insurance

57 2017/18 Annual Performance Outcome Report

58 Procurement Strategy

**55** **STRATEGIC SERVICE PLANNING AND MEDIUM TERM FINANCIAL PLAN 2019/20**

55.1 The Fire Authority received the report of the Chief Fire Officer (CFO) and Assistant Director Resources/Treasurer (ADR/T) seeking to roll forward the Fire Authority's medium term service planning strategy and the medium term financial plan for 2019/20 to 2023/24. (*Copy in Minute Book*)

55.2 The report set the financial context for the service planning process, through an update to the Medium Term Finance Plan (MTFP) and determined how best to deliver the Authority's purpose and commitments, the Integrated Risk Management Plan (IRMP) and the targets and priorities that underpinned them. Closer alignment of business and resource planning was necessary to ensure the Authority could continue to deliver its corporate strategy and IRMP more effectively, this would continue for the 2019/20 budget setting process.

55.3 The ADR/T reminded the Authority that there remained uncertainty about the future of local government funding. There were ongoing consultations on the future funding arrangements but at this stage there was no certainty past the final year of the multi-year funding settlement, 2019/2020. Therefore, the last four years of the MTFP should be regarded as indicative at this stage. Much of the detail that was required to set the budget for 2019/20 and prepare the Authority's MTFP was unlikely to be available until January 2019.

- 55.4 The ADR/T explained that the revised MTFP models, following a balanced budget in 2019/20, forecast two scenarios: a probable and a worst case. The savings required under each were:
- Probable – savings required in 2020/21 of £0.360m increasing to £1.537m by 2023/24
  - Worst case – savings required in 2020/21 of 0.629m increasing to 2.424m by 2023/24
- 55.5 The ADR/T informed the Authority that this level of saving should be regarded as a minimum and that in order to fund additional investment in the service they would need to continue to drive through the service and budget planning process, identifying pressures and savings and cashable efficiencies sufficient to provide options to meet the probable scenario. This would enable the Authority to make informed choices about both balancing its budget over the medium term and delivering effective services once the position for 2020/21 was clearer.
- 55.6 Members were reminded that this report was outlining the very early stage of the budget setting process, there had been assumptions made in the forecasts about knowns and unknowns.
- 55.7 Members sought clarification on a number of points. At paragraph 3.24 of the report it stated that work on a new IRMP would commence in autumn 2019, including a full fire cover review, Members requested more information on what this would entail.
- 55.8 The CFO explained that a fire cover review was a significant piece of work that should be undertaken cyclically, every 5-8 years. It sat under the IRMP and assessed the level of resource required to meet changing risk in the communities we serve. During a review consideration would be made of community and risk profiles, historic incident attendance, fleet strategy and duty systems. A fire cover review was forward looking and considered growth estimates and anticipated changes in terms of risk. It would reflect change in business safety, categorisation of risk of premises, changes in demographic, road routing, and economic development.
- 55.9 The ADR/T explained that, as previously agreed by Members, the planned use of reserves would lead to a significant reduction in the overall level of reserves held over the next 5 years, as detailed in table 2 on page 24 of the agenda. The MTFP showed a forward view of the next 5 years. There was some degree of confidence in the next year, however, from 2020/21 the Authority would be entering a “perfect storm” with funding affected by the Comprehensive Spending Review (CSR), changes to business rates retention, from 50% to 75% and changes to formula by which funding was allocated across the fire sector (the Fairer Funding Review). The risk that FRS funding through the Business Rate Retention regime would be moved to a Home Officer Grant had lessened as this would require primary legislation which was unlikely in the short term.
- 55.10 The Authority asked, given the uncertainty surrounding government funding for Fire & Rescue Services, if ESFRS was lobbying for information on a national level.

The CFO responded that the Fire Authority were welcome to lobby, but that this would be a decision for Members to take. From an Officer perspective, ESFRS was actively involved in national funding discussions and consultations. The ADR/T was a member of the NFCC Finance Co-ordination Committee and the CFO was on the NFCC Financial Strategy Group who were actively submitting their thoughts and opinion on future funding, especially the CSR, to government. Members agreed that the Chairman should be requested to write to local MP's detailing the situation faced by FRS and ESFRS in particular asking for their support and agreement to lobby government for more detail on future FRS funding.

- 55.11 Members enquired as to whether ESFRS was conducting any contingency planning with regard to the UK's exit of the European Union. The CFO explained that Officers were working on national plans with colleagues at the NFCC. All plans were based on the government's current 70 statements. The ACFO added that the Sussex Resilience Forum was joining national discussions on technical notices. All plans were being made on assumptions made at a national level. These plans were based on perceived risks of a "No Deal" Brexit, with particular attention being paid to considered scenarios at ports.
- 55.12 In response to a Member question regarding the arrangements ESFRS had for external auditing of decisions and whether it had considered peer challenge, the CFO explained she was confident in the robustness of the Authority's general governance. ESFRS had been the first fire service in the country to have commissioned an independent governance review, the results of which would soon be ready. The results would be presented to a future Members Seminar and the findings considered and enacted. The CFO added that the Internal Audit function of ESFRS was independent as it was commissioned through ESCC. The audits conducted were thorough. Members could also take assurance from the work of external audit, conducted by EY the audit was extremely thorough and was presented directly to Members. The CFO added that there was a peer review of fire funding available, but that it had not yet been necessary to instigate. The HMICFRS inspection regime also included consideration of financial decision making, and ESFRS was due to be inspected in Spring 2019.
- 55.13 The ADR/T endorsed all the CFOs comments and added that work was being undertaken through the NFCC nationally to consider Fire Authority Reserves, submissions to the CSR, and debate on financial resilience. ESFRS endeavoured to provide full and transparent financial reporting through SLT, Policy & Resources Panel and the Full Fire Authority. The Authority was required to appoint a Treasurer in order to ensure that Members and Officers were provided with independent advice.
- 55.14 The Authority had been pragmatic about Council Tax by maintaining its base rate at the referendum threshold. It was also clear on specific savings and efficiencies, planned savings and the use of reserves. He agreed that the Authority would face challenges, but that it was currently in a relatively sound financial position. Members stated that they were impressed by the financial planning and that the Authority had been sensible with its approach to Council Tax precepts. They were clear that there was a marked difference between Combined Fire Authorities, such as ESFRS, and the County Council Fire Authorities. The current issues faced by

ESFRS were not a result of our processes and but more to do with external influences and issues.

55.15 **RESOLVED** – That the Fire Authority:

- i) approved the updated Medium Term Financial Plan for 2019/20 to 2023/24 and its underlying assumptions;
- ii) delegated authority to agree a submission of interest to join an East Sussex Business Rate Pilot to the Assistant Director Resources/Treasurer after consultation with the Chief Fire Officer and the Chairman; and
- iii) noted that an update on the Efficiency Strategy would be reported to the Policy & Resources Panel on 1 November 2018.

## **56 PROVISION OF INSURANCE**

56.1 The Fire Authority received the Report of the Assistant Director Resources/Treasurer (ADR/T) presenting Members with a proposal for the Authority to join the Fire and Rescue Indemnity Company (FRIC), an entity formed by other Fire and Rescue Authorities to act as a pool for insurance purposes from 1 April 2019. (*Copy in Minute Book*)

56.2 The ADR/T explained that the Authority purchased insurance cover to meet its statutory requirements and mitigate risk. In the past this was arranged by tendering for services using an EU compliant process with the support of a broker. The current five year agreement would expire on 31 March 2019. After conducting an option appraisal, officers selected a collaborative approach through joining a FRIC, formed by other Fire and Rescue Authorities to act as a pool for insurance purposes. Under Pooling arrangements, all participating FRS would share the cost of establishing a pool fund from which any loss incurred by an individual member of the insurance pool would be met. The current arrangement was first established by nine FRS's in 2015 and a number of other fire authorities had either decided to join or were actively considering doing so.

56.3 Members were not adverse to the proposal and asked for clarity on any risk associated with the FRIC. The ADR/T confirmed that the Authority was naturally prudent on Insurance. It had taken time to consider the change to FRIC, and had waited to ensure lessons had been learned from previous enterprises. Membership of FRIC had been considered some years ago, but it had been decided to wait and track progress from outside of the pool during the early stages. It was not without risk, but equally there was no guarantee of the process being risk free with traditional Insurance companies. Currently the Insurance market did not have an offering that reflected the specific requirements of a FRS.

56.4 Members were informed that the FRIC, with its fire specific focus had developed a risk management assessment process. It had established and supported the Fire & Rescue Risk Group (FARRG) and as a result, the process was more specifically suited to the sector. It was anticipated the collaborative learning from FARRG should help reduce the frequency and severity of claims, this would not only save FRIC

money but also members operational and management time associated with incidents and related reputational impact.

- 56.5 The ADR/T added that the nine authorities currently in the FRIC had worked together to develop the risk management assessment process and sharing best practice, including benchmarking of risk management arrangements and a commitment to reach this standard. Support was provided to help FRIC members deliver the common risk management plan.
- 56.6 The Authority were concerned as to what would happen if ESFRS left the FRIC, the ADR/T confirmed that in this circumstance, the Service would simply return to the traditional method of purchasing insurance.
- 56.7 In response to a Member question, the ADR/T confirmed that there were some areas of activity that were not yet covered by FRIC, but these would be in place by November 2018. Any that were not included, ESFRS would arrange cover for in the traditional way. The ADR/T was content it was possible to replicate the current cover arrangements through FRIC, with the additional benefit of improved reporting and collective risk management.
- 56.8 The CFO added that once agreement was given by the Authority, FRIC would assess the Service to ensure that it met the criteria for membership, the ADR/T would ensure that Members were kept informed of the process.
- 56.9 **RESOLVED** – That the Authority agreed:
- 1 the Authority's participation in pooling arrangement and that the Authority become a full member of the Company and authorised the Assistant Director Resources/Treasurer and the Monitoring Officer to take all necessary steps to achieve this;
  - 2 that the Authority utilise the pooling arrangement for its corporate property, liability, motor and other miscellaneous insurance requirements for a minimum period of three years through FRIC with effect from 1 April 2019;
  - 3 to participate in a financial guarantee for supplementary premiums should claims against the pool exceed the funding available and authorised the Assistant Director Resources/Treasurer to take all necessary steps to achieve this;
  - 4 that officers may serve as Directors of the pooling entity and that the Assistant Director Resources/Treasurer or their nominee be empowered to represent the Authority's interests at any formal meetings of FRIC and to vote on its behalf if necessary;
  - 5 the existing Insurance Reserve of £249,000 be used to manage the risks and opportunities identified; and
  - 6 to waive the Authority's existing procurement rules that would require competing bids for the provision of insurance services to allow for the provision of cover for losses through the pooling company.

## 57 2017/18 ANNUAL PERFORMANCE OUTCOME REPORT

- 57.1 The Fire Authority considered the Report of the Assistant Director Planning & Improvement (ADP&I) which presented the annual performance results for 2017/18. (*Copy in Minute Book*)
- 57.2 The Report provided Members with details of ESFRS's performance for the period April 2017 to March 2018. The report provided a comparison against last year's performance, whether or not the target was achieved, and whether it had improved, stayed the same or declined from last year. Ten top level indicators improved or met the target set in 2017/18 (50%) and ten indicators declined.
- 57.3 Members found the report thorough and felt it showed good progress. They were keen to see the impact the new Business Intelligence System would have on the report in the future. It showed the Fire Authority was considering the right priorities, though there were some concerns that there seemed to be a dramatic variation across local authority areas and Members were keen to be given more detail on this.
- 57.4 The CFO explained that, following agreement from the Fire Authority, the performance indicators had been remodelled and reduced to better align with the FAs priority areas. When the detail of the HMICFRS datasets was known then they would be further aligned in time for reporting, it was proposed that a national website be created to contain Fire & Rescue Service data, similar to that currently used by Police Services. This raised some concerns as currently there were no national targets, only local defined performance indicators.
- 57.5 Members were informed that Rother was a particular area of focus with regard to the 18% increase in primary fires from the previous year, including an increase of 64% in deliberate primary fires. The number of secondary fires directly related to the demographic of the area. Nationally, East Sussex has the highest population of elderly people, this of course has a bearing on the ESFRS figures. The CFO was pleased with the targeted, integrated work that was being undertaken across the service to address this.
- 57.6 The Assistant Director Safer Communities (ADSC) added context to the primary fire figures for Rother Borough. The increase of 64% equated to 9 incidents, of these it was noted that 3 related to fire setting of toilet roll holders in public toilets. Following these incidents work had been undertaken with young people and the replacements made by the toilet owners were changed to metal. Also included in this figure were car fires and grass fires. Members were reassured that after every deliberate fire each incident was forensically assessed.
- 57.7 The ACFO informed the Authority that accidental dwelling fires had been a priority area for the service for a number of years. These had reduced by 38% from 2000/01, the figure of 499 recorded for 2017/18 was the lowest number of accidental dwelling fires recorded over the last 18 years.
- 57.8 Members were interested to know whether attendance times, agreed by the Authority in June 2018, would be monitored in future annual performance

reporting. The CFO confirmed that attendance times were regularly scrutinised and were now likely to be scrutinised nationally as part of the HMICFRS inspection regime. The lack of national standards made comparative analysis complex as the standards were all set locally.

57.9 In response to a Member question, the CFO addressed the matter of false alarms. There was an assumption that nuisance calls and false alarms were always a nuisance. Fire Services had a far lower percentage of nuisance calls than the volume received by the Police and Ambulance Services. Suspected nuisance calls were all challenged at the Sussex Control Centre, and some of these calls turned out to be near misses. The result of some false alarm turn outs was the discovery of poorly maintained alarm systems. ESFRS tackled issues at every single premises with staff, owners and residents were spoken to and improvements and changes discussed.

57.10 **RESOLVED** – That the Fire Authority:

- 1 considered the performance results and progress towards achieving the Service's purpose and commitments; and
- 2 considered the performance results and remedial actions that have been taken to address areas of underperformance in the Fire Authority's priority areas.

## 58 **PROCUREMENT STRATEGY**

58.1 The Fire Authority considered the Report of the Procurement Manager (PM) which presented the Authority with the new Procurement Strategy for the period 2018-2020 for approval. (*Copy in Minute Book*)

58.2 Members were reminded that the Authority faced many challenges both internal and external. Procurement must modernise in terms of its scope, use of technology, procedures and practices in order to meet them. The Procurement Strategy intended to widen the scope of Procurement within ESFRS and continue the transition from tactical/transactional function to strategic leadership.

58.3 The strategy had been designed to maximise the impact of procurement, there was a greater drive for reform and modernisation coming from such quarters as the Home Secretary and Ministers for Policing and Fire. Efficiency was a significant part of the Home Office Reform programme and the HMICFRS inspection regime was focussed on procurement as part of its wider assessment of efficiency and effectiveness.

58.4 As a response to the Reform programme, the NFCC had been working on harnessing national buying power, which had enabled significant data sharing, collaboration and transparency. The Procurement Strategy had been designed to align with this project.

58.5 Members were keen to ensure that in future the specifics were right on all tender documents and were pleased that, as outlined in paragraph 3.2 of the report, the pre-tender activities would be subject to greater effort and resource. They agreed



that the centralisation of Procurement resources on these activities would be beneficial to the Authority.

58.6 There was some concern regarding the absence of an Equality Impact Assessment (EIA) for the Strategy. The CFO reassured members that an EIA was conducted for each individual procurement undertaken and that Social Value was considered more broadly and applied as far as able.

58.7 **RESOLVED** – That the Fire Authority approved:

- 1 The introduction of the new Procurement Strategy for 2018-2020;
- 2 The introduction of a Category Management approach within the ESFA and the centralisation of pre and post tender activity in the Procurement Team; and
- 3 The release of £87,000 from the Improvement and Efficiency Reserve to fund an additional Category Specialist post on a two year fixed term basis.

59 **EXCLUSION OF THE PRESS AND PUBLIC**

That items no. 60, 61 and 62 be exempt under paragraphs 3 and 4 of Schedule 12A to the Local Government Act 1972 as amended by the Local Government (Access to Information) (Variation) Order 2006 and accordingly is not open for public inspection on the following grounds: it contains information relating to the financial or business affairs of any particular person (including the authority holding that information), and any consultations or negotiations, or contemplated consultations or negotiations, in connection with any labour relations matter arising between the authority and employees of the authority.

The meeting concluded at 14:01 hours.

Signed

Chairman

Dated this

day of

2018