



## **EAST SUSSEX FIRE AUTHORITY**

### **POLICY & RESOURCES PANEL**

**THURSDAY 11 JULY 2013 at 11:30 HOURS**

or at the conclusion of the meeting of the Scrutiny & Audit Panel,  
whichever is the later

#### **MEMBERS**

##### **East Sussex County Council**

Councillors Barnes, Howson, Lambert, Pragnell and Scott

##### **Brighton and Hove City Council**

Councillors Hawtree, Rufus and Theobald

You are requested to attend this meeting to be held at East Sussex Fire & Rescue Service Headquarters, 20 Upperton Road, Eastbourne, on Thursday 11 July 2013 at 11:30 hours.

#### **AGENDA**

- 887. In relation to matters on the agenda, seek declarations of any disclosable pecuniary interests under Section 30 of the Localism Act 2011.
- 888. Election of Chairman.
- 889. Apologies for Absence.
- 890. Notification of items which the Chairman considers urgent and proposes to take at the end of the agenda/Chairman's business items.

(Any Members wishing to raise urgent items are asked, wherever possible, to notify the Chairman before the start of the meeting. In so doing they must state the special circumstances which they consider justify the matter being considered urgently).

- 891. To consider any public questions and petitions.
- [892.](#) Non-confidential Minutes of the last Policy & Resources Panel meeting held on 11 April 2013 (copy attached).

893. Callover.

The Chairman will call the item numbers of the remaining items on the open agenda. Each item which is called by any Member shall be reserved for debate. The Chairman will then ask the Panel to adopt without debate the recommendations and resolutions contained in the relevant reports for those items which have not been called.

[894.](#) 2014/15 Strategic Service Planning and Medium Term Financial Plan – joint report of the Chief Fire Officer & Chief Executive and Treasurer (copy attached).

[895.](#) Revenue Budget and Capital Programme Monitoring 2013/14 – joint report of the Chief Fire Officer & Chief Executive and Treasurer (copy attached).

[896.](#) Sussex Control Centre – progress report – report of the Chief Fire Officer & Chief Executive (copy attached).

897. Exclusion of the Press and Public.

To consider whether, in view of the business to be transacted or the nature of the proceedings, the press and public should be excluded from the remainder of the meeting on the grounds that, if the public and press were present, there would be disclosure to them of exempt information. **NOTE:** Any item appearing in the confidential part of the Agenda states in its heading the category under which the information disclosed in the report is confidential and therefore not available to the public. A list and description of the exempt categories are available for public inspection at East Sussex Fire & Rescue Service Headquarters, 20 Upperton Road, Eastbourne, and at Brighton and Hove Town Halls.

[898.](#) Confidential Minutes of the last Policy & Resources Panel meeting held on 11 April 2013 (copy attached). (Exempt categories under paragraphs 3 and 4 of the Local Government Act 1972).

[899.](#) IRMP Review of how Prevention, Protection and Response Service activities are provided to maintain the Authority's statutory duty and stated aim – confidential report of the Chief Fire Officer & Chief Executive (copy attached). (Exempt categories under paragraph 4 of the Local Government Act 1972).

**ABRAHAM GHEBRE-GHIORGHIS**  
**Monitoring Officer**  
**East Sussex Fire Authority**  
**c/o Brighton & Hove City Council**

**EAST SUSSEX FIRE AUTHORITY**

**Minutes of the meeting of the POLICY & RESOURCES PANEL held at East Sussex Fire & Rescue Service Headquarters, 20 Upperton Road, Eastbourne, at 10.00 hours on Thursday 11 April 2013.**

**Members Present: Councillors Livings (Chairman), Ost, Rufus, Scott, Sparks, Thomas, Tidy and Waite.**

N.B. Councillor Tidy attended the meeting in place of Councillor Pidgeon, having been nominated by the Deputy Monitoring Officer in consultation with the relevant Group spokespersons.

**Also present:**

Mr. D. Prichard (Chief Fire Officer & Chief Executive), Mr. G. Ferrand (Assistant Chief Fire Officer), Mrs. C. Rolph (Assistant Chief Officer - People & Organisational Development), Mr. D. Savage (Treasurer), Mr. R. Charman (Director of Financial Services), Ms. L. Woodley (Deputy Monitoring Officer), Mrs. K. Ward (Clerk) and Mrs. D. Robinson (Member of Independent Remuneration Advisory Group).

The Chairman welcomed Mrs Deborah Robinson who was attending the meeting in her capacity as a member of the Independent Remuneration Advisory Group which was reviewing the Members' Allowance Scheme. Duncan Savage was also welcomed to the meeting following his appointment as Treasurer.

**872. DISCLOSABLE PECUNIARY INTERESTS**

872.1 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.

**873. APOLOGIES FOR ABSENCE**

873.1 Apologies for absence were received from Councillor Pidgeon.

**874. ANY OTHER NON-EXEMPT ITEMS CONSIDERED URGENT BY THE CHAIRMAN/CHAIRMAN'S BUSINESS**

874.1 There were none.

**875. TO CONSIDER ANY PUBLIC QUESTIONS AND PETITIONS**

875.1 There were none.

**876. NON-CONFIDENTIAL MINUTES OF THE POLICY & RESOURCES PANEL MEETING HELD ON 10 JANUARY 2013**

876.1 **RESOLVED** – That the minutes of the meeting held on 10 January 2013 be approved as a correct record and signed by the Chairman. (Copy in Minute Book).

877. **CALLOVER**

877.1 Members reserved the following items for debate:

878. Revenue Budget and Capital Programme Monitoring & Projected Outturn 2012/13

880. Future Corporate Performance Targets up to 2015/16

881. Sussex Control Centre – Progress Report

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

878. **REVENUE BUDGET AND CAPITAL PROGRAMME MONITORING & PROJECTED OUTTURN 2012/13**

878.1 Members considered a joint report of the Chief Fire Officer & Chief Executive and the Treasurer which reported on issues arising from the monitoring of the 2012/13 Revenue Budget and Capital Programme as at 28 February 2013. (Copy in Minute Book).

878.2 This was the fifth monitoring report for 2012/13 covering 1 April 2012 to 28 February 2013. The Revenue Budget outturn for 2012/13 was projected to be under budget by £144,000 compared to the £731,000 previously reported in January 2013 for the period April to November 2012.

878.3 The overall Capital Programme was projected to underspend by £33,000. The current year's Programme was projected to be under budget by £289,000 due to net slippage on a number of projects from 2012/13 to 2013/14.

878.4 It was proposed to transfer £666,000 from the Revenue Budget underspend into the Capital Programme Reserve to support the agreed contribution to the capital costs of adaptations to Haywards Heath Fire Station as part of the Sussex Control Centre Project. In addition, further transfers totalling £240,000 were recommended to be made into a number of other existing earmarked reserves, along with £38,000 into a new reserve for Estates Stock Condition Survey. £407,000 had been identified held in earmarked reserves which was no longer required and was recommended to be transferred into General Reserves in line with existing Fire Authority Policy.

878.5 **RESOLVED** – That:

1. the following be noted:

- i) the projected 2012/13 Revenue Budget outturn;
- ii) the projected Capital Programme outturn;
- iii) the current and planned use of Balances; and

2. the following be approved:

- i) the transfer of £944,000 from the Revenue Budget to Earmarked Reserves; and
- ii) the transfer of £407,000 from Earmarked Reserves to General Reserves.

879. **DRAFT KEY TASK AREAS FOR 2013/14**

879.1 Members considered a report of the Chief Fire Officer & Chief Executive that advised the Panel of the new 2013/14 Key Task Areas which have had to be built into the Service's latest annual business plans, and sought the Panel's advice on whether any additional Service Priority areas should be considered for actioning in 2013/14, but bearing in mind the implications upon available corporate capacity. (Copy in Minute Book).

879.2 **RESOLVED** – That no further Key Task Areas be added to corporate business plans in addition to those approved by Corporate Management Team at its January 2013 meeting.

880. **FUTURE CORPORATE PERFORMANCE TARGETS UP TO 2015/16**

880.1 Members considered a report of the Chief Fire Officer & Chief Executive that presented the future corporate performance indicator targets from 2011/12 up to 2015/16 (base line 2010/11) for approval by the Fire Authority for inclusion in the Service's Planning documents. (Copy in Minute Book).

880.2 The Chief Fire Officer & Chief Executive asked if Members wished to continue Strategic Objective 9, the number of deaths arising from primary fires which had a target of no more than 6 deaths per year or would they agree with a recommendation from officers to set a target of zero.

880.3 It was generally felt by Members that the Service should have a target of 0 deaths even if it meant the Service failed in meeting its target. It was felt that explaining why the Service failed to meet its target and explaining how and why the death(s) occurred would be preferable to accepting that the Service came under its target of 6.

880.4 It was moved by Councillor Ost and seconded by Councillor Scott that Strategic Aim 1, Objective 9 be changed from no more than 6 per year to '0'.

880.5 **RESOLVED** – That

- i) Strategic Aim 1, Objective 9 - number of deaths arising from primary fires be changed from no more than 6 per year to '0'.
- ii) the latest strategic performance indicator targets for application in 2013/14 onwards (contained in Appendix 1, Table A), as amended in recommendation i) be approved;
- iii) it be confirmed that the existing 'Top set' of strategic indicators remain for 2013/14; and
- iv) the performance measures that will be reported (as set out in Table B) be noted.

881. **SUSSEX CONTROL CENTRE – PROGRESS REPORT**

881.1 Members considered a report of the Chief Fire Officer & Chief Executive that updated the Panel on progress in relation to the Sussex Control Centre (SCC). (Copy in Minute Book).

- 881.2 West Sussex County Council had received planning approval for the works required at Haywards Heath Fire Station, subject to one caveat relating to noise levels. Tenders had been received for phase 1 of the building works and the appointment of a contractor had been approved. West Sussex had been written to confirming they could award the contract.
- 881.3 The contract with Remsdaq Ltd had been finalised and sealed and the location of the Secondary Control had been agreed in principle as Maresfield, East Sussex. Members were advised that the alternative option of Salfords, Surrey had been discounted due to the rent on the square footage and their timescales not aligning with ours.
- 881.4 Consultation with all trade unions on staffing structures and shifts had now commenced and feedback on ESFA's proposals was awaited. The financial position was proceeding as estimated and no material concerns from the grant situation were emerging.
- 881.5 Whilst the Project remained on track to achieve a 'go-live' date of no later than 31 March 2014. The Chief Fire Officer & Chief Executive advised that major projects such as the new Sussex Control Centre that involved new IT systems and significant building adaptations could over-run. A robust project plan had been established to provide regular monitoring of the progress of the project and the Chief Fire Officer and Chief Executive had received confirmation from the project team and senior users that the project was continuing to meet agreed milestones. The Chief Fire Officer and Chief Executive advised the Panel he would report back any variances to the project milestones at the earliest practicable opportunity. A considerable amount of work was now being undertaken with all the work stream areas at maximum output. Members discussed the comments made by the Chief Fire Officer & Chief Executive and recognised the complexity of the Sussex Control Centre project and noted that Control staff in both Services continued to be under considerable pressure due to the proposals, whilst they are continuing to deliver an emergency service function.
- 881.6 **RESOLVED** – That the report be noted.

882. **EXCLUSION OF PRESS AND PUBLIC**

- 882.1 **RESOLVED** – That items 883, 884, 885 and 886 be exempt under paragraphs 3 and 4 of Schedule 12A to 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 any consultation or negotiations, or contemplated consultation 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.

The meeting concluded at 11.55 hours.

Signed

Chairman

Dated this Day of

2013

**EAST SUSSEX FIRE AUTHORITY**

Panel: **Policy & Resources**

Date: **11 July 2013**

Title: **2014/15 Strategic Service Planning and Medium Term Financial Plan**

By: **Chief Fire Officer & Chief Executive and Treasurer**

Purpose of Report: **To update Members on the medium term service planning strategy and proposed approach for 2014/15-2018/19.**

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**RECOMMENDATION:** The Panel is asked to:

- (i) note the updated medium term financial plan for 2014/15 – 2018/19; and
- (ii) approve the approach to identifying savings options to meet required savings targets set out in the report.

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**MAIN ISSUES**

1. The Fire Authority's medium term service planning and budgeting processes are well established and closely linked. Whilst the main purpose of this report is to set the financial context for the service planning process, through an update of the Medium Term Finance Plan (MTFP), the fundamental aim of the review process is to determine how best to deliver the Authority's Vision and Aims, and the targets and priorities that underpin them, within the context of the current estimate of available financial resources for the period 2014/15 – 2018/19.
2. The current and proposed MTFP reflects the continuing and sustained reductions in funding for public services as the Government seeks to reduce the national deficit. The Chancellor in his March Budget announced further reductions in local authority funding for 2014/15, on top of those previously announced in the provisional settlement in December 2012. On 26 June the Government announced the outcomes of the Spending Round 2013 (SR13) setting out national spending plans for 2015/16. The limited detail in the SR13 announcement means that we have had to make a range of assumptions in this report, the validity of which will probably not become clear until the provisional local government finance settlement is announced in early December. We have also had to make assumptions regarding the level of funding for the fire service after 2015/16 which will not be determined until after the next national elections. When taken alongside the significant changes to local government funding which were implemented in 2013/14 and whose full impact is not yet clear, this means that there is a heightened degree of complexity, risk and uncertainty in determining the financial resources that will be available to the Authority in the period 2014/15 – 2018/19.

3. When taken together, the revisions to both the expenditure and funding elements of the MTFP indicate that there is a need for the Authority to identify an estimated additional saving of £7.112m or 18.2% of the current Revenue Budget between 2014/15 and 2018/19. This figure, although indicative at this stage, especially for the final 3 years of the period, must be the basis upon which our finance and service plans are formulated.
4. Since 2011/12 the Authority has delivered in excess of £7m of savings, of which approximately £1.2m (17%) have come from operational services which make up 61% of the 2013/14 Revenue Budget, with the balance (83%) of the savings coming from central or support service budgets, which make up only 39% of the Revenue Budget.
5. Given the scale of the savings within the period 2014/2015 to 2018/19, the Authority needs to define its savings strategy so that it is more holistic and delivers sustainability across all aspects of the Authority's business and functions. This means modelling savings options of up to 20% across both operational and central/support budgets over the 5 year period for Members to consider. In order to achieve this, in addition to building on the work of the previous Service Prioritisation and Facing the Challenge initiatives and supporting budget managers to identify savings from central and support service budgets, the Deputy Chief Fire Officer is carrying out a review of prevention, protection and response services. This review will consider a range of options for delivering savings across the whole of service delivery, whilst seeking to maintain performance to current service standards based on Members' previous guidance and decisions. Further details of this review and its links to the Integrated Risk Management Planning (IRMP) process are set out in the confidential part of this agenda.

**Des Prichard**  
**CHIEF FIRE OFFICER & CHIEF EXECUTIVE**  
3 July 2013

**Duncan Savage**  
**TREASURER**



## 1. **MEDIUM TERM SERVICE PLANNING**

- 1.1 The Fire Authority's medium term service planning and budgeting processes are well established and closely linked. Whilst the main purpose of this report is to set the financial context for the service planning process, through an update of the Medium Term Finance Plan, the fundamental aim of the process is to determine how best to deliver the Authority's Vision and Aims, and the targets and priorities that underpin them, within the available resources. This process has become even more important in recent years in the light of the sustained reduction in public sector funding and the consequent need to deliver significant savings over the period of the MTFP. Members and officers will need to ensure that the service planning process delivers sustainability in the medium term for both the revenue and capital budgets and the Service as a whole. The Vision and Aims are set out in Appendix 1.

## 2. **NATIONAL FINANCIAL AND ECONOMIC CONTEXT**

- 2.1 The general state of the economy is an important factor in setting the Fire Authority's budget and Medium Term Financial Plan (MTFP) for the five year planning horizon, 2014/15 to 2018/19.
- 2.2 The Government has made clear its continued commitment to tackle and eliminate the national budget deficit. The last spending review in November 2010 outlined an austerity package stretching to 2014/15 which included significant reductions in local government funding (33% in real terms) and, although Fire Authorities experienced some protection from the full impact of this, they still experienced funding reductions of over 20% in real terms over 4 years. The Chancellor's Budget in March 2013 saw local government protected from further funding cuts in 2013/14 but announced additional reductions of 1% in 2014/15.
- 2.3 Under SR13 announced on 26 June, the Government plans to reduce current spending by £11.5bn in 2015/16 and this translates into a 10% reduction in DCLG's Local Government Resource Departmental Expenditure Limits (DEL). DCLG's headline reduction in fire funding is 7.5% but this includes the creation of a £30m resource fund which will be available on a bid for basis, meaning that fire services will still receive a 10% reduction in their funding. The specific impacts on this Authority will be not be known until the announcement of the provisional funding settlement in early December 2013 and, equally, there will be little certainty beyond 2015/16 until after the next national election. We have, therefore, had to make a number of assumptions in producing this MTFP, however, it is deemed to be a sound basis on which to identify the indicative level of savings required over the medium term.
- 2.4 The need for additional reductions in public spending has been driven by the slow and inconsistent recovery in the UK economy which has seen growth forecasts reduced and targets for deficit reduction pushed further into the future. The Chancellor's Budget in March showed that UK growth is expected to be less than initially forecast over 2013 and 2014 at 0.6% and 1.8% respectively and Public Sector Net Borrowing Forecasts were raised. There continues to be a backdrop of poor economic performance across the EU, US and other major economies and the risk of a Euro zone crisis. although lessened. still remains an underlying concern. These forecasts emphasise that further reductions in local authority funding are likely beyond 2015/16, whatever the nature of the national government, with the expectation that this will be on a similar trajectory to the 10% reduction in 2015/16 announced in SR13.

### 3. LOCAL POSITION

#### 3.1 **Medium Term Finance Plan**

A copy of the full MTFP is included at Appendix 2.

#### 3.2 **Grant Funding**

Based on the settlement figures announced last year, the Authority will have seen a reduction in Formula Funding of 18.7% (in cash terms) over the CSR 2010 period which is marginally below the average for all Fire Authorities. For 2014/15 we have reduced the provisional Revenue Support Grant (RSG) figure by the equivalent of a further 1% reduction in formula funding in line with the announcement in the Chancellor's March Budget, giving a figure of £8.790m. Following the SR13 announcement, there is still a lack of clarity about how the headline reductions in DEL will flow through to fire service funding for 2015/16 and this has been queried with the DCLG, however, at the time of writing this report, no response had been received. At this early stage we have assumed a 10% reduction in the Authority's Start Up Funding Assessment for 2015/16 and similar reductions in subsequent years. This results in a reduction in RSG of £7.764m or 76.2% between 2013/14 and 2018/19. An update on the impact of SR13 will be provided at the Panel meeting should any further information become available.

3.3 The Authority currently receives a small number of on-going specific revenue grants from central government for Firelink and New Dimensions and we have assumed that these will reduce by 10% p.a. from 2014/15 onwards. The grant for the Sussex Control Centre project is expected to be fully drawn down in 2013/14 and is not affected by these assumed reductions.

3.4 The government has announced a £30m resource fund for fire services for 2015/16, available on a bid for basis to encourage joint working between fire and rescue authorities, collaboration with other blue light services and to help meet the upfront cost of service transformation. The Authority will need to consider early identification and development of bids against this funding stream.

#### 3.5 **Business Rates**

From 2013/14 government changed the way in which income collected from business rates (Non Domestic Rates or NDR) is treated, with fire authorities retaining 1% of NDR collected in their local area. This is then topped up by a grant from the portion of the NDR that is retained by central government. Together these form the Authority's total baseline funding. Work is on-going with the billing authorities, through East Sussex Finance Officers Association (ESFOA), to develop our monitoring of NDR collection and projections of taxbase growth, but it is still at a very early stage. Whilst provisional figures were announced for 2014/15 we have scaled back projections for local business rates income using data supplied by the billing authorities for 2013/14 and more up to date inflation figures. The NDR base is assumed, at this stage, to remain static beyond 2014/15. Overall this results in a projected increase in baseline funding of £0.971m over the period or 14.3%.

### 3.6 Council Tax

2013/14 also saw the localisation of Council Tax Support grant and billing authorities sought to recover the loss of 10% of the national funding for this through their local schemes and changes to discounts and exemptions. It is still too early to assess the real impact of these changes on both the taxbase and collection rates for 2013/14 and beyond, but this remains a significant risk for the Authority. Billing authorities will also be reviewing their local schemes for 2014/15 and we will need to take this into account in updating the MTFP. Currently the MTFP reflects the 2013/14 taxbase provided by the billing authorities and assumes that this will remain static over the period. We have assumed the Collection Fund will break even each year. There is provision within the level of General Balances held by the Authority to cover the risk of a deficit on the Council Tax Collection Fund.

3.7 In setting its Council Tax, the Authority must balance the need to set a rate which is affordable to local people with the need to provide effective local services within the Authority's performance standards and expectations. The expected reduction in grant funding and the limited impact of growth in NDR income means that the Authority is increasingly reliant on income from Council Tax to fund its services.

3.8 The MTFP reflects the approach previously approved by Members which is to model increases in Council Tax each year up to the referendum threshold imposed by central government. In SR13 the government announced that it intended to set this at 2% for 2014/15 and 2015/16 so we have modelled increases of 1.94% p.a. up to 2018/19. However this approach needs to be set in context – the government has offered Council Tax Freeze Grants for the last 3 years which the Authority has accepted. CSR13 signalled the government's intention to make funding available to support local authorities that choose to freeze their council tax in 2014/15 and 2015/16, albeit with no indication of the level of this funding. By 2018/19 the 1.94% p.a. increase in Council Tax would generate £2.180m in additional income assuming a static taxbase. Any decision to pursue a Council Tax Strategy of less than the 1.94% p.a. increase currently modelled would increase the level of savings required. The MTFP also reflects the extension of the 2013/14 Council Tax Freeze Grant into 2015/16 as announced in SR13.

### 3.9 Expenditure

Existing expenditure plans, based on the agreed 2013/14 Revenue Budget and 5 year plan, have been rolled forward for the period to 2018/19 following initial consultation with budget managers and known commitments, and reflect the following assumptions and pressures:

- A provision for pay inflation of 1% p.a. in 2014/15 and 2015/16 and 2% thereafter. This is in line with the government's intention to cap public sector pay rises to an average of 1% up to 2015/16. The government also announced its intention to halt automatic pay progression in the public sector but made no specific reference to how this would be achieved within the national pay arrangements in place for fire service employees;
- Provision of 2.5% for price inflation, and 3% for water and sewerage where costs are expected to rise more quickly;
- Budget adjustments reflecting year on year changes in revenue funding to support current strategies for fleet, IMD and property;

- Additional provision of £0.050m in 2014/15 to reflect a potential 1% increase in employer's contributions to the Local Government Pension Scheme following the triennial revaluation;
- Provision in 2016/17 of £0.650m to reflect the impact of the introduction of the single flat rate state pension and the resultant loss of National Insurance rebates for those employees who contract out of the second state pension. The Chancellor expects the cost to the public sector employers as a whole to be £3.3bn.

3.10 A new Firefighters' Pension Scheme is due to be introduced in 2015 with a proposal to have a cost ceiling for contributions. An actuarial analysis undertaken on behalf of the Department for Communities and Local Government (DCLG) suggests that this will reduce the level of employer's contributions over a 10 year period but with the potential for an increase in the short term. The final outcome will be dependent on a number of policy decisions outside of the control of the Authority. The sector is currently discussing these issues with the DCLG including whether there can be a mechanism to smooth any changes to avoid short term peaks in cost and for any savings to be retained by Fire Authorities and not HM Treasury. Until the position is clearer we have not reflected the impact of the new scheme in the MTFP.

3.11 Our expenditure plans also reflect the delivery of new savings in 2014/15 totalling £1.382m (or 3.5% of the 2013/14 Revenue Budget) agreed by the Authority as part of the 2013/14 budget setting process including (see appendix 3 for full details):

- Sussex Control Centre Project- initial savings of £0.475m from 2014/15 onwards
- Facing the Challenge and Incident Command (ICS)- additional savings of £0.420m from 2014/15 rising to £0.568m by 2016/17 and thereafter
- Deferred savings – savings of £0.339m in support service budgets identified in 2013/14 but not required following the better than expected settlement

3.12 Any failure to deliver these savings will require compensatory savings to be found elsewhere.

### 3.13 Reserves and Balances

Reserves and balances are held in accordance with the Authority's agreed policy and table 1 below summarises their current values and planned use over the period. The MTFP includes provision of £1.2m p.a. as a revenue contribution to balances of which £1.0m supports the Authority's capital programme. Both this revenue contribution and the level and planned use of reserves and balances will be reviewed as part of the service planning process in the light of the savings requirement, any changes to the Capital Strategy and the need to fund the costs of up-front investment to support the delivery of savings proposals. The level of General Balances held is based on a detailed risk assessment and includes provision against the risk to Council Tax and NDR income referred to earlier in this report.

	31/03/13 £'000	31/03/14 £'000	31/03/15 £'000	31/03/16 £'000	31/03/17 £'000	31/03/18 £'000	31/03/19 £'000
General Balance	3,552	3,752	3,952	4,152	4,352	4,552	4,752
Earmarked Reserves	6,264	5,706	5,672	5,017	6,017	7,017	8,017
Capital Receipts Reserve	1,702	367	633	2,248	812	367	367
Total	11,518	9,825	10,257	11,417	11,181	11,936	13,136

### 3.14 Capital Strategy

As part of the Service Planning process the annual review of the Capital Strategy is underway and this will draw on new or refreshed strategies for IMD, Fleet and Property and seek to prioritise capital investment that most effectively supports the delivery of the Authority's vision and aims. The review will include an assessment of the resources available to fund the Capital Strategy against which projects will need to be prioritised. The revenue implications of the current Capital Strategy are included within the MTFP. As part of SR13 a Fire Efficiency Incentive Fund of £45m which will be available for fire and rescue authorities to invest capital in ensuring that assets, such as fire stations, are appropriately located to ensure efficient and effective service delivery. This is a reduction in the capital funding available to the fire service nationally which was £70m p.a. in 2013/14 and 2014/15. There is no indication as to whether this will be available on a bid for basis or will be allocated on a formula basis or some combination of the two.

## 4. SERVICE PLANNING PROCESS

4.1 When taken together the revisions to both the expenditure and funding elements of the MTFP indicate that there is a need for the Authority to identify additional savings of £7.112m or 18.2% of the current Revenue Budget between 2014/15 and 2018/19 (see table 2 below for summary). Whilst this figure is indicative at this stage, especially for the latter 3 years of the period, and will be subject to revision as better information becomes available, it must now be used to drive our future financial and service planning.

	2013/14 £'000	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000	2018/19 £'000
Total Net Expenditure	39,079	38,214	38,446	39,765	40,347	41,101
Total Resources Available	39,079	37,919	36,765	35,529	34,690	33,989
Savings Required	0	295	1,681	4,236	5,657	7,112
Savings as % of 13/14 budget		0.75%	4.30%	10.84%	14.48%	18.20%

- 4.2 Since 2011/12 the Authority has delivered in excess of £7m of savings of which approximately £1.2m (17%) have come from operational services which make up 61% of the 2013/14 Revenue Budget with the balance (83%) of the savings coming from central or support service budgets which make up only 39% of the Revenue Budget.
- 4.3 Given the scale of the savings within the period 2014/2015 to 2018/19 the Authority needs to define its savings strategy so that it is more holistic and delivers sustainability across all aspects of the Authority's business and functions. This means modelling savings options of up to 20% across both operational and central / support budgets over the 5 year period for Members to consider. In order to achieve this, in addition to building on the work of the previous Service Prioritisation and Facing the Challenge initiatives and supporting budget managers to identify savings from central and support service budgets, the Deputy Chief Fire Officer is carrying out a review of prevention, protection and response services. This review will consider a range of options for delivering savings across the whole of service delivery whilst seeking to maintain performance to current service standards based on Member's previous guidance and decisions. Further details of this review and its links to the Integrated Risk Management Planning (IRMP) process are set out in the confidential part of this agenda.
- 4.4 Updates on progress will be reported to this Panel through the Autumn and we anticipate that full savings proposals will be brought to the December Fire Authority meeting for consideration



# Our Vision, our Values and our Aims

## Our Vision

### *Achieving safer and more sustainable communities*

- We say 'safer' because safety is our primary driver, within our organisation and within our wider communities.
- We say 'sustainable' because we are working towards safeguarding future generations and their communities, both in our prevention work and in how we deliver our services.
- We say 'communities' to represent everyone we serve, including those who live in East Sussex and the City of Brighton & Hove, and those who visit our local area.

## Our Values

- Respect and dignity for all – by treating members of our community and each other in a way that values their individuality and by challenging discrimination and unsuitable behaviour.
- Trust, integrity, initiative and innovation – by being open, honest and encouraging creativity.
- Serving our whole community – by providing a good, cost effective service.
- We are proud of our Service and enjoy working in a positive environment – by continually improving our services and our organisation.

## Our Aims

### **Aim 1:**

#### *To deliver quality services within available resources*



- Prevent loss of life and injuries in our communities
- Protect our communities against economic, property or heritage loss
- Respond effectively and safely to incidents with appropriate planned resources.
- Deliver cost effective services which focus on community risk and customer needs at a price the local community can afford and within available resources.

### **Aim 2:**

#### *To ensure a competent, diverse, safe and valued workforce.*



- Embed and embrace equality and diversity principles in all that we do.
- Attract and retain high calibre and committed staff, and help them develop professional skills and competence to meet our business needs.
- Maintain and improve the standards of health, safety and welfare of our staff and provide a safe and secure workplace.



## APPENDIX 2

### MEDIUM TERM FINANCIAL PLAN 2014/15 - 2018/19

	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Gross Revenue Service Budget</b>	<b>39,932</b>	<b>38,916</b>	<b>39,146</b>	<b>40,472</b>	<b>41,054</b>	<b>41,816</b>
<b>Less</b>						
Specific grants	(188)	(164)	(147)	(132)	(119)	(107)
Other income	(643)	(447)	(458)	(470)	(481)	(493)
<b>Total income</b>	<b>(831)</b>	<b>(611)</b>	<b>(605)</b>	<b>(602)</b>	<b>(600)</b>	<b>(600)</b>
<b>Net Service Budget</b>	<b>39,101</b>	<b>38,305</b>	<b>38,541</b>	<b>39,870</b>	<b>40,454</b>	<b>41,216</b>
Less capital charges credit	(2,521)	(2,198)	(2,198)	(2,198)	(2,198)	(2,198)
Interest receivable less capital financing	852	907	903	893	891	883
Transferred to Balances	1,647	1,200	1,200	1,200	1,200	1,200
<b>Total Net Expenditure</b>	<b>39,079</b>	<b>38,214</b>	<b>38,446</b>	<b>39,765</b>	<b>40,347</b>	<b>41,101</b>

<b>Net Budget brought forward</b>	<b>39,079</b>	<b>38,214</b>	<b>38,446</b>	<b>39,765</b>	<b>40,347</b>	
Unavoidable cost pressures						
Pay inflation		238	233	471	492	500
Price inflation		226	224	240	245	251
<b>Total inflation</b>		<b>464</b>	<b>457</b>	<b>711</b>	<b>737</b>	<b>751</b>
Changes in Capital Financing		55	(4)	(10)	(3)	(8)
Other budget adjustments		(150)	(221)	693	(79)	11
Savings approved including CFA Feb 2013		(1,234)	0	(75)	(73)	0
<b>Total Net Expenditure</b>	<b>39,079</b>	<b>38,214</b>	<b>38,446</b>	<b>39,765</b>	<b>40,347</b>	<b>41,101</b>

<b>Sources of Funding</b>	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
	£'000	£'000	£'000	£'000	£'000	£'000
Locally Retained Business Rates	2,231	2,157	2,226	2,297	2,370	2,446
Business Rate Top Up	4,551	4,678	4,828	4,983	5,142	5,307
<b>Business Rates Baseline</b>	<b>6,782</b>	<b>6,835</b>	<b>7,054</b>	<b>7,280</b>	<b>7,512</b>	<b>7,753</b>
Revenue Support Grant	10,195	8,790	6,990	5,341	3,826	2,431
<b>Start Up Funding Assessment</b>	<b>16,977</b>	<b>15,625</b>	<b>14,044</b>	<b>12,621</b>	<b>11,338</b>	<b>10,184</b>
Localisation of Council Tax Support Grant - Transitional Grant	92					
2013/14 Council Tax Freeze Grant	249	249	249	0	0	0
Council Tax Collection Fund Surplus	136	0	0	0	0	0
Council Tax Requirement	21,625	22,045	22,472	22,908	23,352	23,805
<b>Total Resources Available</b>	<b>39,079</b>	<b>37,919</b>	<b>36,765</b>	<b>35,529</b>	<b>34,690</b>	<b>33,989</b>

<b>Savings to be identified</b>	<b>0</b>	<b>295</b>	<b>1,681</b>	<b>4,236</b>	<b>5,657</b>	<b>7,112</b>
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## APPENDIX 3

## SAVINGS FOR 2014/15 ONWARDS ALREADY APPROVED AND INCLUDED IN THE BASE BUDGET

Savings 2014/15	Current £,000	Previously Approved £,000
GIS Applications Developer post	(36)	(36)
Reduction L & D external training budget	(40)	(40)
DFS post (net)	(50)	(50)
Project Officer post following RCC cutover	(36)	(36)
Visual Imaging Technician	(34)	(34)
Graphics Designer	(36)	(36)
Fifth floor admin support	(16)	(16)
Insurance Portfolio	(30)	(30)
Introduction of Aerial Rescue Platform in Eastbourne	(74)	(74)
ICS Review	(68)	(68)
<b>Total Facing the Challenge</b>	<b>(420)</b>	<b>(420)</b>
Reduction in Transitional Costs provision not taken in 2013/14	(174)	(174)
Relocation Expenses additional savings not taken in 2013/14	(20)	(20)
Hydrants additional savings not taken in 2013/14	(15)	(15)
Uniform additional savings not taken in 2013/14	(30)	(30)
Insurance Additional savings not taken 2013/14	(50)	(50)
Fuel additional savings not taken in 2013/14	(50)	(50)
<b>Total Other Savings</b>	<b>(339)</b>	<b>(339)</b>
<b>Sussex Control Centre savings</b>	<b>(475)</b>	<b>(425)</b>
<b>Total All 2014/15 Savings</b>	<b>(1,234)</b>	<b>(1,184)</b>

Savings 2015/16	Current £,000	Previously Approved £,000
ICS Review	0	(73)
<b>Total All 2015/16 Savings</b>	<b>0</b>	<b>(73)</b>

Savings 2016/17	Current £,000	Previously Approved £,000
ICS Review	(75)	(45)
<b>Total All 2016/17 Savings</b>	<b>(75)</b>	<b>(45)</b>

Savings 2017/18	Current £,000	Previously Approved £,000
ICS Review	(73)	0
<b>Total All 2016/17 Savings</b>	<b>(73)</b>	<b>0</b>

**EAST SUSSEX FIRE AUTHORITY**

Panel: **Policy & Resources**

Date: **11 July 2013**

Title: **Revenue Budget & Capital Programme Monitoring 2013/14**

By: **Chief Fire Officer & Chief Executive and Treasurer**

Purpose of Report: **To report on issues arising from the monitoring of the 2013/14 Revenue Budget and Capital Programme as at 31 May 2013**

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**RECOMMENDATION:** The Panel is asked to note:

- (i) the projected 2013/14 Revenue Budget outturn;
- (ii) the projected Capital Programme outturn;
- (iii) the current and planned use of reserves; and
- (iv) the monitoring of savings taken in 2013/14

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**MAIN ISSUES**

1. This is the first report to Policy & Resources Panel for the financial year 2013/14. However, it should be noted that at this early point in the year it is difficult to accurately forecast outturn and there are many elements, both internal and external, that will influence the final position.
2. The projected Revenue Budget outturn for 2013/14 is an underspend of £313,000.
3. The overall Capital Programme is projected to be under planned spending by £190,000. The current year's Capital Programme and spending profile is projected to be under by £190,000.
4. The Authority maintains Earmarked and General Reserves in order to assist it in managing its spending plans across financial years (Earmarked Reserves) and making provisions for the financial risks it faces (General Reserve). A summary of the current planned use of Reserves can be found at Appendix 5.
5. Appendix 1 details the overall Revenue Budget spend and projected outturn.
6. Appendices 2, 3 & 4 present the projected outturn on the Capital Programme over all schemes, the projected spend for the current year, and forecast capital financing.
7. Appendix 6 shows the progress against the Facing the Challenge savings already taken from the 2013/14 budget.

**Des Prichard** **Duncan Savage**  
**CHIEF FIRE OFFICER & CHIEF EXECUTIVE** **TREASURER**  
1 July 2013

1. **INTRODUCTION**

1.1 The financial information contained in this report is based upon enquiries as at 31 May 2013 and spending plans provided by budget managers. Details are shown below and in the summary at the end of this report as Appendix 1.

2. **BUDGET OUTTURN SUMMARY**

2.1 The table below summarises the 2013/14 Revenue Budget and Capital Programme positions.

**Projected Outturn**

	<b>This Report £,000</b>
Revenue (see Paragraph 3)	(313)
Capital (see Paragraph 5)	(190)

2.2 This is the first report to the Policy & Resources Panel on the 2013/14 financial year. It should be remembered that, at this early stage, it is more difficult to accurately forecast the year end position.

3. **PROJECTED REVENUE BUDGET OUTTURN – OBJECTIVE LEVEL**

3.1 The table below represents the projected Revenue Budget at objective level:

<b>Directorate/Budget</b>	<b>Base Budget</b>	<b>Transfer</b>	<b>Current Budget</b>	<b>Projected Outturn</b>	<b>Variance</b>
	<b>£,000</b>	<b>£,000</b>	<b>£,000</b>	<b>£,000</b>	<b>£,000</b>
Service Delivery Response	5,382	9	5,391	5,404	13
Service Delivery Prevention	632	28	660	660	(10)
Operational Pay and Pensions	17,970	(297)	17,673	17,731	58
<b>Total service delivery/operational budget</b>	<b>23,984</b>	<b>(260)</b>	<b>23,724</b>	<b>23,785</b>	<b>61</b>
Service Support Estates	1,304	38	1,342	1,364	22
Service Support IMD	3,169	1	3,170	2,920	(250)
Service Support Fleet	1,601	17	1,618	1,649	31
Service Support Other	198	76	274	273	(1)
<b>Total Service Support budget</b>	<b>6,272</b>	<b>132</b>	<b>6,404</b>	<b>6,206</b>	<b>(198)</b>
POD HR	691	0	691	679	(12)
POD L & O D	1,952	(53)	1,899	1,899	0
<b>Total People &amp; Org Development</b>	<b>2,643</b>	<b>(53)</b>	<b>2,590</b>	<b>2,578</b>	<b>(12)</b>
<b>Corporate Services</b>	<b>2,499</b>	<b>72</b>	<b>2,571</b>	<b>2,387</b>	<b>(184)</b>
<b>PO's</b>	<b>689</b>	<b>(24)</b>	<b>665</b>	<b>665</b>	<b>0</b>
<b>Central</b>	<b>2,992</b>	<b>133</b>	<b>3,125</b>	<b>3,145</b>	<b>20</b>
<b>Total</b>	<b>39,079</b>		<b>39,079</b>	<b>38,766</b>	<b>(313)</b>

- 3.2 **SERVICE DELIVERY:** The projected overspend of £61,000 comprises an overspend of £13,000 in Response, £58,000 in Operational Pay and Pension, described in detail below, and an underspend of £10,000 in Prevention.
- 3.2.1 **Response:** The budget is forecast to overspend by £13,000. Based on one month's activity, and assuming the £80,000 allocated to additional training for Retained Firefighters will be spent in the remaining ten months, there is a projected underspend of £31,000 on the retained budget. There is a projected overspend of £41,000 on the Operational Planning budget, where the budget manager has identified various pressure points that need to be addressed concerning training and operational equipment.
- 3.2.2 **Prevention:** The budget is forecast to underspend by £10,000. £55,000 has been spent on the Fire Data Protection Project which has been funded from an earmarked reserve. The projected underspend of £10,000 is on the Community Risk Management budget.
- 3.2.3 **Operational Pay and Pensions:** The budget is forecast to overspend by £58,000. The operational pay budget is projected to overspend by £95,000 and this is based on activity so far this year, taking account of the Aerial Rescue Pump becoming operational in October 2013, the three known retirements expected to take place during 2013/14 and the re-phasing of the ICS Facing the Challenge savings (which produces a shortfall of £13,000 against the savings originally planned for 2013/14). There is a central budget for pay awards which will fund the recently agreed Firefighters' 1% increase from 1 July 2013. The central pay award budget will be reviewed once the pay award for non-operational staff is agreed. The Pensions budget is projected to be £37,000 under budget; this is due to the Ill Health Retirements being less than originally budgeted for.
- 3.3 **SERVICE SUPPORT:** This budget is forecast to be underspent by £198,000. Details are given in paragraphs 3.3.1 to 3.3.5 below.
- 3.3.1 **Estates:** The budget manager has projected an overspend of £22,000 which is primarily on building maintenance. This will be reviewed once the outcomes of the condition survey and its impact on this and future years' budgets are known.
- 3.3.2 **Information Management Department:** The budget manager has projected an underspend on the IMD budget of £250,000. This is due to a projected underspend on equipment of £250,000, where the budget manager has advised that, over the past couple of years, most high value equipment has been replaced and there are limited resources in the IMD team to implement any large replacement projects, with resources being focussed on delivery of key projects such as the Sussex Control Centre.
- 3.3.3 **Fleet:** The fleet budget is projected to overspend by £31,000; the projection comprises an overspend of £105,000 on the equipment budget and £5,000 on car leasing. The unbudgeted cost of BA cylinders (£17,000) has been funded from the Improvement and Efficiency budget as a one off, see paragraph 5.3 for further details. The overspend on the equipment budget was caused by an error in the budget setting process and this will be corrected for the 2014/15 budget. This is offset by a projected underspend on the fuel budget of £79,000.

- 3.3.4 **Health & Safety:** The budget manager has projected a small underspend of £1,000. The projection is made up of underspends on equipment and subscriptions of £7,000 and training income of £6,000 that cannot be generated from the existing training programme.
- 3.3.5 **Sussex Control Centre:** The SCC project budget is projected to be on target.
- 3.4 **PEOPLE AND ORGANISATIONAL DEVELOPMENT (POD):** The POD budgets are projected to underspend by £12,000, which is due to an underspend on employee costs within the Human Resources budget.
- 3.5 **CORPORATE SERVICES:** The Corporate Services budget is projected to underspend by £184,000. This underspend comprises underspends on Insurance £136,000, Uniforms £30,000 and Members' allowances £18,000. Negotiations continue with East Sussex County Council on the future provision of financial services, but the budget is currently being projected based on 2012/13 contract prices, less the charge for the Treasurer.
- 3.6 **PRINCIPAL OFFICERS' BUDGET:** The Principal Officers' budget is projected to be on target.
- 3.7 **CENTRAL:** The central budgets are projected to be over budget by £20,000.
- 3.7.1 **Centrally controlled:** Centrally controlled budgets are forecast to underspend by £32,000. This is due to a refund of NHS charges of £2,000 and Supplies & Services budget savings of £30,000.
- 3.7.2 **Treasury Management:** The Treasury Management budget is projected to overspend by £52,000 on the bank interest received element. Rates for overnight lending have reduced significantly, primarily due to the Government's Funding for Lending Scheme, and this has had a significant effect on the return the Authority will receive with its short term investments.
- 3.8 **IN SUMMARY:** At this early stage of the year the Revenue Budget is projected to underspend by £313,000.

#### 4. **RESERVES**

- 4.1 The table below sets out the opening Reserves at the start of the financial year and the planned movements during the course of the financial year, to closing Reserves as at 31 March 2014.

<b>Reserves</b>	<b>1 April 2013</b>	<b>Transfers out</b>	<b>Transfers in</b>	<b>31 March 2014</b>
	<b>£,000</b>	<b>£,000</b>	<b>£,000</b>	<b>£,000</b>
Earmarked	3,446	(905)	477	3,018
Capital Programme	2,818	(1,100)	1,000	2,718
General	3,552		200	3,752
<b>Total</b>	<b>9,816</b>	<b>(2,005)</b>	<b>1,677</b>	<b>9,488</b>

4.2 The planned use of balances and reserves has been reviewed since the budget was set and is reflected in Appendix 5. Planned transfers from Earmarked Reserves will be made during the year once actual expenditure has been incurred. The Improvement and Efficiency Earmarked Reserve will receive a one off additional transfer in of £447,000 from the base budget in 2013/14 as a result of the better than expected settlement.

## 5. **CAPITAL PROGRAMME PROJECTS**

5.1 Appendix 2 details the Capital Programme estimated payments as approved by the Fire Authority at its meeting on 7 February 2013, with an additional £434,000 for the Sussex Control Centre Facilities as approved by the Urgency Panel on 14 June 2013, and also adjusted to reflect slippage on schemes already in progress at 1 April 2013. The overall Programme is projected to be under planned spending by £190,000. The capital budget for 2013/14 is projected to be underspent by £190,000. Full details of the 2013/14 capital budget are shown in Appendix 3. Details of any variations to the programme are shown below, with all other projects being reported as on budget.

5.2 **Replacement Cars and Vans:** The Project Manager has advised that delivery of some of the new cars has started and is on line and on target. There is a problem with one vehicle, the new digital van; the price is higher than previously planned. The fleet manager is liaising with the departmental head to review the specification and alternative delivery models. At this point the Scheme is still shown as on budget.

5.3 **New Breathing Apparatus Pod:** Following a review the Pod is no longer required and the Fleet Manager plans to replace the Pod with sixty BA cylinders. The Scheme will, therefore, be underspent, but an additional £17,000 will be required in the Revenue budget as a one off amount in 2013/14, and has been provided for from the Improvement and Efficiency budget.

5.4 **Newhaven Fire Station:** The land for the site was purchased during the last financial year. Work continues to engage interested parties for the development of a shared space building. Negotiations are on-going and, as a result, spending is likely to slip into 2014/15 and 2015/16 although, at this stage, the value of slippage cannot be confirmed until negotiations are complete, with meetings with key partners scheduled for July 2013.

5.5 **Aerial Rescue Pump:** The Project Manager has advised that the final factory based testing has proved satisfactory, with delivery scheduled to take place by the end of June. The Scheme is expected to be £50,000 under budget.

5.6 **IMD Strategy Sussex Control Centre:** The Project Manager has indicated that the Scheme will be spent in full during 2013/14. The project is financed by a Government grant, held by West Sussex County Council, for which an invoice will be raised.

5.7 **The Sussex Control Centre adaptations:** The budget for the adaptations was increased by £434,000 by the Urgency Panel on 14 June 2013; the budget now stands at £1.1m. The Project Manager has advised that it remains the intention to complete the works during 2013/14.

5.8 Appendix 4 shows the recently approved projected resources available to finance the Capital Programme. One Service house has been sold this year. The Fire Authority has previously agreed that all Service houses must be vacated ahead of the 31 March 2015 deadline.

## 6 **FACING THE CHALLENGE SAVINGS SCHEDULE**

6.1 Appendix 6 shows the £1.325m Facing the Challenge savings that were agreed when the 2013/14 Revenue Budget was set. The majority of these savings have been achieved, however, there is currently projected to be a shortfall of £18,000 for which alternative savings will need to be found. The shortfall in the ICS saving falls in 2013/14 only, as a consequence of re-phasing, and will achieve £13,000 more than the target in the medium term.

## 7. **BUDGET MONITORING**

7.1 Through discussions with budget managers and Principal Officers we have identified the need to make improvements in the budget monitoring process to both improve accuracy and information provision, and promote better accountability through the devolved financial management scheme. These improvements will initially focus on improved layout of monitoring reports, increased focus on agreeing projected outturns with budget managers, and a review of the monitoring schedule to focus support and challenge from finance on high risk and volatile budgets.



East Sussex Fire & Rescue Service Outturn Projection April 2013 to March 2014

Appendix 1

	Base Budget	Variations	Current Budget	Actual to Date	Projected Outturn	Projected Variance
	£,000	£,000	£,000	£,000	£,000	£,000
Employees	25,150	298	25,448	3,976	25,498	50
Pensions	3,018	20	3,038	517	3,001	(37)
Premises	2,257	(94)	2,163	528	2,190	27
Transport	1,159	(2)	1,157	323	1,022	(135)
Supplies & Services	5,302	(117)	5,185	863	4,910	(275)
Support Services	525	0	525	(10)	525	0
Capital Charges	2,521	0	2,521	0	2,521	0
<b>Gross Service Budget</b>	<b>39,932</b>	<b>105</b>	<b>40,037</b>	<b>6,197</b>	<b>39,667</b>	<b>(370)</b>
Specific Grants	(188)	0	(188)	(30)	(188)	0
Other Income	(643)	(46)	(689)	(34)	(684)	5
<b>Total Service Income</b>	<b>(831)</b>	<b>(46)</b>	<b>(877)</b>	<b>(64)</b>	<b>(872)</b>	<b>5</b>
<b>Net Service Budget</b>	<b>39,101</b>	<b>59</b>	<b>39,160</b>	<b>6,133</b>	<b>38,795</b>	<b>(365)</b>
Capital Charges credit	(2,521)		(2,521)	0	(2,521)	0
Interest receivable less capital financing	852	4	856	(11)	908	52
Transfer from reserves	0	(93)	(93)	0	(93)	0
Transfer to reserves	1,647	30	1,677	0	1,677	0
<b>Total Net Expenditure</b>	<b>39,079</b>	<b>0</b>	<b>39,079</b>	<b>6,122</b>	<b>38,766</b>	<b>(313)</b>
Financed by:						
Formula Grant	(17,318)		(17,318)	(7,865)	(17,318)	0
Council Tax	(21,625)		(21,625)	(4,711)	(21,625)	0
Council Tax Collection Fund						
(Surplus)/Deficit	(136)		(136)	(27)	(136)	0
	<b>(39,079)</b>		<b>(39,079)</b>	<b>(12,603)</b>	<b>(39,079)</b>	<b>0</b>

## East Sussex Fire &amp; Rescue Service Capital Programme Monitoring April 2013 to March 2014

Capital scheme	Total approved payments	Variations	Total Approved Budget	Spend previous years	Spend 2013/14	Total Spend	Orders placed 2013/14	Orders to be placed	Forecast outturn	Variance on approved Budget
	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000
<b>Schemes starting in 2012/13</b>										
Replacement Fire Appliances	480		480			0		480	480	0
Replacement Cars & Vans	210		210			0	91	119	210	
BA Compressors	110		110			0		110	110	
New Breathing Apparatus POD	140		140			0		0	0	(140)
General Property Schemes	140		140			0		140	140	0
Newhaven Fire Station	3,070		3,070			0		3,070	3,070	0
<b>Total Schemes starting 2013/14</b>	<b>4,150</b>		<b>4,150</b>			<b>0</b>	<b>91</b>	<b>3,919</b>	<b>4,010</b>	<b>(140)</b>
<b>Continuing schemes starting in previous years</b>										
Combined Aerial Rescue Pump	769		769	554		554	165		719	(50)
Crowborough Refurbishment	1,019		1,019	393	155	548	397	74	1,019	0
BA Classroom Maresfield	220		220	16	2	18	6	196	220	0
Property Strategy	656		656	16	17	33		623	656	0
IMD Strategy Sussex Control Centre	1,120		1,120	234	11	245	257	618	1,120	0
Sussex Control Facility	666	434	1,100			0		1,100	1,100	0
Heathfield EA	112		112	99		99	13		112	0
<b>Total schemes from previous years</b>	<b>4,562</b>	<b>434</b>	<b>4,996</b>	<b>1,312</b>	<b>185</b>	<b>1,497</b>	<b>838</b>	<b>2,611</b>	<b>4,946</b>	<b>(50)</b>
<b>Total</b>	<b>8,712</b>	<b>434</b>	<b>9,146</b>	<b>1,312</b>	<b>185</b>	<b>1,497</b>	<b>929</b>	<b>6,530</b>	<b>8,956</b>	<b>(190)</b>

Capital Spend in 2013/14 – April 2013 to March 2014 (NOT total project outturn)

Appendix 3

Capital scheme	Budget spend 2013/14	Spend 2013/14	Orders placed 2013/14	Orders still to be placed in 2013/14	Projected Outturn	Projected Outturn on approved budget
	£,000	£,000	£,000	£,000	£,000	£,000
<b>Schemes starting in 2013/14</b>						
Replacement Fire Appliances	480			480	480	0
Replacement Cars & Vans	210		91	119	210	0
BA Compressors	110			110	110	0
New Breathing Apparatus POD	140				0	(140)
General Property Schemes	140			140	140	0
Newhaven Fire Station	1,020			1,020	1,020	0
<b>Total Schemes starting 2013/14</b>	<b>2,100</b>	<b>0</b>	<b>91</b>	<b>1,869</b>	<b>1,960</b>	<b>(140)</b>
<b>Continuing schemes starting in previous years</b>						
Combined Aerial Rescue Pump	215		165		165	(50)
Crowborough Refurbishment	626	155	397	74	626	0
BA Classroom	204	2	6	196	204	0
Property Strategy	215	17		198	215	0
IMD Strategy Sussex Control Centre	886	11	257	618	886	0
Sussex Control Facilitates	1,100			1,100	1,100	0
Heathfield EA	13		13		13	0
<b>Total Schemes starting in previous years</b>	<b>3,259</b>	<b>185</b>	<b>838</b>	<b>2,186</b>	<b>3,209</b>	<b>(50)</b>
<b>Total</b>	<b>5,359</b>	<b>185</b>	<b>929</b>	<b>4,055</b>	<b>5,169</b>	<b>(190)</b>

**Capital Resources 2013/14**

**Appendix 4**

	<b>Original Budget</b>	<b>Income Received</b>	<b>Projected Resources</b>	<b>Variance on 2013/14 Budget spend</b>
	<b>£,000</b>	<b>£,000</b>	<b>£,000</b>	<b>£,000</b>
Sussex Control Grant	886		886	0
Government Grant	931	931	931	0
Capital Receipts	400	245	400	0
Revenue Transfer to Capital Reserves	1,000		1,000	0
<b>Total Resources</b>	<b>3,217</b>	<b>1,176</b>	<b>3,217</b>	<b>0</b>

## Reserves Projections March to April

Description	Budget Manager	Corporate Owner	2013/14		Closing Balance 31/03/14	
			Opening Balance 1/4/2013	In £,000		Out £,000
<b>Earmarked Reserves</b>			£,000	£,000	£,000	<b>£,000</b>
Improvement & Efficiency	Richard Charman	Duncan Savage	1,189	447	(300)	1,336
Maritime Incident and Response Group	Glenn Jones	Gary Walsh	150		(50)	100
Estates Condition Survey	Julian Salmon	Gary Ferrand	38		(38)	0
Community Safety Smoke Detectors	Neal Robinson	Gary Walsh	50			50
Insurance	Richard Charman	Duncan Savage	249			249
Technical Fire Safety	Andy Reynolds	Gary Walsh	55		(55)	0
Community Fire Safety	Andy Reynolds	Gary Walsh	150			150
Breathing Apparatus	Bill Brewster	Gary Ferrand	750			750
SCC Desktop provision	Brenda Guile	Gary Ferrand	85		(85)	0
SCC Connectivity	Brenda Guile	Gary Ferrand	106		(106)	0
SCC Mapping Solution	Brenda Guile	Gary Ferrand	120		(120)	0
Coaching for Safer Communities	Neal Robinson	Gary Walsh	50			50
Relocation Expenses for staff vacating houses	Vicky Chart	Cheryl Rolph	140	30		170
RDS Training	Mark Rist	Cheryl Rolph	70		(70)	0
Volunteers Scheme	David Kemp	Gary Walsh	236		(73)	163
IMD HR Replacement	Vicky Chart	Cheryl Rolph	8		(8)	0
<b>Total Earmarked Reserves</b>			<b>3,446</b>	<b>477</b>	<b>(905)</b>	<b>3,018</b>
<b>General Fund</b>			3,552	200		3,752
<b>Capital Programme Reserve</b>			2,818	1,000	(1,100)	2,718
<b>TOTAL ALL RESERVES</b>			<b>9,816</b>	<b>1,677</b>	<b>(2,005)</b>	<b>9,488</b>

## Facing the Challenge savings (Progress Report)

Ref Number		Savings agreed £,000	Savings achieved £,000	Savings not achieved £,000	Notes
71	IMD Trainer Reduction in Hours	(8)	(8)		
73	Reduction in Hours L & D Workforce Manager	(12)	(12)		
74	Reduction in L & D External Training budget	(11)	(11)		
75	Fitness Advisor replace with Specialist instructor	(12)	(12)		Alternative savings were volunteered, and taken from the external training budget
76	External Audit fees	(15)	(15)		
77	Dog Handler Post	(50)	(50)		
78	ACO (CS) post	(90)	(90)		
79	Relocation Expenses	(30)	(30)		
81	ICS Review	(271)	(258)	13	Following the implementation of the Review at the beginning of June there is a shortfall of £13,000. However the over saving over the medium term has increased by £17,000 to £474,000
82	HR Assistant	(4)	(4)		
14	Station Cooks	(60)	(60)		
15	Policy Support Officer	(36)	(36)		
22	ICT Technician Post	(36)	(36)		

Ref Number		Savings agreed	Savings achieved	Savings not achieved	Notes
		£,000	£,000	£,000	
24	Performance Review Support Post	(17)	(17)		
25	HR Occupational Health Co-ordinator	(12)	(12)		
32	Corporate Risk Manager	(26)	(26)		
35	ED Watch Manager	(47)	(47)		
36	Clerk to the Fire Authority	(15)	(15)		
39	Station Manager L & D (Amended to Green Book)	(15)	(15)		
43	Head of OD	(74)	(74)		
44	Reduction in Hours H of HS 0.8 to 0.6 fte	(19)	(19)		
50	NVQ Facilitator	(18)	(18)		
51	Equipment Officer Post	(35)	(35)		Alternative savings were volunteered, and taken from the Engineers pay budget.
55	Reduce Spot Hire/Contract Leasing budget	(31)	(26)	5	Projected overspend in current year shortfall £5,000.
57	Reduction of Smoke Alarms budget	(50)	(50)		
58	Community Safety Team 2 grey book 0.5 green book Fte	(91)	(91)		
	NVQ Facilitator additional savings	(1)	(1)		
	Equipment Officer Post	(9)	(9)		
	Fire Control OP	(35)	(35)		

Ref Number		Savings agreed	Savings achieved	Savings not achieved	Notes
		£,000	£,000	£,000	
	Engineering Services Technician	(41)	(41)		
	IMD Training & Citrix Manager	(34)	(34)		
	Web Developer Post	(25)	(25)		
	Insurance	(20)	(20)		
69	Removal ALP and pumping appliance Eastbourne	(75)	(75)		Assumes that ARP is operational from 1 October 2013
	<b>Total Facing the Challenge Savings taken</b>	<b>(1,325)</b>	<b>(1,307)</b>	18	



**EAST SUSSEX FIRE AUTHORITY**

Panel: **Policy & Resources**

Date: **11 July 2013**

Title: **Sussex Control Centre – progress report**

By: **Chief Fire Officer & Chief Executive**

Purpose of Report: **To update the Policy & Resources Panel on progress in relation to the Sussex Control Centre (SCC)**

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**RECOMMENDATION:** The Panel is asked to note this report.

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**MAIN ISSUES**

1. Following the second stage of the tender process for the appointment of sub-contractors, the outcomes have indicated the current capital provision is insufficient. Notwithstanding this, the overall business case for the Sussex Control Centre still remains viable and, despite the increased costs, will still deliver savings of £0.950m per annum shared between the two Services.
2. A high-level project plan indicates that a number of the works streams are now at critical path but these are being managed with close attention.
3. The risk log shows any risk which has a score of 6 or above, and these are examined on a monthly basis. The number of those at 6 has increased during this quarter as all work streams are currently at high activity.
4. Following 5 months' consultation and negotiation, agreement is close on issues relating to shift patterns, hours and start and finish times. Recruitment to the SCC will commence during August and September and training will start once staff are appointed.

5. Integration and interfacing work continues as we move towards the roll-out of the new mobilising and communications system.

**Des Prichard**

**CHIEF FIRE OFFICER & CHIEF EXECUTIVE**

26 June 2013

Appendix A: Project Plan

Appendix B: Risk Log

Appendix C: SCC newsletters

Appendix D: Financial report

## 1. **PROPERTY/ACCOMMODATION**

- 1.1 Integral to the SCC is a resilient, well designed building which accommodates not only the needs of the staff working there but also a complicated myriad of ICT infrastructure, telephone and cabling routing. It is therefore a very complicated and specialist design.
- 1.2 In September 2012, indicative costs for the refurbishment of Haywards Heath Fire Station were reported as being £1.332m, to be apportioned on a 50/50 split and, as such, capital provision of £0.666m had been made in the Fire Authority's budget.
- 1.3 In March 2013, the prime contractor to undertake the works was appointed and, since then, along with the design and property team from West Sussex County Council, they have been working to secure the appointment of sub-contractors.
- 1.4 In keeping to the programme, the tenders were received formally on 10 June 2013 but, late on 6 June 2013, officers were advised that the tenders had come in higher than the original indicative costs and that, based on the first one evaluated (the highest), the capital provision set aside by both Authorities was insufficient.
- 1.5 The Authority's Financial regulations (paragraph 7.2.7) require that: 'If a tender price is higher than the estimated total cost by 10% of the scheme and would result in the capital provision being exceeded then, with the exception of major Government approved projects, provision may be transferred from one approved project to another with the approval of the Chief Fire Officer & Chief Executive, in consultation with the Treasurer. If such a transfer is not possible then the approval of the Authority must be obtained before the tender is accepted.'
- 1.6 Officers have again reviewed the existing business case and the review of the existing Control Rooms (last undertaken in October 2012) to see if there have been any material changes which would affect the decision in relation to HHFS being the preferred and most viable option. Officers concluded that, on balance, HHFS still met the principles of the business case and, given the strategic priority of this project and the significant projects savings it will deliver, made a recommendation to the Urgency Panel on 14 June 2013, that the Scheme value be increased to £1.100m and, furthermore, that the additional £0.434m required is provided from the Capital Programme Reserve.
- 1.7 The Urgency Panel approved the recommendation but Members agreed that it would be necessary to take stock of the lessons learnt once the works were underway, and requested that officers bring a report to a future meeting of the Fire Authority, detailing these.
- 1.8 A review into the internal processes of West Sussex County Council is being undertaken, the results of which will be advised to Members in due course.
- 1.9 At the time of drafting this report, final tender evaluation is awaited but West Sussex County Council are proceeding at their risk on the basis of a maximum guaranteed price. This was to ensure that the mobilisation date of 24 June 2013 was met. Further information will be provided on the day of the meeting.

- 1.10 During the week commencing 17 June, Control staff from both sites were in attendance at Crawley Library, working with CCD (our appointed ergonomists) to prepare the plans and designs for Control and desk layout. They will be moved to the Service Training Centre at Maresfield afterwards so that this can inform planning for the secondary control, which is needed for service resilience in the event of the main control becoming unavailable.

## 2. **PROJECT PLAN**

- 2.1 A high level project plan is attached as a separate document Appendix A, A number of the works streams are now at critical path but these are being managed with close attention.
- 2.2 The risk log is attached as Appendix B. This is a high level log which shows any risk which has a score of 6 or above and these are examined by the Project Board at their monthly meetings. The number of those at 6 has increased during this quarter as all work streams are currently at high activity.
- 2.3 From July 2013, the Governance Boards, as required by the agreement where West Sussex County Council have discharged their call handling and mobilisation functions to East Sussex Fire Authority (known as the Section 16 Agreement), have become operational and will undertake their roles in the leadership, direction and smooth running of the SCC. It is anticipated that the SCC Project Board will disband in October, with the Project Owner and Manager reporting to the appropriate board as required.

## 3. **HUMAN RESOURCE ISSUES**

- 3.1 Consultation has now commenced with the Fire Brigades' Union, UNISON and the Fire Officers' Association, on proposals in relation to the staffing structure, posts and roles, shift patterns and hours of working.
- 3.2 We are close to securing agreement and a further verbal update will be provided at the meeting.
- 3.3 During August and September, recruitment to the new structure will take place and training for staff will take place in 2 stages; from October to December 2013 at the Secondary Control Room and, from January until the go-live at the SCC. This is a difficult time for staff as the new structure has some 20 fewer posts than the current structure.

## 4. **PROCUREMENT AND TECHNICAL**

- 4.1 The Fire Authority procured a new mobilising system in December 2012 from a well-known company in the fire market. The product is a new generation system supported by a radio and telephony system and, currently, we are working closely with them as these are rolled out.

4.2 Equally important to the Control function is the level of integration with other computer systems and we are working hard with West Sussex Fire & Rescue Service and our combined hardware and software suppliers to ensure that we are able to interface or integrate systems wherever possible.

## 5. **COMMUNICATIONS**

5.1 As part of our Communications strategy, monthly blogs which support the SCC newsletters are made available. Our latest newsletters are attached for Members' information, as they are primarily produced for staff. However, if Members feel that receiving the newsletter would be helpful, arrangements can be made for them to be sent electronically and loaded to the intranet site.

## 6. **FINANCE AND FUNDING**

6.1 A financial report is attached as Appendix D. This presents information on the funding streams as well as the current status of the budget which is projected to be on target for the grant fund element. The budget consists of 3 funding streams: from a grant made available from the Department of Communities and Local Government (DCLG); existing budgets from either Service (for example our Special Projects Team which is part of our budgeted establishment is allocated to the SCC project on matched funding basis); or agreement to fund jointly is made with WSFRS on a 50/50 basis as determined by the Section 16 agreement.

## 7. **CONCLUSION**

7.1 A significant amount of extra work and pressure has occurred this month, due to the accommodation issues as well as the additional efforts going into the HR work streams.

7.2 As previously reported, this quarter remains a critical one, and several activities are close to their milestones with issues and heightened risks attached to them.

**MAIN ISSUES**

1. To the end of May 2013, and including the increased cost of adaptations for the new Control Centre premises, £2.35m has been committed or spent on shared costs including the further proposed or anticipated costs initially estimated to total £0.13m.
2. The grant-funded element of the project is currently forecast to be on-budget, including the contract for the mobilising system and mobile data terminals with associated station-end equipment, with £1.4m anticipated spending, for which detailed spending plans are required.

1. **Shared Costs**

- 1.1 Some costs not covered by the Grant are to be shared equally between the two parties. The table below shows a summary of the current position; those items agreed by the SCC Project Board are shown as 'Confirmed' and those not agreed as yet are shown as 'Proposed or Anticipated'. Since the end of May, the costs associated with the adaptations of Haywards Heath Fire Station have increased following the second stage of the tender process. Previously estimated as £1.332m, the estimate has been increased by £0.868m to total of £2.2m. Total shared costs Confirmed have increased to £2.4m and there remains a further £0.130m Proposed or Anticipated.

<b>SHARED FUNDING</b>		<b>TOTAL £'000</b>
<b>CONFIRMED</b>		
Commissioning of Actica for project support in the development of the technical specification for the MCC system.		11.5
Adaptations to Haywards Heath Fire Station.		2,200.0
Actuaries (Hymans) commissioned to evaluate pensions options available.		18.0
Independent legal advice on procurement.		3.9
To provide a dedicated Principal Officer to the SCCP from 1 May 2012 until 30 November 2012 and 3 months in 2013/14, likely to be in the second quarter.		91.8
Ergonomist.		27.0
<b>TOTAL COMMITTED / SPENT</b>		<b>2,352.2</b>
East Share		1,176.1
West Share		1,176.1
<b>PROPOSED OR ANTICIPATED</b>		
Adaptations to Maresfield Training Centre for Secondary Control Room.		60.2
Decommissioning of interim control rooms.		70.0
<b>TOTAL PROPOSED OR ANTICIPATED</b>		<b>130.2</b>
East Share		65.1
West Share		65.1

- 1.2 This Report continues to show Proposed or Anticipated costs to be shared of £130.2k. The two items included are the adaptations required to adapt the Kent Building at Maresfield Training Centre to be a Secondary Control Room and the costs of decommissioning the two interim control rooms. These costs are not included in the Grant monies. When their position is finalised they will, if required, be subject to the Request for Authority to Spend process for approval by the SCC Project Board.
- 1.3 The Panel is advised that, at this stage, no other items have been highlighted that may be required to be funded jointly as part of this Report. However, this Report does include the latest estimate of the costs of adaptations at Haywards Heath.

## 2. Grant Funding

- 2.1 The format of the Report has been changed to align with the usual financial reporting style. The budget to be funded by Grant is still allocated over various spend headings, based on the original bid to DCLG with subsequent variation (as approved by the SCC Project Board). The table below shows that allocation, together with actual spend to date, committed spending that has received Project Board approval and any anticipated further spending that is yet to be subject to detailed spending plans.

<b>FUNDED BY GRANT</b>						
<b>Item</b>	<b>Budget</b>	<b>Actual to date</b>	<b>Committed spend</b>	<b>Anticipated further spend</b>	<b>Forecast Outturn</b>	<b>Forecast Over / (Under) Spend</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>MDT SUB TOTAL</b>	910	375	185	350	910	<b>0</b>
<b>CONTROL ROOM SUB TOTAL</b>	1,402	0	1,098	304	1,402	<b>0</b>
<b>COMMUNICATION SUB TOTAL</b>	200	0	0	200	200	<b>0</b>
<b>SAN H SUB TOTAL</b>	313	0	265	48	313	<b>0</b>
<b>STAFF SUB TOTAL</b>	775	42	208	526	775	<b>0</b>
<b>GRANT FUNDED EXPENDITURE</b>	<b>3,600</b>	<b>417</b>	<b>1,756</b>	<b>1,427</b>	<b>3,600</b>	<b>0</b>

- 2.2 All actual to-date and committed items have been approved by the SCC Project Board. No area of spend is expected to exceed the budget however, there is every intention to fully utilise the grant, and the totals for anticipated further spend reflect this.
- 2.3 Since the last Report, the only two changes are the inclusion of the previously approved Request for Authority to Spend for the Technical Project Manager and for option advice from Infographics relating to their product FireWatch.

Warren Tricker  
14 June 2013

