



**EAST SUSSEX FIRE AUTHORITY**  
**POLICY & RESOURCES PANEL**

**THURSDAY 16 JANUARY 2014 at 11:00 HOURS**

or at the conclusion of the Scrutiny & Audit Panel meeting, 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 16 January 2014 at 11:00 hours, or at the conclusion of the Scrutiny & Audit Panel meeting, whichever is the later.

**AGENDA**

Item Page  
No. No.

923. 1. In relation to matters on the agenda, seek declarations of any disclosable pecuniary interests under Section 30 of the Localism Act 2011.

924. 1. Apologies for Absence.

925. 1. 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).

926. 1. To consider any public questions and petitions.

927. 3. Non-confidential Minutes of the last Policy & Resources Panel meeting held on 14 November 2013 (copy attached).

928. 2. 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.

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

930. 21. Fire Authority Service Planning Processes for 2015/16 and beyond – Draft Revenue Budget 2014/15 and Capital Programme 2014/15 to 2018/19 – report of the Treasurer (copy attached).

931. 2. 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.

932. 67. Confidential Minutes of the last Policy & Resources Panel meeting held on 14 November 2013 (copy attached). (Exempt categories under paragraphs 3 and 4 of the Local Government Act 1972).

**ABRAHAM GEBRE-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 14 November 2013.**

**Members Present: Councillors Barnes, Hawtree, Howson (Chairman), Lambert, Pragnell, Rufus, Scott and Taylor**

**Also present:**

Mr. D. Prichard (Chief Fire Officer & Chief Executive), Mr. G. Walsh (Deputy Chief Fire Officer), 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), Miss L. Woodley (Deputy Monitoring Officer) and Mrs. K. Ward (Clerk).

911. **DISCLOSABLE PECUNIARY INTERESTS**

911.1 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.

912. **APOLOGIES FOR ABSENCE**

912.1 Apologies were received from Councillor Theobald.

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

913.1 There were none.

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

914.1 There were none.

915. **NON-CONFIDENTIAL MINUTES OF THE POLICY & RESOURCES PANEL MEETING HELD ON 29 AUGUST 2013**

915.1 **RESOLVED** – That the minutes of the meeting held on 29 August 2013 be approved as a correct record and signed by the Chairman. (Copy in Minute Book).

916. **CALLOVER**

916.1 Members reserved the following item for debate:

917. Revenue Budget and Capital Programme Monitoring 2013/14

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

917. **REVENUE BUDGET AND CAPITAL PROGRAMME MONITORING 2013/14**

- 917.1 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 2013/14 Revenue Budget and Capital Programme as at 30 September 2013. (Copy in Minute Book).
- 917.2 The Treasurer informed Members that the Revenue Budget for 2013/14 was currently predicted to be underspent by £514,000. The majority of this underspend was in IMD and Corporate Services budgets. Members were advised that a more detailed review of the IMD budget was underway which was likely to see a reduced underspend at the next meeting's report. The Chief Fire Officer & Chief Executive explained that there were significant challenges with IMD to ensure that the system was robust; external consultants were being engaged to assist the Service. Members were also alerted that income from the local share of business rates was expected to be lower than budgeted for, which would also reduce the underspend and this would be reflected in the next report to the Panel.
- 917.3 The overall Capital Programme was projected to be underspent by £284,000 which was an increase on the previous report to this Panel, whilst the current year's capital programme was projected to be under budget by £1,315,000. This was primarily due to delays in progressing the project for a new fire station at Newhaven and £970,000 would carry over to 2014/15.
- 917.4 Councillors were advised that officers were currently assessing the potential impact of two pension related issues: the judgement in the Norman v. Cheshire case, which had determined that some special allowances should be regarded as pensionable; and the proposed modified pension scheme for Retained Duty staff. Both would have financial and administrative implications. The financial costs, both one off and on-going, would need to be factored into the Authority's medium term finance plan. An update would be brought to a future Panel meeting.
- 917.5 The Chairman wished to record his appreciation for the excellent work carried out on the refurbishment of Crowborough Fire Station.
- 917.6 **RESOLVED** – That the Panel note:
- (i) the projected 2013/14 Revenue Budget outturn;
  - (ii) the projected Capital Programme outturn and variation to the Capital Programme;
  - (iii) the current and planned use of Reserves; and
  - (iv) the shortfall in 2013/14 budget savings and that they are managed within the current overall spend.

918. **TREASURY MANAGEMENT – HALF YEAR REPORT FOR 2013/14**

918.1 Members noted a report of the Treasurer which advised them that the treasury management half yearly report was a requirement of the Fire Authority's reporting procedures and covered the treasury activity for the first six months of 2013/14. The report included an update on the first half year of Prudential Indicators which related to the treasury activity. (Copy in Minute Book).

918.2 **RESOLVED** – That the Panel note the treasury management performance for the first half year of 2013/14.

919. **EXCLUSION OF PRESS AND PUBLIC**

919.1 **RESOLVED** – That items 920 and 922 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 12.55 hours.

Signed

Chairman

Dated this Day of

2014



**EAST SUSSEX FIRE & RESCUE SERVICE**

Panel **Policy & Resources**  
Date: **16 January 2014**  
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 30 November 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 shortfall in 2013/14 budget savings and that they are contained within the forecast overall underspend,

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**MAIN ISSUES**

1. This is the fourth report to the Policy & Resources Panel for the financial year 2013/14.
2. The projected Revenue Budget outturn for 2013/14 is an underspend of £349,000, a reduction on the previously reported £514,000.
3. The overall Capital Programme is projected to be under planned spending by £362,000, an increase on the £284,000 reported to the last meeting of the Policy & Resources Panel. The current year's Capital Programme and spending profile is projected to be under budget by £1,763,000, an increase on the £1,315,000 last reported to this Panel.
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 and 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,**  
**CHIEF FIRE OFFICER & CHIEF EXECUTIVE**  
3 January 2014

**Duncan Savage**  
**TREASURER**

1. **INTRODUCTION**

1.1 The financial information contained in this report is based upon enquiries as at 30 November 2013.

2. **BUDGET OUTTURN SUMMARY**

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

	<b>Last P &amp; R Report</b>	<b>This P &amp; R Report</b>	<b>Movement</b>
	£,000	£,000	£,000
Revenue (See Paragraph 3)	(514)	(349)	165
Capital (See Paragraph 5)	(1,315)	(1,763)	(448)

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 £,000</b>	<b>Transfer £,000</b>	<b>Current Budget £,000</b>	<b>Projected Outturn £,000</b>	<b>Variance £,000</b>	<b>Variance Last P &amp; R</b>
Service Delivery Response	5,382	13	5,395	5,333	(62)	(43)
Service Delivery Prevention	518	18	536	526	(10)	(10)
Service Delivery Protection	114	55	169	169	0	0
Operational Pay and Pensions	17,970	(81)	17,889	17,952	63	61
<b>Total Service Delivery and Operational budget</b>	<b>23,984</b>	<b>5</b>	<b>23,989</b>	<b>23,980</b>	<b>(9)</b>	<b>8</b>
Service Support Estates	1,304	102	1,406	1,373	(33)	6
Service Support IMD	3,169	21	3,190	3,100	(90)	(282)
Service Support Fleet	1,601	43	1,644	1,688	44	48
Service Support SCC	77	92	169	169	0	0
Service Support Health & Safety	121	25	146	145	(1)	(1)
<b>Total Service Support budget</b>	<b>6,272</b>	<b>283</b>	<b>6,555</b>	<b>6,475</b>	<b>(80)</b>	<b>(229)</b>
POD HR	691	28	719	677	(42)	(42)
POD L & O D	1,952	(7)	1,945	1,945	0	0
<b>Total People &amp; Org Development</b>	<b>2,643</b>	<b>21</b>	<b>2,664</b>	<b>2,622</b>	<b>(42)</b>	<b>(42)</b>
<b>Corporate Services</b>	<b>2,499</b>	<b>84</b>	<b>2,583</b>	<b>2,361</b>	<b>(222)</b>	<b>(247)</b>
POs	689	(28)	661	661	0	0
Central	2,992	(365)	2,627	2,488	(139)	(4)
<b>Total Gross Expenditure</b>	<b>39,079</b>	<b>0</b>	<b>39,079</b>	<b>38,587</b>	<b>(492)</b>	<b>(514)</b>
<b>Financing</b>	<b>(39,079)</b>	<b>0</b>	<b>(39,079)</b>	<b>(38,936)</b>	<b>143</b>	<b>0</b>
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(349)</b>	<b>(349)</b>	<b>(514)</b>



- 3.2 **SERVICE DELIVERY:** The projected underspend of £9,000 (last reported as an overspend of £8,000) comprises an underspend of £62,000 in Response, £10,000 in Prevention and an overspend of £63,000 in Operational Pay and Pensions, described in detail below.
- 3.2.1 **Response:** The budget is forecast to underspend by £62,000 (last reported underspend of £43,000). Based on seven months' activity there is a projected underspend of £71,000 on the retained duty system budget (last reported £61,000). There are projected overspends of £13,000 on the Operational Planning budget, £3,000 on the Wealden Borough Community Safety budget and £12,000 on business rates payable on Preston Circus, all unchanged from the last Policy & Resources meeting. The previously reported underspend on the M&CC budget of £10,000 has increased to £20,000 as strength is 1.25 FTE under financial provision.
- 3.2.2 **Prevention:** The Prevention budget is projected to underspend by £10,000, unchanged from the last report.
- 3.2.3 **Protection:** The Protection budget is projected to come in on budget, unchanged from the last report.
- 3.2.4 **Operational Pay and Pensions:** The budget is forecast to overspend by £63,000 (last reported as £61,000).
- 3.3 **SERVICE SUPPORT:** This budget is forecast to be underspent by £80,000 compared to £229,000 previously reported. Details are shown in paragraphs 3.3.1 to 3.3.5 below.
- 3.3.1 **Estates:** The budget manager has advised that this budget will underspend by £33,000 (last reported as an overspend of £6,000). An overspend attributed to business rates on the HQ building which has been revalued by District Valuation Office has been offset by the transfer of £39,000 from the Information Management Department budget for CCTV/Access control to Service HQ that is not required until 2014/15 when the new Sussex Control Centre opens. The £39,000 will be met from within the 2014/15 budget.
- 3.3.2 **Information Management Department (IMD):** The forecast projection is an underspend of £90,000 (£282,000 reported to the last Policy & Resources Panel meeting). The change is due to a full review and revision of the IMD work programme for the remainder of the year and includes £40,000 allocated for the new Performance Management software which will now be met from the 2014/15 budget.
- 3.3.3 **Fleet:** The fleet budget is projected to overspend by £44,000, compared to £48,000 last reported. A projected underspend on the fuel budget of £83,000 and additional income relating to the sale of cars and vans of £33,000 has offset required expenditure of £105,000 on equipment omitted from the original budget and £5,000 on car leasing/hire. In addition, there is revenue spending of £50,000 on replacement BA cylinders which replaces the planned Breathing Apparatus scheme in the Capital Programme.
- 3.3.4 **Sussex Control Centre:** The SCC project is projected to be on budget.
- 3.3.5 **Health & Safety:** The forecast projection remains unchanged at an underspend of £1,000.

- 3.4 **PEOPLE AND ORGANISATIONAL DEVELOPMENT (POD):** As previously reported, the POD budgets are projected to underspend by £42,000. The projected underspend comprises an underspend on the staff advertising budget of £40,000 (previously reported as £30,000) and a £2,000 projected underspend on the Occupational Health contract. The previously reported underspend on staffing in Human Resources is no longer expected to materialise. The L&OD manager has advised that L&OD spending plans are undergoing a formal review and Corporate Management Team will be advised of the results at their meeting in January 2014.
- 3.5 **CORPORATE SERVICES:** The Corporate Services budgets projected underspend is £222,000 (last reported as £247,000) and consists of the previously reported £41,000 on a budget held for developments to the finance system, SAP; £19,000 on printing, £21,000 on Members' allowances and £136,000 on insurance. A previously reported underspend of £30,000 on uniforms has been revised downwards to a projected underspend of £5,000.
- 3.6 **PRINCIPAL OFFICERS BUDGET:** The Principal Officers' budget projection remains on target.
- 3.7 **CENTRAL:** The forecast projection is an underspend of £139,000 compared to £4,000 previously reported, and is detailed below.
- 3.7.1 **Centrally Controlled:** The centrally controlled budgets are forecast to underspend by £68,000 (last reported underspend of £55,000). The revised forecast comprises spend relating to industrial action of £28,000 less £21,000 for pay deductions not included in Operational Pay & Pensions forecasts. The remaining forecasts relate to underspends of £9,000 on the SAP independent link, £56,000 on Supplies and Services, £13,000 on car allowances and a small spend of £3,000 relating to Marlie Farm.
- 3.7.2 **Treasury Management:** The Treasury Management budget is projected to overspend by £51,000 that comprises lower than anticipated bank interest received of £52,000 and a small underspend on bank charges relating to the cancelling of business cards (credit cards).
- 3.7.3 **Centrally Held Contingencies:** There was a centrally held contingency of £304,000, funding bids for essential projects that could be completed in the current financial year. Bids amounting to £155,000 were successfully approved, and bids totalling £26,000 were deferred pending further consideration, leaving £123,000 as a projected underspend.
- 3.8 **Financing:** (Non Domestic Rates Income) As anticipated, actual income from our local share of business rates (based on NNDR1 returns) will be less than that originally budgeted for (based on the 2013/14 Settlement). This can now be quantified and the estimate reduces funding by £142,803. Latest figures from our billing authorities do, however, indicate that actual business rates collected in 2013/14 will exceed original projections but will be distributed as a Collection Fund surplus in 2014/15.
- 3.9 **IN SUMMARY:** At this stage of the financial year, the Revenue Budget is projected to underspend by £349,000.

#### 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 £,000</b>	<b>Transfers in £,000</b>	<b>Transfers out £,000</b>	<b>31 March 2014 £,000</b>
Earmarked	3,446	477	(654)	3,269
Capital Programme	2,818	1,000	(1,100)	2,718
General	3,552	200		3,752
<b>Total</b>	<b>9,816</b>	<b>1,677</b>	<b>(1,754)</b>	<b>9,739</b>

- 4.2 The planned use of Balances and Reserves has been reviewed since the budget was set and is reflected in Appendix 5.

#### 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, adjusted to reflect slippage on schemes already in progress at 1 April 2013 and updated to reflect other agreed variations. The overall Programme is projected to be under planned spending by £362,000, with the scheme by scheme detail shown in Appendix 2.
- 5.2 The capital budget for 2013/14 is projected to be underspent by £1,763,000. Full details of the 2013/14 capital budget are shown in Appendix 3. Details of any variances to the programme are shown below, with all other projects being reported as on budget.
- 5.3 **Replacement Appliances:** The Project Manager has advised that the order is complete and there will be a saving of £40,000. The £40,000 is an outcome of contract negotiations with John Dennis Coachbuilders and fitting 1-7 foam to one unit rather than both as originally planned.
- 5.4 **Replacement Cars and Vans:** The Project Manager has advised that most of the vehicles have been delivered and the scheme is projected to be on budget. The projected underspend in 2013/14 relates to the Digital Van, where the business case is being reviewed, and the £45,000 budget is being slipped into 2014/15.
- 5.5 **BA Compressors:** The order for the BA Compressors has been placed and the Project Manager has advised that the scheme will be £10,000 under budget.
- 5.6 **New Breathing Apparatus Pod:** Following a review, the Pod is no longer required, resulting in a reduction in the Capital Programme of £140,000. The preferred alternative is to provide sixty BA cylinders, the cost of which is reflected in the revenue budget projection (paragraph 3.3.3).
- 5.7 **Bohemia Road:** The project manager has advised that the kitchen at Bohemia Road does not require refurbishment.
- 5.8 **Preston Circus:** The project manager has advised that only £10,000 of the allocated £50,000 will be spent following a reassessment of the project requirements.

- 5.9 **Newhaven Fire Station:** The land was purchased last financial year. Work continues with interested parties for the development of a shared space building and negotiations are on-going. The project manager has advised a minor rephasing of the project resulting in £175,000 being required in this financial year compared to the £50,000 previously reported for site preparation, surveys and security. This will enable the project to continue through the negotiations stage to design specification and finally planning application.
- 5.10 **Aerial Rescue Pump (ARP):** There has been a small reduction in the previously reported underspend of £66,000 to £60,000. There has been an additional spend of £6,000 on Training as part of the original contract that had been omitted from earlier projections.
- 5.11 **Crowborough Refurbishment:** The Project Manager has advised that the scheme is projected to underspend in the current year by £30,000, a small change from previously reported £36,000; £16,000 of this will be slipped into 2014/15 as provision for retention payments.
- 5.12 **IMD Strategy Sussex Control Centre:** The Project Manager has indicated that the scheme will slip and this is reflected in the phasing of payments and grant income.
- 5.13 **Window Replacement Eastbourne:** This is the final project within a wider replacement scheme over three years at more than one establishment for which the final retention payment has now been made. Whilst this project has overspent by £2,000, the overall scheme has been delivered within its original cost estimate
- 5.14 **Sustainability:** The Project Manager has advised that the sustainability scheme will not start this year. The Scheme is being revised and the programme of works and payments schedule will be addressed in the Capital Asset Strategy.
- 5.15 **Heathfield:** The Project Manager has advised that although the scheme has finished there remains the retention payment of £3,000 to be made to the contractor. Overall the scheme will underspend by £10,000.
- 5.16 Appendix 4 shows the recently approved projected resources available to finance the Capital Programme. So far, three Service houses have been sold this year rather than two as originally projected. The Authority has previously agreed that all Service houses must be vacated by 31 March 2015.

## 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.
- 6.2 The total projected shortfall now stands at £56,000 in 2013/14 which is currently absorbed within the 2013/14 forecast underspend as agreed by Corporate Management Team in July 2013.

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	1,838	26,988	17,315	27,024	36
Pensions	3,018	26	3,044	2,072	3,032	(12)
Premises	2,257	(122)	2,135	1,431	2,131	(4)
Transport	1,159	(3)	1,156	741	1,004	(152)
Supplies & Services	5,302	228	5,530	3,068	5,184	(346)
Support Services	525	8	533	21	492	(41)
Capital Charges	2,521	0	2,521	0	2,521	0
<b>Gross Service Budget</b>	<b>39,932</b>	<b>1,975</b>	<b>41,907</b>	<b>24,648</b>	<b>41,388</b>	<b>(519)</b>
Specific Grants	(188)	0	(188)	(106)	(179)	9
Other Income	(643)	(1,837)	(2,480)	(919)	(2,513)	(33)
<b>Total Service Income</b>	<b>(831)</b>	<b>(1,837)</b>	<b>(2,668)</b>	<b>(1,025)</b>	<b>(2,692)</b>	<b>(24)</b>
<b>Net Service Budget</b>	<b>39,101</b>	<b>138</b>	<b>39,239</b>	<b>23,623</b>	<b>38,696</b>	<b>(543)</b>
Capital Charges credit	(2,521)	0	(2,521)	0	(2,521)	0
Interest receivable less capital financing	852	5	857	215	908	51
Transfer from reserves	0	(173)	(173)	0	(173)	0
Transfer to reserves	1,647	30	1,677	0	1,677	0
<b>Total Gross Expenditure</b>	<b>39,079</b>	<b>0</b>	<b>39,079</b>	<b>23,838</b>	<b>38,587</b>	<b>(492)</b>
Financed by:						
Revenue Support Grant	(10,195)		(10,195)	(6,881)	(10,195)	0
Council Tax	(21,625)		(21,625)	(15,138)	(21,625)	0
Council Tax Collection fund (Surplus)/Deficit	(136)		(136)	(95)	(136)	0
Local Retained Business Rates	(6,782)		(6,782)	(5,411)	(6,639)	143
Council Tax Freeze Grant	(249)		(249)	(212)	(249)	0
Council Tax Support Grant	(92)		(92)	(79)	(92)	0
<b>Total Financing</b>	<b>(39,079)</b>	<b>0</b>	<b>(39,079)</b>	<b>(27,816)</b>	<b>(38,936)</b>	<b>143</b>
<b>Total Net Expenditure</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(3,978)</b>	<b>(349)</b>	<b>(349)</b>

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

Appendix 2

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 2013/14</b>										
Replacement Fire Appliances	480		480		327	327	106	7	440	(40)
Replacement Cars & Vans	210		210		108	108	51	51	210	0
BA Compressors	110		110			0	92	8	100	(10)
New Breathing Apparatus POD	140		140			0			0	(140)
Property Strategy: Bohemia Road	50		50			0			0	(50)
Property Strategy: Preston Circus	50		50			0		10	10	(40)
Property Strategy: STC	40		40		17	17		23	40	0
Newhaven Fire Station	3,070		3,070		1	1		3,069	3,070	0
<b>Total Schemes starting 2013/14</b>	<b>4,150</b>		<b>4,150</b>		<b>453</b>	<b>453</b>	<b>249</b>	<b>3,168</b>	<b>3,870</b>	<b>(280)</b>
<b>Continuing schemes starting in previous years</b>										
Combined Aerial Rescue Pump	769		769	554	155	709			709	(60)
Crowborough Refurbishment	1,019		1,019	393	552	945	34	26	1,005	(14)
BA Classroom Maresfield	220		220	16	195	211	9		220	
IMD Strategy Sussex Control Centre	1,120	907	2027	234	199	433	1,187	407	2,027	
Property Strategy: Roedean Drill Tower	16		16	16		16			16	
Property Strategy: Replacement Fuel Tanks	190		190					190	190	
Property Strategy: Roedean Roof	30		30					30	30	
Property Strategy: Sustainability Initiative	420		420					420	420	
Window Replacement Eastbourne	0		0		2	2			2	2
Sussex Control Centre – Property adaptations	666	434	1,100					1,100	1,100	
Heathfield	112		112	99		99	3		102	(10)
<b>Total schemes from previous years</b>	<b>4,562</b>	<b>1,341</b>	<b>5,903</b>	<b>1,312</b>	<b>1,103</b>	<b>2,415</b>	<b>1,233</b>	<b>2,173</b>	<b>5,821</b>	<b>(82)</b>
<b>Total</b>	<b>8,712</b>	<b>1,341</b>	<b>10,053</b>	<b>1,312</b>	<b>1,556</b>	<b>2,868</b>	<b>1,482</b>	<b>5,341</b>	<b>9,691</b>	<b>(362)</b>

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

Appendix 3

Capital scheme	Budget 2013/14	Actual 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	327	106	7	440	(40)
Replacement Cars & Vans	210	108	51	6	165	(45)
BA Compressors	110		92	8	100	(10)
New Breathing Apparatus POD	140				0	(140)
Property Strategy: Bohemia Road	50				0	(50)
Property Strategy: Preston Circus	50			10	10	(40)
Property Strategy: STC	40	17		23	40	0
Newhaven Fire Station	1,020	1		174	175	(845)
<b>Total Schemes starting 2013/14</b>	<b>2,100</b>	<b>453</b>	<b>249</b>	<b>228</b>	<b>930</b>	<b>(1,170)</b>
<b>Continuing schemes starting in previous years</b>						
Combined Aerial Rescue Pump	215	155			155	(60)
Crowborough Refurbishment	626	552	34	10	596	(30)
BA Classroom	204	195	9		204	0
IMD Strategy Sussex Control Centre	1,793	199	1,187	17	1,403	(390)
Property Strategy: Replacement Fuel Tanks	80			80	80	0
Property Strategy: Roedean Roof	30			30	30	0
Property Strategy: Sustainability	105				0	(105)
Window Replacement Eastbourne	0	2			2	2
Sussex Control Centre – Property adaptations	1,100			1,100	1,100	0
Heathfield	13		3		3	(10)
<b>Total Schemes starting in previous years</b>	<b>4,166</b>	<b>1,103</b>	<b>1,233</b>	<b>1,237</b>	<b>3,573</b>	<b>(593)</b>
<b>Total</b>	<b>6,266</b>	<b>1,556</b>	<b>1,482</b>	<b>1,465</b>	<b>4,503</b>	<b>(1,763)</b>

	<b>Original Budget</b>	<b>Current 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>	<b>£,000</b>
Sussex Control Grant	886	1,793		1,403	(390)
Government Grant	931	931		931	0
Capital Receipts	400	400	662	662	(262)
Revenue Transfer to Capital Reserves	1,000	1,000		1,000	0
<b>Total Resources</b>	<b>3,217</b>	<b>4,124</b>	<b>662</b>	<b>3,996</b>	<b>(652)</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 and Efficiency	Richard Charman	Duncan Savage	1,189	447	(120)	<b>1,516</b>
Maritime Incident and Response Group	Glenn Jones	Gary Walsh	150		(50)	<b>100</b>
Estates Condition Survey	Julian Salmon	Gary Ferrand	38		(38)*	<b>0</b>
Community Safety Smoke Detectors	Neal Robinson	Gary Walsh	50			<b>50</b>
Insurance	Richard Charman	Duncan Savage	249			<b>249</b>
Technical Fire Safety	Andy Reynolds	Gary Walsh	55		(55)*	<b>0</b>
Community Fire Safety	Andy Reynolds	Gary Walsh	150			<b>150</b>
Breathing Apparatus	Bill Brewster	Gary Ferrand	750			<b>750</b>
SCC Desktop provision	Brenda Guile	Gary Ferrand	85		(85)	<b>0</b>
SCC Connectivity	Brenda Guile	Gary Ferrand	106		(106)	<b>0</b>
Mapping Solution	Brenda Guile	Gary Ferrand	120		(120)	<b>0</b>
Coaching for Safer Communities	Neal Robinson	Gary Walsh	50			<b>50</b>
Relocation Expenses for staff vacating houses	Vicky Chart	Cheryl Rolph	140	30		<b>170</b>
Retained Duty Staff Training	Mark Rist	Cheryl Rolph	70			<b>70</b>
Volunteers Scheme	David Kemp	Gary Walsh	236		(73)*	<b>163</b>
IMD HR Replacement	Vicky Chart	Cheryl Rolph	8		(7)*	<b>1</b>
<b>Total Earmarked Reserves</b>			<b>3,446</b>	<b>477</b>	<b>(654)</b>	<b>3,269</b>
<b>Capital Programme Reserve</b>			<b>2,818</b>	<b>1,000</b>	<b>(1,100)</b>	<b>2,718</b>
<b>General Fund</b>			<b>3,552</b>	<b>200</b>		<b>3,752</b>
<b>TOTAL ALL RESERVES</b>			<b>9,816</b>	<b>1,677</b>	<b>(1,754)</b>	<b>9,739</b>

\* denotes reserve has been drawn down into the revenue budget

## Facing the Challenge savings (Progress Report)

Ref Number	Description	Savings agreed £,000	Savings achieved £,000	Savings not achieved £,000	Notes
71	Information Management Department (IMD) Trainer Reduction in Hours	(8)	(8)		
73	Reduction in Hours Learning & Development (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	Incident Command System (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 saving over the medium term has increased by £17,000 to a total saving of £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	Description	Savings agreed £,000	Savings achieved £,000	Savings not achieved £,000	Notes
24	Performance Review Support Post	(17)	(17)		
25	HR Occupational Health Co-ordinator	(12)	(12)		
32	Corporate Risk Manager	(26)	(26)		
35	Inclusion and Diversity 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 Organisational Development	(74)	(74)		
44	Reduction in Hours Head of Health and Safety 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)		
	Engineering Services Technician	(41)	(41)		
	IMD Training & Citrix Manager	(34)	(34)		

Ref Number	Description	Savings agreed	Savings achieved	Savings not achieved	Notes
		£,000	£,000	£,000	
	Web Developer Post	(25)	(25)		
	Insurance	(20)	(20)		
69	Removal Aerial Ladder Platform and pumping appliance Eastbourne	(75)	(37)	38	Assumes that Aerial Rescue Pump is operational from 1 January 2014.
	<b>Total Facing the Challenge Savings taken</b>	<b>(1,325)</b>	<b>(1,269)</b>	<b>56</b>	

**EAST SUSSEX FIRE AUTHORITY**

Panel: **Policy & Resources**  
Date: **16 January 2014**  
Title: **Fire Authority Service Planning processes for 2014/15 and beyond – draft Revenue Budget 2014/15 and Interim Capital Programme 2014/15 to 2018/19**  
By: **Chief Fire Officer & Chief Executive and Treasurer**  
Purpose of Report: **To present the draft 2014/15 Fire Authority Revenue Budget and Interim Capital Programme for initial consideration prior to formal consideration by the Fire Authority at its meeting on 14 February 2014.**

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

1. Note that final information regarding the Local Government Finance Settlement, Council Tax Referendum Thresholds, Council Tax and Business Rates bases and Collection Fund positions is still awaited and that final budget proposals may change once this is received.
2. Recommend that the Fire Authority, subject to any changes as a result of recommendation 1, either:
  - (a) approves the acceptance of the Council Tax Freeze Grant for 2014/15 (Option A) and, as a result, approves:
    - (i) the budget proposals set out in the Report and the net budget requirement of £38.397m for 2014/15,
    - (ii) the Council Tax requirement of £21.827m,
    - (iii) the Council Tax and precepts as set out in Appendix H, part 1,
    - (iv) the interim capital programme for the next five years and the capital budget of £4.141m for 2014/15 and the plans to use capital grant, capital receipts and revenue contributions to finance that expenditure,
    - (v) the maintenance of the General Reserve at a minimum of 8% of the net revenue budget over the medium term,
    - (vi) the transfer of £121,000 from Earmarked Reserves no longer required into the Improvement & Efficiency Reserve,
    - (vii) the transfer of the projected revenue underspend of £0.349m for 2013/14 to the Capital Programme Reserve,
    - (viii) the fees and charges set out in Appendix D, and
    - (ix) the prudential indicators set out in Appendix F
  - or (b) approves an increase in Council Tax of 1.94% (Option B) and, as a result, approves:
    - (i) the budget proposals set out in the Report and the net budget requirement of £38.568m for 2014/15,

- (ii) the Council Tax requirement of £22.250m,
- (iii) the Council Tax and precepts as set out in Appendix H, part 2,
- (iv) the interim capital programme for the next five years and the capital budget of £4.141m for 2014/15 and the plans to use capital grant, capital receipts and revenue contributions to finance that expenditure,
- (v) the maintenance of the General Reserve at a minimum of 8% of the net revenue budget over the medium term,
- (vi) the transfer of £121,000 from Earmarked Reserves no longer required into the Improvement & Efficiency Reserve,
- (vii) the transfer of the projected revenue underspend of £0.349m for 2013/14 to the Capital Programme Reserve,
- (viii) the fees and charges set out in Appendix D, and
- (ix) the prudential indicators set out in Appendix F

and (c) authorises the CFO&CE, in consultation with the Chairman and Treasurer, to make adjustments to the presentation of the budget to reflect the final Local Government Finance Settlement.

## **MAIN ISSUES**

1. The Panel is asked to consider the draft revenue budget and capital programme. Further advice on any news on the council tax base and surpluses and deficits will be advised, if received.
2. The final Revenue Budget and Capital Programme will be incorporated into final versions of the 2014/15 Strategic Plan and the 2014/15 Annual Plan, once the Fire Authority has approved them in February 2014, for subsequent publication.
3. In December 2013 the Authority approved a range of non-operational savings proposals and Phase 1 of a series of operational savings proposals. These savings have been built into the budget proposals for 2014/15 contained in this report and the revised Medium Term Financial Plan (MTFP) for the next five years. The Authority will be asked to approve proposals to commence public consultation on a second phase of operational savings at its February meeting. Further options for changes to operational and non-operational services (Phase 3) that are expected to deliver additional savings will be developed by officers for the Authority to consider over the next 12-18 months.
4. The Fire Authority is statutorily required to set its precept for 2014/15 before 1 March 2014. In practice, the precept should be set at its meeting on 14 February 2014.

**Des Prichard**  
**CHIEF FIRE OFFICER & CHIEF EXECUTIVE**  
 8 January 2014

**Duncan Savage**  
**TREASURER**

## 1. **INTRODUCTION**

- 1.1 The report sets out the proposed Revenue Budget for 2014/15, a medium term view of service planning and resourcing, as well as the proposed Interim Capital Programme for the Fire Authority for 2014/15 to 2018/19. It also provides detail of progress on the range of operational and non-operational savings considered by the Fire Authority at its December meeting.
- 1.2 This report sets out two scenarios for Members to consider:
- (i) Option A, accepting the Council Tax Freeze Grant in 2014/15 – this would involve setting a net budget requirement of £38.397m, a Council Tax requirement of £21.827m and freezing Band D Council Tax at £81.86 i.e. 0% increase on 2013/14; or
  - (ii) Option B, increasing Council Tax by 1.94% – this would involve setting a net budget requirement of up to £38.568m, a Council Tax Requirement of £22.250m and increasing Band D Council Tax to £83.45.
- 1.3 The key issue for the Fire Authority for the foreseeable future, and its Medium Term Financial Plan (MTFP), is to deliver its strategic priorities, including its statutory duties, within the context of continued reductions in the level of funding available, as a result of the coalition Government's national deficit reduction strategy.
- 1.4 The Authority reviewed its MTFP in July 2013 and identified the need to make difficult and challenging decisions to deliver savings of up to £7.1m or 18.2% of its current revenue budget over the period 2014/15 to 2018/19 (in addition to £1.3m of savings already agreed for 2014/15). Whilst previous savings programmes had, in the main, protected operational services, the Authority recognised that a broader review of all its services was necessary given the scale of savings that were now required. Therefore, in December 2013, the Authority approved a range of non-operational savings proposals and Phase 1 of a series of operational savings proposals. These savings have been built into the budget proposals for 2014/15, as contained in this report, and into the revised MTFP for the next five years.
- 1.5 The Authority will be asked to approve proposals to commence public consultation on Phase 2 of the proposed operational savings at its February meeting. Further options for changes to operational and non-operational services (Phase 3) that are expected to deliver additional savings will be developed by officers for the Authority to consider over the next 12-18 months. Based on the latest version of the MTFP, additional savings of up to £2.688m will need to be found through Phases 2 and 3 of the programme of service reviews, depending on the Authority's decision on Council Tax for 2014/15.

- 1.6 There remain a number of uncertainties for funding in 2014/15 and beyond and the Fire Authority will need to remain flexible in its planning approach, especially in advance of the next Spending Review which is expected to follow the national elections in May 2015. Our current assumptions are based on the most up to date information we have available. Given the late announcement of both the Autumn Statement and the Local Government Finance Settlement (LGFS) it is likely that further changes to the MTFP will need to be made before the Fire Authority makes its final decisions in February 2014.

## 2. **ECONOMIC OUTLOOK**

- 2.1 The UK economy has continued to show positive growth during 2013 with the Office for Budget Responsibility (OBR) revising its forecast for Gross Domestic Product (GDP) growth up from 0.6% to 1.4% and up from 1.8% to 2.4% in 2014. Whilst there are some signs that the recovery may be more broadly based across all major sectors of the economy with strong performances from service, manufacturing and construction sectors, there remain concerns about the impact of weak consumer sentiment and job concerns on the domestic economy. Equally, the strength of the recovery remains dependent on US and EU GDP growth which remains weak.
- 2.2 The Bank of England's projection for GDP indicates a return to sustained growth of between 2-3% per annum over the next three years with reduced uncertainty, especially regarding risks to Euro-area activity and a continued easing in domestic credit conditions releasing pent up demand from households and companies. However, the Bank also sounds a note of caution with risks from Euro-zone indebtedness, balance sheet adjustment in the UK private and public sectors and weak labour market productivity still having the potential to threaten the recovery.
- 2.3 Despite the policy of austerity from the Coalition Government designed to address the deficit position, public sector debt continues to grow to record levels. Even in the light of public sector cuts, the national debt stands at over £1tn and under existing Government spending plans, will continue to grow to £1.5tn by 2017-18.
- 2.4 The return to economic growth has not, however, heralded a more positive prognosis for public finances, with the Government committed to continued deficit reduction policies with little prospect of any change in the downward trajectory for the funding of public services until at least 2020.
- 2.5 The official bank interest rate remains low at 0.5% and is forecast to remain at this level during 2014 and beyond. The Bank's Monetary Policy Committee's new forward guidance strategy indicated that the Bank Rate is likely to remain at its current historic low until 2016 or at least until unemployment reaches 7%, and inflation is below 2%.
- 2.6 Consumer Price Inflation (CPI) fell to 2.2% in October 2013 from 2.9% in June and the Bank expects it to remain around this level in the near term despite larger increases in utility prices than anticipated. The Retail Price Index (RPI) for the same period stood at 3.1%. Underlying wage growth remains weak. Companies' margins still appear squeezed. Medium-term inflation expectations remain consistent with meeting the 2% target.



### 3. **NATIONAL FUNDING**

- 3.1 The Authority's net budget requirement, which represents gross expenditure less income from fees and charges, is funded from three main sources: Council Tax ; Government grants (both revenue support grant and top up grant); and a share of locally retained Business Rates. As a result of the Local Government Resource Review and subsequent legislation there were significant changes to these sources of funding for 2013/14 which aimed to provide more flexibility at a local level in the way money was spent and more control over how it was collected and grown. No major changes to this system are proposed by Government for 2014/15.
- 3.2 Nationally the trend for later announcements of key finance information for local government has continued. The Chancellor's Autumn Statement was announced on 5 December and the LGFS was announced on a provisional basis on 18 December 2013 and will not be formally confirmed until after the consultation period closes on 15 January 2014.
- 3.3 Our budget modelling and the medium term financial plan have been updated to reflect the provisional LGFS as currently understood for 2014/15 and the illustrative settlement for 2015/16. For 2016/17 and beyond, we have based our assumptions on various models and announcements from the Department of Communities and Local Government (DCLG) and information from other bodies such as the Local Government Association, and Local Government Futures along with other professional and sector groups. This allows us to take an initial view of the funding position, but it should be noted that the funding position for these latter 3 years of the MTFP will be affected by both the national elections in May 2015 and the extent to which the current economic recovery continues.
- 3.4 The Chancellor's Autumn Statement set out further reductions in unprotected Resource Departmental Expenditure Limits (RDELs) of £1.1bn in 2014/15 and £1bn in 2015/16 but excluded local government (including the fire and rescue service) from these reductions in order to "help local authorities freeze council tax in 2014/15 and 2015/16". The planned increase in business rates for 2014/15 which had been expected to be based on the September Retail Price Index (RPI) inflation figure of 3.2% was capped at 2.0% and a series of other measures aimed at reducing the cost of business rates to small businesses was announced. The Government subsequently committed to compensate local authorities for any reduction in business rates income they experienced as a result.
- 3.5 The LGFS gave provisional funding figures for 2014/15 and illustrative figures for 2015/16. It confirmed that Council Tax Freeze Grant of 1% per annum to be offered for 2014/15 and 2015/16 would be built into the spending review baseline, thereby avoiding a funding cliff edge in 2016/17 for those authorities that accept the freeze grants. The LGFS also confirmed that compensation in relation to the capping of the small business rates multiplier would be paid via a S31 grant and set out the indicative amount that each authority would receive.
- 3.6 There is a cost to the Authority in accepting this Council Tax Freeze Grant at 1% as opposed to adopting an increase in Council Tax at 1.94%, as previously factored into the MTFP model.

- 3.7 As part of the 2011 Localism Act, Council Tax capping in England has been abolished and has been replaced by new powers for residents to approve or veto excessive Council Tax increases through a local referendum. If the residents vote against the increase, the local authority will have to revert to a Council Tax level that is compliant with the Government's threshold.
- 3.8 Each year, the Government will give an indication of the level of increase they are minded to propose, with the final announcements being confirmed in January. For 2014/15, a threshold of 2% had been expected to be set, however, the LGFS stated that the Government would be open to representations suggesting that a lower (than 2%) threshold be applied to all or some categories of authorities before it confirmed the threshold in January.
- 3.9 Any decision to trigger a referendum would incur a significant cost in actually carrying out the vote, and thereby acts as a disincentive to break the referendum ceiling.

#### 4. **MEDIUM TERM FINANCIAL STRATEGY**

- 4.1 The Medium Term Financial Plan (Appendix A) reflects the impact of the provisional LGFS for 2014/15 and the illustrative figures for 2015/16 and the latest information on business rates and council tax. For the period from 2016/17 there is less certainty on funding with a national election in May 2015 and uncertainty about economic performance in the medium term. However, it seems likely that the continued downward pressure on funding for public services will continue at least until 2020.
- 4.2 The MTFP reflects our initial modelling of these factors, including an assumption of a 10% reduction in Government funding each year from 2016/17, but will need to be revisited as further information becomes available. The MTFP now forecasts a net expenditure reduction of 1.3% to 2014/15, 4.5% to 2015/16, and subsequent increases of 1.6% to 2016/17, 0.3% to 2017/18 and 1.4% to 2018/19. This takes account of future provisions for increases in pay and prices, agreed savings, the factors described in paragraph 6.4 and it indicates the shortfall that will be required to be met from further savings to ensure that expenditure matches available grant, business rates income and council tax income. This future savings target will also be dependent on decisions that the Authority takes with regard to Council Tax increases, but in summary, it indicates a requirement to make further savings of up to £2.688m by 2018/19 with Option B, rejecting the freeze grant (£2.414m with Option A).

#### 5. **PROJECTED REVENUE POSITION 2013/14**

- 5.1 The Authority has a revenue budget of £39.079m for the financial year 2013/14. Based on figures to the end of November 2013 the revenue budget is forecast to underspend by £349,000. The two main areas within this forecast underspend are £222,000 in Corporate Services and £139,000 in Central budgets. Where forecast underspends in this year's budget are ongoing they have contributed toward the non-operational savings for 2014/15 onwards, see Table 5.

- 5.2 Partly offsetting the underspend in service budgets is the confirmation that the income from the Authority's local share of business rates (based on NNDR1 returns) will be £142,803 less than that originally budgeted for (based on the 2013/14 Settlement). Latest indications from our billing authorities do, however, indicate that actual business rates collected in 2013/14 will exceed original projections and this would be distributed as a Collection Fund surplus in 2014/15. It is not clear what the scale of the surplus will be at this stage.
- 5.3 It is recommended that the forecast revenue underspend is transferred to the Capital Programme Reserve to support the funding of the Authority's capital programme in the light of the cessation of directly allocated capital grant after 2014/15.

## 6. **REVENUE BUDGET 2014/15**

### 6.1 **Impact of national funding changes on local position**

6.1.1 The Revenue Budget Summary for 2014/15 and the MTFP have been updated to reflect the provisional funding announced in the LGFS and the latest position advised by the billing authorities on Council Tax Base and Business Rates Base (both of which may be subject to further change during January 2014). The impact of the LGFS for 2014/15 and 2015/16 (based on the illustrative figures in the LGFS) and a comparison with figures previously modelled and reported to the Fire Authority is set out below in Table 1.

6.1.2 In summary, the LGFS has provided additional flexibility against the resources previously modelled of £0.244m in 2014/15 and £0.519m in 2015/16. In the main, this is due to a combination of a better than anticipated level of Revenue Support Grant (£10,000 in 14/15 and £308,000 in 2015/16) and an improved position on income from Business Rates (£161,000 in 2014/15 and £138,000 in 2015/16). The Settlement Funding Assessment Adjustment is the indicative amount of compensation offered by the Government in the LGFS to compensate for the capping of the Small Business Rates RPI multiplier at 2% and is set at £73,000 in each year.

**Table 1 - Summary of Local Government Finance Settlement**

	<b>2014/15</b>	<b>2015/16</b>
	<b>£'000</b>	<b>£'000</b>
Locally Retained Business Rates	2,356	2,424
Top Up Grant	4,640	4,768
Business Rates Baseline	6,996	7,192
Revenue Support Grant	9,049	7,547
<b>Settlement Funding Assessment</b>	<b>16,045</b>	<b>14,739</b>
Settlement Funding Assessment Adjustment	73	73
<b>Total for comparative purposes</b>	<b>16,118</b>	<b>14,812</b>
As reported to Policy & Resources July 2013	15,874	14,293
<b>Increase/(decrease) in funding</b>	<b>244</b>	<b>519</b>

*Assumes rejection of CT Freeze Grant for comparative purposes*

- 6.1.3 The Local Council Tax Support (LCTS) Schemes approved by billing authorities for 2013/14 have been successful in protecting income from Council Tax despite the Government reducing funding for the scheme by 10% (although it is difficult to determine the relative extent to which this is due to levels of take up for the scheme, underlying growth in Council Tax Base and the impact of changes to discounts and exemptions). Although the Government is withdrawing LCTS Transitional Grant, (worth £92,000 to the Authority in 2013/14) billing authorities are not intending to make any changes to the existing LCTS Schemes. Final approval of the local Council Tax Support Schemes for 2014/15 by the billing authorities and also confirmation of Council Tax Bases is expected during January.
- 6.1.4 Based on the latest information provided, the Authority's Council Tax Base is calculated as 266,633.30, an increase of 0.93% on 2013/14 (264,175.60). If the Authority were to increase its Council Tax as currently modelled by 1.94% this would provide income of £22.250m compared to £22.045m previously modelled. If the Authority were to accept the 1% Council Tax Freeze Grant, then based on the indicative figure of £252,000 set out in the LGFS, total income from Council Tax would be £22.079m (£171,000 lower than the 1.94% increase).
- 6.1.5 Latest information from the billing authorities indicates that there will be a surplus of approximately £200,000 on the Council Tax Collection Fund for distribution in 2014/15. Information on the Business Rates Collection fund is currently less clear and, although we anticipate a net surplus, we are still working to assess the scale of this, however, the budget summary currently reflects a break even position. Members should note that any collection fund surplus is a one off benefit only.
- 6.1.6 The latest resource position is reflected in the Revenue Budget Summary and the MTFP, however, the net movement in resources since the last report to Members is summarised below in Table 2.

**Table 2 - Movement in Resources**

	2014/15 Latest position  £'000	2014/15 Policy & Resources July 2013  £'000	Increase / (Decrease)  £'000
Locally Retained Business Rates	2,356	2,157	199
Business Rates Top up	4,640	4,678	(38)
Business Rates baseline	6,996	6,835	161
Revenue Support Grant	9,049	8,790	259
<b>Settlement funding assessment</b>	<b>16,045</b>	<b>15,625</b>	<b>420</b>
Council Tax Collection Fund Surplus / (Deficit)	200	0	200
Business Rates Collection Fund Surplus / (Deficit)	0	0	0
Council Tax Freeze Grant 2013/14 rolled forward	0	249	(249)
Settlement Funding Assessment Adjustment	73	0	73
<b>Total Funding</b>	<b>16,318</b>	<b>15,874</b>	<b>444</b>
<b>Council Tax Options</b>			
Option A – Accept Freeze Grant			
Council Tax Requirement	21,827	n/a	n/a
Council Tax Freeze Grant	252	n/a	n/a
<b>Sub total</b>	<b>22,079</b>	<b>n/a</b>	<b>n/a</b>
<b>Total Resources – Option A</b>	<b>38,397</b>	<b>n/a</b>	<b>n/a</b>
Option B – 1.94% increase			
Council Tax Requirement	22,250	22,045	205
<b>Total Resources – Option B</b>	<b>38,568</b>	<b>37,919</b>	<b>649</b>

## 6.2 Overview of current budget proposals

6.2.1 The Budget Strategy of the Fire Authority is to support the following policy priorities:

- (i) to fulfil the Fire Authority's statutory duties as a legally separate authority
- (ii) to ensure the Fire Authority has sufficient resources to meet its statutory responsibilities, not only for the current year, but also for the investment required primarily for the replacement of assets to ensure long-term service sustainability
- (iii) to discharge its duties, as established under the Combination Order, with regard to determining an annual budget and consulting with stakeholders of its budget proposals, as appropriate
- (iv) to further develop and implement an Integrated Risk Management approach to our Strategic Plans and services to local communities

- (v) to identify sufficient savings over the medium term to ensure it has a balanced budget and sustainable medium term finance plan in the light of expected reductions in public sector funding
- 6.2.2 The Authority reviewed its MTFP in July 2013 and identified the need to deliver savings of up to £7.1m or 18.2% of its current revenue budget over the period 2014/15 to 2018/19 (in addition to £1.3m of savings already agreed for 2014/15). Whilst previous savings programmes had in the main protected operational services, the Authority recognised that a broader review of all its services was necessary given the scale of savings that were now required. In December 2013 the Authority approved a range of non-operational savings proposals and Phase 1 of a series of operational savings proposals. These savings have been built into the budget proposals for 2014/15 contained in this report and the revised MTFP for the next five years.
- 6.2.3 The Authority will be asked to approve previously considered proposals for the transformation of Prevention, Protection and Response services, as part of its Integrated Risk Management Planning process, and to commence a period of public consultation on Phase 2 of these operational savings at its February meeting. Further options for changes to operational and non-operational services (Phase 3) that are expected to deliver additional savings will be developed by officers for the Authority to consider over the next 12-18 months. A number of further reviews will take place to build upon Phase 1 operational savings and these reviews will form the basis of an annual IRMP action plan and be reported through the existing IRMP Forum and Policy & Resources Panels during 2014/15.
- 6.2.4 Precepting status means that the Revenue Budget has to be balanced within the context of the impact upon council taxpayers and demands and pressures faced by the Fire Authority in meeting its statutory obligations, commitments and requirement to maintain an effective level of Reserves & Balances. For 2014/15, the Government is once again offering a Council Tax Freeze Grant to compensate for a loss of council tax income, equivalent to an increase of 1% (using the Council Tax Base unadjusted for the LCTS grant scheme) if accepted by local authorities. Should any local authorities decide to increase council tax and reject the offer of freeze grant, they will only be able to increase council tax by a certain percentage before triggering a referendum. The Government will not confirm that threshold until later in January.
- 6.2.5 The most recent public consultation carried out in 2012/13 concluded that there was a clear indication that consultees understood the medium term benefit of rejecting the Council Tax Freeze Grant and supported the option of an increase in Council Tax below 2%. However, if the Fire Authority still considers it appropriate to accept the Council Tax Freeze Grant (to peg council tax at £81.86 for the fourth year running rather than increase it by up to £1.59 per year for a Band D council taxpayer), then additional savings would need to be made over the period of the MTFP.

- 6.2.6 The 2014/15 Revenue Budget has been prepared against a background of continued reductions in funding for public services as part of the Government's continuing deficit reduction strategy. Both the provisional settlement for 2014/15 and the illustrative settlement for 2015/16 are better than anticipated and resources from Council Tax and Business Rates are greater than originally modelled. The Authority has also identified and approved savings of £2.023m in 2014/15 (which will grow to £4.420m by 2018/19).
- 6.2.7 Taken together, this means that in the short term there is some additional flexibility which has allowed the Authority to address new pressures such as the impact of the Norman vs Cheshire judgement on pensions costs, provide investment for a scheme to match fund the cost of retro-fitting sprinklers in high risk/high rise properties and to set aside additional funding to support the implementation of changes to service delivery (through the Improvement and Efficiency Reserve). The exact amount of this flexibility will depend on the Authority's decision on Council Tax. However, the Authority must take decisions on the 2014/15 budget in the knowledge that significant further savings of up to £2.688m will need to be found in future years. Further details of the proposed draft revenue budget and capital programme are set out from paragraph 6.4 onwards.

### 6.3 Consultation

- 6.3.1 Extensive public consultation was carried out in 2012/13 as part of the review of the Medium Term Plan and Integrated Risk Management Plan 2013/14 – 2017/18 which included coverage of Council Tax and value for money. The savings proposals approved by the Authority in December 2013 for implementation from 2014/15 did not require formal public consultation and for this reason no additional consultation was carried out this year. Summary outcomes from the independently managed 2012/13 consultation in relation to finance are set out below:
- More than four fifths (83%) of residents agreed that the current council tax charge (£81.86 per year for a Band D property) for the Fire & Rescue Service provides good value for money; 3% disagreed.
  - Two fifths (40%) of residents thought that the Service should accept the Government's freeze grant offer and not increase its Council Tax in 2013/14, knowing that cuts would have to be made in 2015/16 and beyond to compensate for the loss of grant; 60% thought that the Service should not accept the Government's freeze grant offer.
  - But, when asked to consider the longer term impacts on budgets, more than 9 in 10 (92%) residents thought that the Service should reject the Government's offer, and still increase Council Tax so that it helps to fund fire and services in future years when the grant ceases; 8% thought that the Service should not reject the offer.
  - Just over two fifths (42%) of residents who are council tax bill payers said that they would support an increase of approximately 81p or less per year per household.

- However, when asked if they would still support a higher increase, almost three fifths (58%) of residents who are council tax bill payers said that they would support an increase of approximately £1.60 or less per year per household.

**6.3.2** The Authority's savings proposals have been developed in line with the above outcomes of the 2012/13 public consultation which expressed a preference for savings to be found through changes to crewing arrangements rather than reductions in appliances or fire stations. However, whilst previous savings programmes had in the main protected operational services the Authority recognised that a broader review of all its services was necessary given the scale of savings that were now required. Public consultation will therefore be required on Phase 2 of savings proposals and it is expected that this will be launched after the Authority meets in February 2014.

**6.3.3** Informal consultations with representative bodies including the Fire Brigades' Union, the Fire Officers' Association, the Retained Firefighters' Union and UNISON about the 2013/14 Revenue Budget have been undertaken through the IRMP Forum but as a result of the savings proposed further more formal consultations with both representative bodies and staff groups has commenced. Consultation on the budget is expected to be carried out with staff and business representative bodies and local authorities and any comments will be included in the final budget report to the Authority in February.

## **6.4 Basis of Estimates**

**6.4.1** 2014/15 estimates have been prepared on the following basis:

- Provision for pay inflation has been restricted to 1% in 2014/15 in line with the Government's intention to restrict public sector pay set out in the Autumn Statement
- To update other costs to take account of inflation to estimated 2014/15 outturn prices at 2.5% with slightly higher increases of 3% for water and sewerage
- To include both increases and decreases resulting from the introduction of or removal of commitments flowing from strategic decision making, for example the Information Management Department Strategy and also provision for the one off and on-going pensions costs arising from the Norman v Cheshire judgement and the triennial revaluation of the Local Government Pension Scheme (LGPS)
- The inclusion of £200,000 in 2014/15 for a scheme to match fund the retrofitting of sprinklers
- The contribution of £1.352m (£1.181m if the Council Tax Freeze Grant is accepted) to support the Capital Programme and Improvement and Efficiency reserves
- The inclusion of savings proposals for 2014/15 approved by the Authority in February 2013 and December 2013

**6.4.2** The impact of these assumptions on the 2014/15 Revenue Budget is shown below in Table 3. Further detail of savings is shown in Table 5 (below) and Appendix C.



**Table 3 - Summary of Net Budget Requirement (Option B)**

	<b>£000</b>	<b>Change %</b>
<b>Net Budget Requirement 2013/14</b>	<b>39,079</b>	
Pay inflation	237	0.61%
Non pay inflation	227	0.58%
Changes in capital financing	(40)	(0.10%)
Commitments: see Table 4	1,088	2.78%
Savings: see Table 5	(2,023)	(5.18%)
<b>Net Budget Requirement 2014/15</b>	<b>38,568</b>	<b>(1.31%)</b>

*Should the Authority accept the Council Tax freeze grant for 2014/15 (Option A) the budget commitments will reduce to £917,000 and the NBR to £38.397m. See Table 4 for more detail.*

## 6.5 Fees and Charges

- 6.5.1 The existing policy is for fees and charges to be reviewed not less than once a year and that increases should take into account the cost of providing the service, including the effects of inflation.
- 6.5.2 Appendix D gives details of increases in fees and charges for Fire & Rescue Service activities, which are proposed for consideration by the Fire Authority at its meeting on 14 February 2014. The draft estimates assume that the current policy will be followed, i.e. that income will rise to ensure that net expenditure will increase by no more than the rate of inflation. To reflect the 1% pay award and the overall high levels of inflation generally, it is proposed to increase fees and charges by 2.5% in 2014/15.
- 6.5.3 The Localism Act introduced by the Government allows FRAs to introduce other fees and charges subject to local consultation and this includes being able to charge for false alarm calls from persistent offenders. CFOA is leading a detailed review of applying those charges on a national basis and details will be brought before the Fire Authority once the direction is known.
- 6.5.4 This will complement work already under way in ESFRS to review false alarms policy and activity as well as quantifying potential income that might be derived from a change in policy for the charging for special services incidents that have hitherto not been charged. In 2012/13, the fees and charges listed in Appendix D amounted to £28,700, of which £26,000 related to dry riser testing. A similar pattern is emerging for 2013/14.
- 6.5.5 There were 2,500 operational related special service incidents not charged for in 2012/13 that included road traffic collision incidents (RTCs), animal rescues, lift rescues, effecting entry/exit, dangerous structures, flooding and release of trapped people. It should be noted that the Fire Authority had previously determined not to charge for animal rescue and effecting entry (lock-out).
- 6.5.6 The Fire Authority will be kept informed of progress with a report detailing recommendations for changes expected early in the 2014/15 financial year.

## 6.6 Main Variations

6.6.1 The changes in commitments leading to increased or decreased provision are shown in Table 4 below:

**Table 4 - Budget Commitments (Option B)**

<b>Commitments</b>	<b>£'000</b>
Increase in firefighter pension costs based on Pension Fund return	12
Adjustment to Ill Health Retirement budget one additional person	20
Rural Review – Day Crew Allowance	49
Absorption of one engineering apprentice into established post held vacant	26
Existing IMD Strategy net change	187
Reduction in interest earned	55
Reduction in one-off contribution to reserves in 2013/14	(447)
Contribution to Improvement & Efficiency Reserve	352
Increase in pension contribution (LGPS) to reflect triennial valuation	21
Norman v. Cheshire previous years employers contributions (2014/15 only)	540
Norman v. Cheshire employers contribution	95
Adjustment to FireLink Grant in line with December 2013 Settlement.	(18)
Adjustment to New Dimensions Grant in line with December 2013 Settlement.	(4)
Match funding for scheme to retrofit sprinklers in existing high risk/high rise residential properties (2014/15 only).	200
<b>TOTAL</b>	<b>1,088</b>

*Should the Authority accept the Council Tax Freeze Grant for 2014/15 (Option A) the contribution to the Improvement & Efficiency Reserve will reduce to £181,000 and the total commitments to £917,000.*

## 6.7 Savings Plan

6.7.1 Whilst previous savings through the Service Prioritisation and Facing the Challenge programmes have, in the main, protected operational services, the scale of the savings required to 2018/19 (£8.4m including the £1.3m already agreed in February 2013), means that the Authority has had to review all aspects of its functions including Prevention, Protection and Response through its IRMP arrangements. The financial situation means that difficult decisions will need to be made – there is no choice but to change the way in which the Authority delivers its services.

6.7.2 In December 2013 the Authority agreed a series of non-operational savings and Phase 1 of its operational savings proposals. These are shown in detail in Appendix C and summarised in Table 5 below, along with savings previously agreed in February 2013. Together these will deliver savings of £2.023m in 2014/15 which will grow to £4.420m by 2018/19. The revised MTFP indicates that further savings of up to £2.688m will be required by 2018/19 (depending on decisions on Council Tax). The Authority will also consider plans to consult on Phase 2 savings proposals in February 2014, and a series of reviews of operational and non-operational services (Phase 3) to develop further savings proposals is planned for 2014/15.

- 6.7.3 The Authority has previously agreed to the savings from the establishment of the Sussex Control Centre, a single mobilising and control centre for fire & rescue in Sussex in collaboration with West Sussex Fire & Rescue. The annual savings from the Project remain at £0.475m however the savings are now expected to be £0.316m in 2014/15 due to a delay in implementation.
- 6.7.4 All these savings are summarised in the Table 5 below and have now been included in the Revenue Budget. A full listing is included in Appendix C.

**Table 5 – Summary of Savings built into 2014/15 Revenue Budget**

	2014/15	2015/16	2016/17	2017/18	2018/19
	£000	£000	£000	£000	£000
Facing the Challenge savings	(419)	(419)	(494)	(567)	(567)
Sussex Control Centre savings	(316)	(475)	(475)	(475)	(475)
Other savings	(339)	(339)	(339)	(339)	(339)
<b>Total savings agreed Feb 2013</b>	<b>(1,074)</b>	<b>(1,233)</b>	<b>(1,308)</b>	<b>(1,381)</b>	<b>(1,381)</b>
Phase 1 savings	(219)	(1,094)	(1,209)	(1,209)	(1,209)
Non-Operational savings	(730)	(791)	(1,281)	(1,657)	(1,830)
<b>Total savings</b>	<b>(2,023)</b>	<b>(3,118)</b>	<b>(3,798)</b>	<b>(4,247)</b>	<b>(4,420)</b>

## 6.8 Revenue Budget Summary

- 6.8.1 Table 6 below summarises the two Options presented for the 2014/15 Original Estimate compared with that for 2013/14.

**Table 6 - Revenue Budget**

	2013/14	2014/15	2014/15
	Original Estimate	Option A Estimate	Option B Estimate
	£'000	£'000	£'000
Net budget requirement	39,079	38,397	38,568
Sources of funding	39,079	38,397	38,568
<b>Additional savings required</b>	<b>0</b>	<b>0</b>	<b>0</b>

- 6.8.2 Table 6 above presents the Revenue Budget decreasing by 1.7% should Members choose to accept the Council Tax Freeze Grant of 1% for 2014/15 (Option A). Option B shows the position should Members choose to set a Council Tax increase of 1.94% as previously modelled (assuming that the referendum threshold is confirmed as being 2%). Under Option B this would provide up to an additional £0.171m of funding to support the budget.

## 7. CAPITAL PROGRAMME

### 7.1 Capital Programme 2014/15 to 2018/19 (base year 2013/14)

- 7.1.1 The Capital Programme and the Interim Medium Term Capital Strategy have been developed to ensure that the Authority meets the statutory duties imposed by the Fire and Rescue Services Act 2004 and other relevant Acts, and maintains its current level of service provision to the community of East Sussex and the City of Brighton & Hove over the longer term.

7.1.2 This latest Strategy details the desirable Capital Programme for the Authority from 2014/15 to 2018/19 with a base year of 2013/14. The primary constituents of the Strategy are:

- Construction, replacement and improvement of the Authority's property assets
- Appliance and other fleet replacement requirements
- Other capital investment needs (e.g. major ICT infrastructure)

7.1.3 The Medium Term Capital Strategy has been prepared on an interim basis as it will need to be adapted to incorporate the outcomes of the IRMP Review of Prevention, Protection and Response and the requirements for capital investment that may flow from Phase 2 and 3 savings proposals. The outcomes from Phase 2 should be known in Autumn 2014 following the completion of public consultation and it is anticipated that these will be considered as part of a fuller review of the Capital Strategy and Programme later in 2014.

7.1.4 The key strategic issue to note in relation to the 2014/15 Capital Programme is a continued scaling down of capital schemes over the medium term to those that are essential for business continuity purposes. Within this, however, the Programme continues to include investment in key assets for example the partnership project for a new Fire Station and office accommodation at Newhaven (£3.070m) and the refurbishment of Preston Circus (£1.500m).

7.1.5 Details of the Medium Term Capital Asset Strategy over the 5 year period are shown in Appendix E and summarised in the following Table:

**TABLE 7 Revenue Impact of Capital Programme 2014/15 to 2018/19**

	Total resource	2014/15	2015/16	2016/17	2017/18	2018/19
Fleet	4,082	510	688	1,155	819	910
Property	7,174	3,241	1,452	1,363	336	782
IMD	390	390				
Total Gross Cost	11,646	4,141	2,140	2,518	1,155	1,692
Revenue implication	4,372	923	898	868	854	830
Previously forecast revenue implication	4,767	963	958	947	950	950
<b>Total Revenue Cost (Saving)</b>	<b>(395)</b>	<b>(40)</b>	<b>(60)</b>	<b>(79)</b>	<b>(96)</b>	<b>(120)</b>

## 7.2 Capital Grant

7.2.1 The Fire Capital Grant bidding outcome was announced in January 2013 and , while the Authority's bid was not approved, it nevertheless benefitted from a formula allocation of £0.931m for 2013/14 and for 2014/15 which has been included in this Strategy.

7.2.2 In July 2013, the Director for Fire, Resilience and Emergencies announced a £45m Fire Efficiency Incentive Fund for fire and rescue authorities in England and Wales for 2015/16, to invest capital in ensuring that assets such as fire stations are appropriately located to ensure efficient and effective service delivery and to encourage greater collaboration between emergency services. DCLG has been clear that the capital grant will be accessed on a 'bid for' basis and there will be no allocation to each authority.

7.2.3 As a consequence, consideration is being given to developing one or more collaborative bids from this Fund. The strategy will subsequently be revised to take account of any successful bid.

### 7.3 **Capital Programme Schedule and Funding**

7.3.1 There are a number of funding sources for the Capital Programme and the expected levels of resources available, together with how they will be applied in accordance with the Funding Strategy, are detailed in the Table below:

**TABLE 8 Estimated Capital Resources and Borrowing 2012/13 to 2017/18**

Project	Estimated Capital Resources						
	Total cost	To 31/3/2013	2014/15	2015/16	2016/17	2017/18	2018/19
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>FORECAST CAPITAL INCOME</b>							
Sussex Control Grant	2,027	234	390	0	0	0	0
DCLG bid funding	0		0	0	0	0	0
Capital Grants	3,065	1,203	931	0	0	0	0
Capital Receipts	5,555	0	444	3,774	400	0	0
Contribution to Capital Programme Reserve	6,416	1,666	1,000	1,000	750	500	500
<b>Total forecasted capital income</b>	<b>17,063</b>	<b>3,103</b>	<b>2,765</b>	<b>4,774</b>	<b>1,150</b>	<b>500</b>	<b>500</b>
<b>APPLICATION OF CAPITAL RESOURCES</b>							
Capital grants	5,092	1,437	1,321	0	0	0	0
Contribution from Capital Receipt Reserve	7,257	0	2,094	1,554	2,518	102	0
Contribution from revenue to Capital Programme Reserve	5,157	0	726	586	0	1,053	1,692
Direct revenue funding	630	630	0	0	0	0	0
<b>Total funding sources</b>	<b>18,136</b>	<b>2,067</b>	<b>4,141</b>	<b>2,140</b>	<b>2,518</b>	<b>1,155</b>	<b>1,692</b>
<b>Internal funds</b>	<b>518</b>	<b>518</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total all funding</b>	<b>18,654</b>	<b>2,585</b>	<b>4,141</b>	<b>2,140</b>	<b>2,518</b>	<b>1,155</b>	<b>1,692</b>
<b>REQUIRED NEW BORROWING</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

- 7.3.2 Capital investment is funded in the following order: capital grants received, capital receipts, contribution from Capital Programme Reserve and finally borrowing. In the above table Capital Receipts of £7.257m are used to fund the Strategy. This is made up of an opening balance of £1.702m, an estimate of receipts generated during the Strategy period of £5.555m, leaving a balance of nil at the end of the Strategy period. There is a contribution of £5.157m from the Capital Programme Reserve used to fund the Strategy. This is made up of an opening balance of £1.152m, revenue contributions to the Reserve of £6.416m during the period of the Strategy, which leaves a balance in the Reserve of £2.411m at the end of the Strategy period for future investment requirements, including those resulting from Phases 2 and 3 of the savings programme.
- 7.3.3 To retain flexibility within the Treasury Strategy and Capital Asset Strategy the Authority will fund its capital investments in full and allow the possibility of early debt redemption to align its external borrowing with its Capital Financing Requirement. The Interim Capital Asset Strategy, at the proposed investment levels, will not need to resort to further borrowing and potentially save on interest payments as well as reducing its Minimum Revenue Provision which will generate savings for the revenue budget. This is achieved in the context of a planned reduction in the revenue contributions to funding the Capital Programme (through the Capital Programme Reserve) from £1.0m in 2014/15 to £0.5m by 2018/19. Funding strategy will be reviewed at the same time as the Interim Capital Strategy and in the light of capital bid outcomes for 2015/16.

## 8. **PRUDENTIAL INDICATORS**

- 8.1 This information is not yet available and will be added prior to the Authority meeting in February.

## 9. **RESERVES & BALANCES**

- 9.1 Reserves are an essential part of good financial management. They help authorities cope with unpredictable financial pressures and plan for their future spending commitments.
- 9.2 The Authority's Reserves Policy set out in Appendix G states that, in considering the general level of reserves, the Treasurer will have regard to:
- the strategic legislative, operational and financial risk contexts within which the Authority will be operating through the medium-term;
  - the overall effectiveness of governance arrangements and the system of internal control;
  - the robustness of the financial planning and budget-setting process;
  - the effectiveness of the budget monitoring and management process
- 9.3 Specifically, the Authority is required to maintain general reserves sufficient to cover the key financial risks that it faces. The annual review of the robustness of reserves and balances is set out in Appendix G and summarised in Table 9 below.

<b>TABLE 9 – SUMMARY OF RESERVES AND BALANCES</b>					
	<b>31/03/2013 Balance</b>	<b>2013/14 Movements</b>	<b>31/03/2014 Balance</b>	<b>2014/15 Movements</b>	<b>31/03/2015 Balance</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Capital Programme Reserve	<b>2,818</b>	<b>(100)</b>	<b>2,718</b>	274	<b>2,992</b>
Other Earmarked Reserves	<b>3,446</b>	<b>(57)</b>	<b>3,389</b>	<b>(182)</b>	<b>3,207</b>
Total Earmarked Reserves	<b>6,264</b>	<b>(157)</b>	<b>6,107</b>	92	<b>6,199</b>
General Reserve	<b>3,552</b>	200	<b>3,752</b>	0	<b>3,752</b>
Capital Receipts Reserve	<b>1,702</b>	<b>(52)</b>	<b>1,650</b>	<b>(1,650)</b>	<b>0</b>
<b>Total Useable Reserves</b>	<b>11,518</b>	<b>(9)</b>	<b>11,509</b>	<b>(1,558)</b>	<b>9,951</b>

## 10. CHIEF FINANCE OFFICER STATEMENT

10.1 In the view of the Treasurer in line with the requirements set out in Section 25 of the Local Government Act 2003, the estimates used for the purposes of calculating the budget, both revenue and capital, have been produced in a robust and transparent way and the proposed financial reserves are consistent with Fire Authority policy and are prudent and necessary. Given the continuing reductions in funding for public services, which are likely to continue until 2020, and the significant scale of savings required as a result of these and the nature of its business as an emergency service, the Authority needs to recognise that risks, financial and otherwise, and their consequent impact on the budget and reserves, may change during the year and will need to be continually monitored and reviewed in line with the Authority's policies.

**Des Prichard**  
**CHIEF FIRE OFFICER & CHIEF EXECUTIVE**  
8 January 2014

**Duncan Savage**  
**TREASURER**

Appendix A (i)

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

**OPTION A - ACCEPT COUNCIL TAX FREEZE GRANT IN 2014/15 AND INCREASE COUNCIL TAX BY 1.94% PA THEREAFTER**

	2014/15	2015/16	2016/17	2017/18	2018/19
	£'000	£'000	£'000	£'000	£'000
<b>Gross Revenue Service Budget</b>	<b>40,186</b>	<b>38,777</b>	<b>39,636</b>	<b>40,033</b>	<b>40,599</b>
<b>Less</b>					
Specific grants	(210)	(214)	(193)	(174)	(156)
Other income	(1,429)	(1,366)	(1,401)	(1,435)	(1,473)
<b>Total income</b>	<b>(1,639)</b>	<b>(1,580)</b>	<b>(1,594)</b>	<b>(1,609)</b>	<b>(1,629)</b>
<b>Net Service Budget</b>	<b>38,547</b>	<b>37,197</b>	<b>38,042</b>	<b>38,424</b>	<b>38,970</b>
Less capital charges credit	(2,198)	(2,198)	(2,198)	(2,198)	(2,198)
Interest receivable less capital financing	867	847	828	811	788
Transferred to Balances	1,181	1,000	750	500	500
<b>Total Net Expenditure</b>	<b>38,397</b>	<b>36,846</b>	<b>37,422</b>	<b>37,537</b>	<b>38,060</b>

<b>Net Budget brought forward</b>	<b>39,079</b>	<b>38,397</b>	<b>36,846</b>	<b>37,422</b>	<b>37,537</b>
Unavoidable cost pressures					
Pay inflation	237	242	470	488	494
Price inflation	227	203	205	205	208
<b>Total inflation</b>	<b>464</b>	<b>445</b>	<b>675</b>	<b>693</b>	<b>702</b>
Changes in Capital Financing	(40)	(20)	(19)	(17)	(24)
Budget commitments	917	(881)	600	(112)	18
Savings approved (including CFA Feb 2013)	(2,023)	(1,095)	(680)	(449)	(173)
<b>Total Net Expenditure</b>	<b>38,397</b>	<b>36,846</b>	<b>37,422</b>	<b>37,537</b>	<b>38,060</b>



**Appendix A (i) cont.**

<b>Sources of Funding revised</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>
	£'000	£'000	£'000	£'000	£'000
Locally Retained Business Rates	2,356	2,424	2,494	2,566	2,641
Business Rate Top Up	4,640	4,768	4,907	5,049	5,195
<b>Business Rates Baseline</b>	<b>6,996</b>	<b>7,192</b>	<b>7,401</b>	<b>7,615</b>	<b>7,836</b>
Revenue Support Grant	9,049	7,798	6,403	5,130	3,966
<b>Start Up Funding Assessment</b>	<b>16,045</b>	<b>14,990</b>	<b>13,804</b>	<b>12,745</b>	<b>11,802</b>
Localisation of Council Tax Support Grant - Transitional Grant					
Settlement Funding Assessment Adjustment	73	73			
2013/14 Council Tax Freeze Grant					
2014/15 Council Tax Freeze Grant	252				
Council Tax Collection Fund Surplus	200				
Business Rates Collection Fund Surplus					
Council Tax Requirement	21,827	22,250	22,682	23,122	23,570
<b>Total Resources Available</b>	<b>38,397</b>	<b>37,313</b>	<b>36,486</b>	<b>35,867</b>	<b>35,372</b>
<b>Additional Savings Required</b>	<b>0</b>	<b>(467)</b>	<b>936</b>	<b>1,670</b>	<b>2,688</b>

Appendix A (ii)

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

**OPTION B - REJECT FREEZE GRANT AND INCREASE COUNCIL TAX BY 1.94% EACH YEAR**

	2014/15	2015/16	2016/17	2017/18	2018/19
	£'000	£'000	£'000	£'000	£'000
<b>Gross Revenue Service Budget</b>	<b>40,186</b>	<b>38,777</b>	<b>39,636</b>	<b>40,033</b>	<b>40,599</b>
<b>Less</b>					
Specific grants	(210)	(214)	(193)	(174)	(156)
Other income	(1,429)	(1,366)	(1,401)	(1,435)	(1,473)
<b>Total income</b>	<b>(1,639)</b>	<b>(1,580)</b>	<b>(1,594)</b>	<b>(1,609)</b>	<b>(1,629)</b>
<b>Net Service Budget</b>	<b>38,547</b>	<b>37,197</b>	<b>38,042</b>	<b>38,424</b>	<b>38,970</b>
Less capital charges credit	(2,198)	(2,198)	(2,198)	(2,198)	(2,198)
Interest receivable less capital financing	867	847	828	811	788
Transferred to Balances	1,352	1,000	750	500	500
<b>Total Net Expenditure</b>	<b>38,568</b>	<b>36,846</b>	<b>37,422</b>	<b>37,537</b>	<b>38,060</b>

<b>Net Budget brought forward</b>	<b>39,079</b>	<b>38,568</b>	<b>36,846</b>	<b>37,422</b>	<b>37,537</b>
Unavoidable cost pressures					
Pay inflation	237	242	470	488	494
Price inflation	227	203	205	205	208
<b>Total inflation</b>	<b>464</b>	<b>445</b>	<b>675</b>	<b>693</b>	<b>702</b>
Changes in Capital Financing	(40)	(20)	(19)	(17)	(24)
Budget commitments	1,088	(1,052)	600	(112)	18
Savings approved (including CFA February 2013)	(2,023)	(1,095)	(680)	(449)	(173)
<b>Total Net Expenditure</b>	<b>38,568</b>	<b>36,846</b>	<b>37,422</b>	<b>37,537</b>	<b>38,060</b>

**Appendix A (ii) cont.**

<b>Sources of Funding</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>
	£'000	£'000	£'000	£'000	£'000
Locally Retained Business Rates	2,356	2,424	2,494	2,566	2,641
Business Rate Top Up	4,640	4,768	4,907	5,049	5,195
<b>Business Rates Baseline</b>	<b>6,996</b>	<b>7,192</b>	<b>7,401</b>	<b>7,615</b>	<b>7,836</b>
Revenue Support Grant	9,049	7,547	6,177	4,926	3,782
<b>Start Up Funding Assessment</b>	<b>16,045</b>	<b>14,739</b>	<b>13,578</b>	<b>12,541</b>	<b>11,618</b>
Localisation of Council Tax Support Grant - Transitional Grant					
Settlement Funding Assessment Adjustment	73	73			
2013/14 Council Tax Freeze Grant					
2014/15 Council Tax Freeze Grant					
Council Tax Collection Fund Surplus	200				
Business Rates Collection Fund Surplus					
Council Tax Requirement	22,250	22,682	23,122	23,570	24,028
<b>Total Resources Available</b>	<b>38,568</b>	<b>37,494</b>	<b>36,700</b>	<b>36,111</b>	<b>35,646</b>
<b>Additional Savings Required</b>	<b>0</b>	<b>(648)</b>	<b>722</b>	<b>1,426</b>	<b>2,414</b>

## Appendix B

### REVENUE BUDGET SUMMARY

	<b>2013/14 Original Estimate  £'000</b>	<b>2014/15 Original Estimate Option A £'000</b>	<b>2014/15 Original Estimate Option B £'000</b>
<b>Operational Budget</b>			
Employees	25,150	25,325	25,325
Fire Service Pensions	3,018	3,633	3,633
Premises	2,256	2,078	2,078
Transport	1,159	1,059	1,059
Supplies and Services	5,303	5,361	5,361
Support Services	525	532	532
Capital Charges	2,521	2,198	2,198
Gross Expenditure	39,932	40,186	40,186
Less Income	(831)	(1,639)	(1,639)
<b>Total Operational Budget</b>	<b>39,101</b>	<b>38,547</b>	<b>38,547</b>
<b>Financial Provisions</b>			
Capital Charges credit	(2,521)	(2,198)	(2,198)
Interest receivable less capital financing	852	867	867
Capital Expenditure charged to Revenue			
<b>Total Net Expenditure</b>	<b>37,432</b>	<b>37,216</b>	<b>37,216</b>
Movement in balances	1,647	1,181	1,352
<b>Net Budget Requirement</b>	<b>39,079</b>	<b>38,397</b>	<b>38,568</b>
<b>Contributions and Precepts</b>			
Revenue Support Grant	(10,195)	(9,049)	(9,049)
Business Rates Retention	(6,782)	(6,996)	(6,996)
Returned Top Slices			
<b>Total</b>	<b>(16,977)</b>	<b>(16,045)</b>	<b>(16,045)</b>
Council Tax Freeze Grant	(249)	(252)	0
Settlement Funding Assessment Adjustment		(73)	(73)
Council Tax Support Grant Transitional	(92)	0	0
Collection Fund Surplus/(Deficit)	(136)	(200)	(200)
Council Tax Requirement	(21,625)	(21,827)	(22,250)
<b>Total Council Tax Income</b>	<b>(22,102)</b>	<b>(22,352)</b>	<b>(22,523)</b>
<b>Total Funding</b>	<b>(39,079)</b>	<b>(38,397)</b>	<b>(38,568)</b>

Appendix C  
SAVINGS

Ref.	Service	2014/15 £,000	2015/16 £,000	2016/17 £,000	2017/18 £,000	2018/19 £,000
	<b>Facing the Challenge Savings (Approved CFA Feb 2013)</b>					
	GIS Data Controller post	(36)	(36)	(36)	(36)	(36)
	Reduction L&D external training budget	(40)	(40)	(40)	(40)	(40)
	DFS post (net)	(50)	(50)	(50)	(50)	(50)
	Project Officer post following RCC cutover (Grade 7)	(35)	(35)	(35)	(35)	(35)
	Visual Imaging Technician	(34)	(34)	(34)	(34)	(34)
	Graphics Designer	(36)	(36)	(36)	(36)	(36)
	Fifth floor admin support	(16)	(16)	(16)	(16)	(16)
	Insurance Portfolio	(30)	(30)	(30)	(30)	(30)
	ICS Review	(68)	(68)	(143)	(216)	(216)
	Removal of Aerial Ladder Platform and pumping appliances from Eastbourne Fire Station and replace with a Combined Aerial Rescue Platform	(74)	(74)	(74)	(74)	(74)
	<b>Total Facing the Challenge Savings</b>	<b>(419)</b>	<b>(419)</b>	<b>(494)</b>	<b>(567)</b>	<b>(567)</b>
	<b>Sussex Control Centre savings (Approved CFA Feb 2013)</b>	<b>(316)</b>	<b>(475)</b>	<b>(475)</b>	<b>(475)</b>	<b>(475)</b>
	<b>Other savings (Approved CFA Feb 2013)</b>					
	Reduction in Transitional Costs provision not taken in 2013/14	(174)	(174)	(174)	(174)	(174)
	Relocation Expenses additional savings not taken in 2013/14	(20)	(20)	(20)	(20)	(20)
	Hydrants additional savings not taken in 2013/14	(15)	(15)	(15)	(15)	(15)
	Uniform additional savings not taken in 2013/14	(30)	(30)	(30)	(30)	(30)
	Insurance additional savings not taken 2013/14	(50)	(50)	(50)	(50)	(50)
	Fuel additional savings not taken in 2013/14	(50)	(50)	(50)	(50)	(50)
	<b>Total Other Savings</b>	<b>(339)</b>	<b>(339)</b>	<b>(339)</b>	<b>(339)</b>	<b>(339)</b>

Ref.	Service		2014/15 £,000	2015/16 £,000	2016/17 £,000	2017/18 £,000	2018/19 £,000
		<b>Phase 1 Savings (Approved CFA Dec 2013 re-ordered)</b>					
1	Protection	The Fire Authority has endorsed five key prevention activities for the Authority for the term of the MTFP, namely: Home Safety, leading on Road Safety Co-ordination, Schools Education, Intervention and Incident Reduction, and the promotion of sprinklers in domestic and commercial properties introducing a scheme in 2014/15 to match-fund, with our partners in local authorities and housing associations, the retro-fitting of sprinklers in existing high risk/high rise residential properties.	* See Commitments				
2	Prevention	To review the number of Home Safety Visits carried out annually, targeting the most vulnerable in our community and, as a result of the reduction in incidents, a greater proportion to be undertaken by operational personnel. This will enable a reduction in the number of Community Safety Advisors (CSAs) by four through redeployment and/or natural turnover, starting in 2014/15, and the enhancement of their role for specific and discrete community safety work through central management.	(57)	(114)	(114)	(114)	(114)
3	Response	Consult on the introduction of Locality Managers in Hastings and Brighton. This will reduce the number of Watch Managers by 8 with the remaining Locality Managers increasing their salary as a result by becoming Watch Manager B	(162)	(324)	(324)	(324)	(324)
4	Prevention	Removal of the Arson and Incident Reduction Manager. This will reduce the establishment by one Station Manager A	0	(50)	(50)	(50)	(50)

Ref.	Service		2014/15 £,000	2015/16 £,000	2016/17 £,000	2017/18 £,000	2018/19 £,000
5	Protection	It is proposed that the existing 6 borough fire safety offices are combined to form 2 larger Business Safety offices. These will be the City and Lewes; and Rother, Hastings, Wealden and Eastbourne, and will be centrally co-ordinated and managed through a service level agreement with Borough Commanders. This will reduce the establishment by 4 flexible duty officers at Station Manager A (FDS).	0	(38)	(153)	(153)	(153)
6	Response	It is proposed to amend the current two-watch duty system on day crewed duty system fire stations to a one-watch system across a seven day week. This could reduce the operational establishment by 15, or by 13, dependent upon decisions on the system and those being considered by the Fire Authority relating to Phase 2, and Phase 3 to be discussed at the CFA in February	0	(568)	(568)	(568)	(568)
<b>Total Phase 1 Savings</b>			<b>(219)</b>	<b>(1,094)</b>	<b>(1,209)</b>	<b>(1,209)</b>	<b>(1,209)</b>

<b>Non Operational Savings (Approved CFA Dec 2013)</b>							
11	Non operational	Cleaning – review of current specification	(50)	(53)	(53)	(53)	(53)
12	Non operational	Security – anticipated saving through contract re-procurement	(8)	(8)	(8)	(8)	(8)
13	Non operational	Electricity Consumption Savings (premises wide) – as a result of Solar PV installation	(3)	(7)	(10)	(10)	(10)
14	Non operational	FireLink Contract – review of budget against actual costs	(86)	(86)	(86)	(86)	(86)
15	Non operational	Increase in income from mast rentals	(10)	(10)	(10)	(10)	(10)
16	Non operational	Fuel – based on reducing trends in fleet mileage	(20)	(20)	(20)	(20)	(20)

Ref.	Service	2014/15 £,000	2015/16 £,000	2016/17 £,000	2017/18 £,000	2018/19 £,000
17	Non operational Operational Equipment (Breathing Apparatus) – reduction in provision for ad hoc replacement - to be managed within equipment replacement budget	(33)	(33)	(33)	(33)	(33)
18	Non operational Various reductions in Health & Safety budget to reflect changes in working practices	(1)	(5)	(10)	(14)	(18)
19	Non operational Advertising budget – reflects lower level of recruitment advertising	(32)	(32)	(32)	(32)	(32)
20	Non operational Interview Expenses – reflects lower level of actual spend	(5)	(5)	(5)	(5)	(5)
21	Non operational HR Restructuring completed 2013/14	(8)	(8)	(8)	(8)	(8)
22	Non operational Reduction in Skills Refresher courses as a result of overall reduction in operational posts	0	(3)	(7)	(7)	(7)
23	Non operational Reduce L&OD course administration team by 1 fte as part of team relocation to STC.	(24)	(24)	(24)	(24)	(24)
24	Non operational Establish a visiting instructor rate of pay to replace over-time payments	(25)	(30)	(30)	(30)	(30)
25	Non operational Incorporate ASK refresher training into 4 day operational skills refresher course	0	0	(50)	(50)	(50)
26	Non operational Closer collaboration through to joint training function with WSFRS being accepted and implemented by both FRS	0	(51)	(102)	(102)	(102)
27	Non operational Reduce budget allocation for Information Management, Health & Safety, Technical Fire Safety and Human Resources training – reflects patterns of actual spend and better prioritisation of training bids	(78)	(78)	(78)	(78)	(78)



Ref.	Service		2014/15 £,000	2015/16 £,000	2016/17 £,000	2017/18 £,000	2018/19 £,000
28	Non operational	Development budget - Reflects reduction in operational posts and Incident Command review. Budget currently due to spend 60% of allocation in current year. Proposal to make a significant cut for two years whilst downsizing in place then increase slightly to reflect the need to develop staff who achieve promotion in years three, four and five of plan.	(60)	(60)	(45)	(30)	(30)
29	Non operational	External audit – reduction in fees following Audit Commission outsourcing	(15)	(15)	(15)	(15)	(15)
30	Non operational	Car allowances/Travel – reflects reduction in spend	(2)	(2)	(2)	(2)	(2)
31	Non operational	Uniform – based on proposals to reduce operational posts	0	0	0	0	(44)
32	Non operational	Car Allowances	(4)	(4)	(4)	(4)	(4)
33	Non operational	External Printing and Copying – reflects impact of on line Council Tax leaflets	(6)	(21)	(21)	(21)	(21)
34	Non operational	Advert & Publicity (Cost of Democracy) – reflects reductions in spend	(21)	(21)	(21)	(21)	(21)
35	Non operational	Members Allowances – reflects cessation of Standards Panel / Independent Members	(15)	(15)	(15)	(15)	(15)
36	Non operational	Contribution to Reserves - General balances are currently above the minimum level set out in Reserves and Balances Policy. This saving will reduce the Authority's ability to respond to additional risks / calls on balances in future years.	(200)	(200)	(200)	(200)	(200)
37	Non operational	Contribution to Capital Programme Reserves - This will reduce the revenue funding available to support the capital programme over the medium term which will mean the programme will need to be reduced in scale and any major new schemes will either need to be self-financing or funded by grant.	0	0	(250)	(500)	(500)

Ref.	Service		2014/15 £,000	2015/16 £,000	2016/17 £,000	2017/18 £,000	2018/19 £,000
38	Non operational	Reduce provision for pay increases from 2% to 1.5% from 2016/17 - Risk that actual pay increases exceed provision necessitating further savings across the Service. However given medium term outlook on public finances it is likely that public sector pay restraint will need to continue beyond 2015/16 on affordability grounds	0	0	(118)	(241)	(366)
39	Non operational	Various reductions in corporate budgets to reflect reduced actual spend	(24)	0	(24)	(38)	(38)
		<b>Total Non-Operational Savings</b>	<b>(730)</b>	<b>(791)</b>	<b>(1,281)</b>	<b>(1,657)</b>	<b>(1,830)</b>

## Appendix D

### FEES AND CHARGES

WITH EFFECT FROM 1 APRIL 2014

	Fee	Existing Fees 2013/14 £	New Fees 2014/15 £
1	The hiring of a major pumping appliance with crew per hour	265	272
2	The hiring of other pumping vehicles with crew per hour	212	218
3	The hire of hydraulic platforms or turntable ladders with crew per hour	285	293
4	Dry Riser: Subsequent test at the owner's request		
	First Dry Riser	196	201
	Additional Dry Risers	127	131
5	Interviews: * Insurance Co Etc.		
	After two hours	127	131
		82	85
6	Copy of Petroleum Licences *	30	31
7	Copy plans *	35	36
8	Standby at Venue	265	272
9	Fire Investigation Report	284	292
10	Chemical Protection Suit	147	151
11	Inspection of Plans for Marriage Act 1994 *	108	111
12	Environmental search fees	103	106

All fees and charges will have VAT added except those marked with “ \* ”

**Appendix E  
Capital Programme**

<b>Table 1 Schemes Starting in 2014/15</b>	<b>Total Gross Capital Cost</b>
	£000
<b>Engineering Services</b>	
Replacement of 1 appliance	240
Replacement of ancillary vehicles	14
Replacement cars and vans	211
	465
<b>Property Strategy</b>	
General strategy schemes	115
	115
<b>TOTAL SCHEMES PROPOSED TO START IN 2014/15</b>	<b>580</b>

<b>Table 2 Schemes Starting in 2015/16</b>	<b>Total Gross Capital Cost</b>
	£000
<b>Engineering Services</b>	
Replacement of 2 appliances	480
Replacement of ancillary vehicles	27
Replacement of cars and vans	181
	688
<b>Property Strategy</b>	
General strategy schemes	487
Preston Circus Fire Station (rebuild cost for ESFRS)	1,500
	1,987
<b>TOTAL SCHEMES PROPOSED TO START IN 2015/16</b>	<b>2,675</b>

<b>Table 3 Schemes Starting in 2016/17</b>	<b>Total Gross Capital Cost</b>
	£000
<b>Engineering Services</b>	
Replacement of 2 appliances	480
Replacement of ancillary vehicles	482
Replacement of cars and vans	193
	1,155
<b>Property Strategy</b>	
General strategy schemes	433
	433
<b>TOTAL SCHEMES PROPOSED TO START IN 2016/17</b>	<b>1,588</b>

<b>Table 4 Schemes Starting in 2017/18</b>	<b>Total Gross Capital Cost</b>
	£000
<b>Engineering Services</b>	
Replacement of 2 appliances	480
Replacement of ancillary vehicles	140
Replacement of cars and vans	199
	819
<b>Property Strategy</b>	
General strategy schemes	336
	336
<b>TOTAL SCHEMES PROPOSED TO START IN 2017/18</b>	<b>1,155</b>

<b>Table 5 Schemes Starting in 2018/19</b>	<b>Total Gross Capital Cost</b>
	£000
<b>Engineering Services</b>	
Replacement of 2 appliances	480
Replacement of ancillary vehicles	210
Replacement of cars and vans	220
	910
<b>Property Strategy</b>	
General strategy schemes	782
	782
<b>TOTAL SCHEMES PROPOSED TO START IN 2018/19</b>	<b>1,692</b>

<b>CAPITAL PROGRAMME ESTIMATED PAYMENTS 2012/13 TO 2018/19</b>								
<b>Project</b>	<b>Estimated Capital Payments</b>							
	<b>Total cost</b>	<b>To end 2013</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>
	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000
<b>Completed schemes</b>	<b>1,273</b>	<b>1,273</b>						
Schemes in Progress 1 April 2013								
Combined Aerial Rescue Pump	709	554	155	0				
Crowborough Refurbishment	1,005	393	596	16				
BA Classroom Maresfield	220	16	204	0				
IMD Strategy Sussex Control Centre	2,027	234	1,403	390				
Property Strategy: Roedean Drill Tower	16	16	0	0				
Property Strategy: Replacement Fuel Tanks	190	0	0	75	75	40		
Property Strategy: Roedean Roof	30	0	30	0				
Property Strategy: Sustainability Initiative	420	0	0	140	140	140		
Window Replacement Eastbourne	2	0	2	0				
Sussex Control Centre – Property adaptations	1,100	0	1,100	0				
Heathfield	102	99	3	0				
	<b>5,821</b>	<b>1,312</b>	<b>3,493</b>	<b>621</b>	<b>215</b>	<b>180</b>	<b>0</b>	<b>0</b>
Scheme Starts 2013/14								
Replacement Fire Appliances	440		440	0				
Replacement Cars & Vans	210		165	45				
BA Compressors	100		100	0				
New Breathing Apparatus POD	0		0	0				

**CAPITAL PROGRAMME ESTIMATED PAYMENTS 2012/13 TO 2018/19**

Project	Estimated Capital Payments							
	Total cost	To end 2013	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000
Property Strategy: Bohemia Road	0		0	0				
Property Strategy: Preston Circus	10		10	0				
Property Strategy: STC	40		40	0				
Newhaven Fire Station	3,070		175	2,895				
	<b>3,870</b>	<b>0</b>	<b>930</b>	<b>2,940</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Scheme Starts 2014/15 (Table 1)								
Fleet Requirements	465			465				
Property Strategy	115			115				
	<b>580</b>		<b>0</b>	<b>580</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Scheme Starts 2015/16 (Table 2)								
Fleet Requirements	688				688			
Property Strategy	487				487			
Preston Circus Fire Station - ESFRS rebuild cost	1,500				750	750		
	<b>2,675</b>				<b>1,925</b>	<b>750</b>	<b>0</b>	<b>0</b>
Scheme Starts 2016/17 (Table 3)								
Fleet Requirements	1,155					1,155		
Property Strategy	433					433		
	<b>1,588</b>					<b>1,588</b>	<b>0</b>	<b>0</b>
Scheme Starts 2017/18 (Table 4)								
Fleet Requirements	819						819	
Property Strategy	336						336	
	<b>1,155</b>						<b>1,155</b>	<b>0</b>
Scheme Starts 2018/19 (Table 5)								
Fleet Requirements	910							910

<b>CAPITAL PROGRAMME ESTIMATED PAYMENTS 2012/13 TO 2018/19</b>								
<b>Project</b>	<b>Estimated Capital Payments</b>							
	<b>Total cost</b>	<b>To end 2013</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>
	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000
Property Strategy	782							782
	<b>1,692</b>							<b>1,692</b>
<b>TOTAL GROSS COST</b>	<b>18,654</b>	<b>2,585</b>	<b>4,423</b>	<b>4,141</b>	<b>2,140</b>	<b>2,518</b>	<b>1,155</b>	<b>1,692</b>
Less Identified Funding	18,654	2,585	4,423	4,141	2,140	2,518	1,155	1,692
<b>NET TOTAL from Borrowing (line 41 Table 9)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>FORECAST LAST YEAR FOR BORROWING FOR COMPARISON</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>n/a</b>



## **Appendix F**

### **Prudential indicators for 2014/15**

**This information is not yet available and will be added prior to the Authority meeting in February.**

## **Appendix G Reserves and Balances Policy**

### **Background**

This policy sets out the Authority's approach to reserves and balances. The policy has regard to LAAP Bulletin 77 'Local Authority Reserves and Balances', issued in November 2008.

Section 26 of the Local Government Act 2003 gives the Secretary of State power to set a minimum level of reserves for which an Authority must provide in setting its budget. The Secretary of State indicated that "the provisions are a fallback against circumstances in which an Authority does not act prudently, disregards the advice of its Chief Finance Officer and is heading for serious financial difficulty".

Sections 32 and 43 of the Local Government Finance Act 1992 also require billing and precepting authorities to have regard to the level of reserves needed for meeting estimated future expenditure when calculating the net budget requirement.

In reviewing medium-term financial plans and preparing annual budgets, the Authority will consider the establishment and maintenance of reserves for the general fund. There is no statutory minimum or maximum level of reserves. The nature and level of reserves will be determined formally by the Authority, informed by the judgement and advice of the Treasurer. This will be based on an assessment of what is appropriate and necessary in the light of the circumstances facing the Authority.

### **Types of reserve**

The Authority will maintain the following reserves:

- general reserve: to manage the impact of uneven cash flows and unexpected events or emergencies;
- earmarked reserves: sums set aside to meet known or predicted specific requirements.

Earmarked reserves will be maintained as follows:

- Collaboration and Improvement reserve: to enable the Authority to develop its collaborative approach to service delivery and respond to priority areas for service improvement;
- Insurance Reserve: to enable to effective financial management of the cost of uninsured losses;
- Service reserves: funds set aside for specific purposes in respect of individual service business cases;
- Capital Programme Reserve: to support the provision of the capital infrastructure required to deliver the Authority's service priorities; and
- Capital Receipts Reserve: capital receipts not yet applied to capital expenditure.

The Authority will also maintain a number of other reserves that arise out of the interaction between legislation and proper accounting practices. These reserves, which are not resource-backed, will be specified in the annual Statement of Accounts.

## **Principles to assess the adequacy of reserves**

The Treasurer will advise the Authority on the adequacy of reserves. In considering the general reserve, the Treasurer will have regard to:

- the strategic legislative, operational and financial risk contexts within which the Authority will be operating through the medium-term;
- the overall effectiveness of governance arrangements and the system of internal control;
- the robustness of the financial planning and budget-setting process;
- the effectiveness of the budget monitoring and management process

Having had regard to these matters, the Treasurer will advise the Authority on the monetary value of the required general reserve.

In considering specific reserves, the Treasurer will have regard to matter relevant in respect of each reserve, and will advise the Authority accordingly.

## **Service reserves**

The process for the determination of Service reserves will be based upon the principles of effective operational and financial risk management. Service Directorates will be asked to submit business cases in respect of any planned under-utilisation of the agreed budget, which they would wish to carry forward to apply in future years. Businesses cases will be considered by the Corporate Management Team and will be subject to the final approval of the Treasurer.

## **Use of reserves**

Members, as part of agreeing the budget, will agree the policy for drawdown of reserves on the advice of the Treasurer.

The Treasurer will monitor the drawdown of specific reserves in accordance with the agreed policy, and keep Members advised, through normal monitoring reports.

## **Risk assessment to determine the adequacy of the General Reserve**

Authorities need reserves so that they can deal with unforeseen calls on resources, without disrupting service delivery. It is the responsibility of each authority to set its level of reserves based on local conditions, but taking into account national factors. Although advice can be sought from the external auditors, it is not their responsibility to prescribe the appropriate level. In setting the level, the Authority should take into consideration the advice of their Treasurer, taking into account all local relevant circumstances.

Members will be aware that the working reserves provide protection against unforeseen events that could impact on the authority. Reserves have to be used carefully. They can be used only once. Decisions to use reserves to fund on-going spending or hold down Authority Tax increases can only apply for one year. In the following year, either additional budget reductions have to be made or additional Authority Tax increases are required. There is a significant risk of future financial instability if significant levels of reserves are used to fund on-going spending or reductions in Authority Tax. This is will impact on Authority Tax rises in future years to pay for one-off use of balances.

As a general rule, the Authority should only plan to use reserves to fund one-off spending where the reserves exceed the recommended level. Where the Authority decides to use such reserves to fund on-going spending or reductions in Council Tax, they should indicate how they plan to make up the budget shortfall in future years. All Members must be mindful of their stewardship responsibility to the Authority.

A full review of reserves, as in the past, has taken place as part of the budget setting process. A financial risk matrix is used and maintained to further assist in identifying the level of General Reserves required. This matrix is progressively reviewed and includes provisions for a wide variety of potential corporate risks including:

- **Operational incident performance failure:** Non-insured costs of HSE and other investigations following a serious incident with serious implications for ESFRS, project team, ancillary costs and putting right the organisation (£1m).
- **Abnormal weather conditions:** A long hot summer, flooding in autumn and winter and heath land fires in the spring have all occurred in previous years resulting in excessively high operational costs. A prolonged seasonal problem could easily generate additional costs of £200,000 in retained pay, overtime and other support costs. In worst-case scenarios for civil emergencies, the Bellwin Scheme funding is available to support qualifying expenditure in excess of 2% of Revenue Budget (£0.8m).
- **Pensions costs:** Review adequacy of pension provision as part of the revenue budget process – this provision relates to additional ill health pensions not predicted at budget preparation. Continue to monitor age profile of workforce and expenditure forecasting. In addition there is a lack of clarity on the impact of the new firefighters' pension scheme to be introduced in 2015 and a risk that employer's contributions could increase in the short term (£0.6m).
- **Staff severance and redundancy provisions:** In order to achieve the level of strategic financial savings required in future years, it may be appropriate to agree additional business case savings in advance and, as a consequence, incur additional severance payments paid to staff that exceed the sums already put by in earmarked reserves (£0.25m).
- **Funding volatility resulting from Local Government Resources Review:** As a result of the Local Government Resource Review, including the Localisation of Authority Tax Support Grant the Authority is exposed to potential increased volatility in two key income streams, business rates and Authority Tax (the latter both through the tax base itself and the likelihood of a deficit on the Collection Fund) (£0.75m).
- **Unanticipated business or economic pressures:** The Authority has a wide range of contractual arrangements which could see a financial loss in the event of the bankruptcy of a supplier. Equally the Authority has a number of key ICT systems which were they to fail could require urgent external support or replacement equipment at short notice which could be costly for the Authority (£1m).
- **Inflationary increases:** provision has been made for anticipated increases in pay and prices within the budget. However, national pay restraint is based on an average of 1% and so actual increases within different services may vary. The Authority is also subject to global inflationary pressures particularly in relation to oil based and other natural resources (£0.2m).
- **Legal and employment issues:** as a service provider and an employer the Authority faces the potential that legal action could be taken against it on a range of grounds, including equal pay, discrimination, unfair dismissal and corporate negligence / manslaughter. Awards and legal costs in such cases can be significant so a provision within balances is prudent (£0.5m).

- **Savings plans:** the Authority is developing its savings plans for the next 5 years and has already agreed a range of measures for implementation. However it is possible that implementation may take longer than anticipated or savings may be less than originally estimated leading to an in year budget pressure (£0.4m).
- **Provision of services:** the Authority has taken on delegated responsibility for the delivery of mobilisation and control functions for West Sussex Fire & Rescue Service under a S16 agreement. Failure to provide the service to the agreed performance levels could result in additional costs for the Authority (£0.25m).
- **Loss of income:** income targets are set within the budget for a number of functions, for example commercial and service training, and the Authority also receives income from the investment of its cash balances where rates achieved continue to decline. Although the amounts involved are small relative to the overall budget they continue to present a risk in year (£0.1m).

### **Proposal for the level of General Reserves**

The updated assessment gives a preliminary figure of £5.5m (13.0%) on the net budget requirement of £38.568m in 2014/15. Although it would be unlikely for all areas of risk to impact at the same time, it is conceivable for a number of them to be interlinked, for example a major incident could impact on operational performance and result in damage to assets and insurance losses.

Taking into account the current economic climate and pressure on budgets, it would seem appropriate to maintain the minimum level of general reserves at 8% in line with the Authority's existing policy. This equates to £3.1m. As the current general balances (reserves) provision is projected above this level at £3.752m, then the minimum level can be maintained without further contributions as the net budget requirement reduces in the medium term. For this reason the current base budget provision of £200,000 to General Balances has been taken as a savings from 2014/15.

### **Review of earmarked reserves**

Since the Authority became a precepting body, Members have agreed, in principle, to the establishment of a number of earmarked reserves. Each year, the relevance of these is reconsidered as part of the service planning process and Members are informed of the latest plans for the balances held in such reserves. As the Authority has developed its response to the reduction in government funding and the need to deliver savings through different ways of working, Members have approved the establishment of a number of key reserves to support this process – the Improvement and Efficiency Reserve and also the Capital Programme Reserve (which along with the Capital Receipts Reserve supports the funding of the Authority's capital programme). Through careful budget management, the Authority has also established a range of Service Reserves to support the delivery of specific initiatives.

A commentary on the purpose and planned use of each of the existing earmarked reserves is detailed below:

- **Improvement & Efficiency reserve:** This reserve is to enable the Authority to develop its collaborative approach to service delivery, support changes to services that will deliver savings and respond to priority areas for service improvement. This includes support for on-going work with WSFRS to progress a number of collaborative projects so that long term savings can be realised for both organisations. Other collaborative projects are also being progressed with a number of other partners many of which may require proportionate pump priming funding to realise future financial savings for all partners involved. Within ESFRS, initiatives are also underway to generate effectiveness improvements in how services are delivered. This reserve is also to help support such initiatives to realise full benefits.

- Insurance Reserve: ESFRS has always sought to be risk adverse in managing its insurance risks and has approached the insurance market accordingly. However, the high cost of premiums required ESFRS to accept higher excess limits on fleet insurance and pay for the additional costs incurred up to the higher excess levels. This has actually proven to be financially beneficial and a similar review is now taking place for property excesses. The savings made are placed in this reserve to help offset years when higher claims may occur which have to be paid for internally.
- Capital Programme Reserve: to support the provision of the capital infrastructure required to deliver the Authority's service priorities. Given that an interim Capital Programme is proposed for 2014/15 – 2018/19 in the expectation that there will be capital implications resulting from Phase 2 and 3 savings proposals and that Government Capital Grant funding is shifting from pro rata apportionment to "bid for" basis then it is important that this source of funding is maintained on the short to medium term. As part of the 2014/15 non-operational savings proposals the Authority has agreed to reduce the base budget contribution to this reserve to £500,000 per annum by 2018/19; and

Service reserves: funds set aside for specific purposes in respect of individual service business cases:

- Maritime Incident Response Group: The national funding arrangements for responding to incidents at sea have ceased and individual maritime FRSS are being left to determine whether to continue to provide a service in their respective maritime sectors provided they have sufficient back up from neighbouring FRSS. This provision is to allow ESFRS to sustain its maritime service, primarily covering costs of specialist training, until future direction is more clearly established.
- Community Fire Safety Database: This provision is for the purchase and implementation of an extension to the Technical Fire Safety Database, currently being implemented. The scheme has been deferred from 2012/13 IMD Strategy to 2014/15 when internal resources will be available to implement.
- Breathing Apparatus: The renewal of breathing apparatus is on a life cycle basis, and significant costs are incurred at lifecycle replacement, due in 2015/16. Much of the replacement is not deemed to be Capital Expenditure so this is an appropriate funding means for significant one-off revenue budget expenditure.
- Mapping Solution: A reserve to meet specific IT infrastructure for both ESFRS and the Sussex Control Centre which are not funded from the DCLG grant, and whose final costs have yet to be determined.
- Relocation expenses for staff vacating service housing: The Authority has agreed to dispose of its entire day crewed housing stock over a four year period. Staff have been offered relocation support in order to achieve this overall objective over the remaining period. The current assumption is that the remaining costs will fall in 2014/15.
- Volunteers Scheme: provision to support the volunteers scheme for a further 2 years before a business case is made for its future.
- Capital Receipts Reserve: capital receipts not yet applied to capital expenditure.

The planned movement on each of the earmarked reserves is shown in the following table:

<b>Earmarked Reserve</b>	<b>31/03/2013 Balance £'000</b>	<b>2013/14 Projected Movements £'000</b>	<b>31/03/2014 Projected Balance £'000</b>	<b>2014/15 Projected Movements £'000</b>	<b>31/03/2015 Projected Balance £'000</b>
Improvement and Efficiency	1,189	448	1,637	252	1,889
Insurance	249	0	249	0	249
Capital Programme	2,818	(100)	2,718	274	2,992
<b>Service Reserves:</b>					
Maritime Incident Response Group	150	(50)	100	(50)	50
Community Safety Smoke Detectors	50	0	50	(50)	0
Community Fire Safety Database	150	0	150	(65)	85
Breathing Apparatus	750	0	750	0	750
Mapping Solution	120	0	120	(120)	0
Relocation Expenses for staff vacating Service housing	140	30	170	(70)	100
Volunteers Scheme	236	(73)	163	(79)	84
Sub-Total	5,852	255	6,107	92	6,199
<b>Earmarked Reserves Fully Spent/not required</b>					
Estates Condition Survey	38	(38)	0		
Technical Fire Safety	55	(55)	0		
Coaching for Safer Communities	50	(50)	0		
RDS Training	70	(70)	0		
IMD HR Replacement	8	(8)	0		
SCC Desktop Provision	85	(85)	0		
SCC Connectivity	106	(106)	0		
Sub-Total	412	(412)	0		
<b>Total Earmarked Reserves</b>	<b>6,264</b>	<b>(157)</b>	<b>6,107</b>	<b>92</b>	<b>6,199</b>
<b>General Fund</b>	<b>3,552</b>	<b>200</b>	<b>3,752</b>	<b>0</b>	<b>3,752</b>
<b>Capital Receipts Reserve</b>	<b>1,702</b>	<b>(52)</b>	<b>1,650</b>	<b>(1,650)</b>	<b>0</b>

Appendix H (i)

**EAST SUSSEX FIRE AUTHORITY: PRECEPT FOR 2014/15**

**REF: S43 LOCAL GOVERNMENT FINANCE ACT 1992**

**OPTION A – ACCEPT FREEZE GRANT**

<b>NET BUDGET REQUIREMENT</b>	<b>£</b>	<b>£</b>
		<b>38,396,700.00</b>
Forecast Business Rates retained	2,355,400	
Top Up grant	4,640,200	
Total Base Line funding	<u>6,995,600</u>	
Add Revenue Support Grant	9,049,100	
Total Grant funding (excluding transitional/freeze grant)	<u>16,044,700</u>	
Settlement Funding Assessment Adjustment	73,000	
Council Tax Freeze Grant	252,000	
Previous Year's Surpluses/(Deficits)	200,000	
<b>Total Council Tax required</b>		<b><u>21,827,000</u></b>
<b>Tax base</b>	<b>266,633.30</b>	
<b>Basic Council Tax (Band D equivalent)</b>		<b>81.86</b>
<b>Basic Council Tax from above calculation</b>		<b><u>Council Tax</u></b>
<b>Band A</b>	<b>6/9</b>	<b>54.57</b>
<b>Band B</b>	<b>7/9</b>	<b>63.67</b>
<b>Band C</b>	<b>8/9</b>	<b>72.76</b>
<b>Band D</b>	<b>9/9</b>	<b>81.86</b>
<b>Band E</b>	<b>11/9</b>	<b>100.05</b>
<b>Band F</b>	<b>13/9</b>	<b>118.24</b>
<b>Band G</b>	<b>15/9</b>	<b>136.43</b>
<b>Band H</b>	<b>18/9</b>	<b>163.72</b>
	<b><u>Tax Base</u></b>	<b><u>Precept</u></b>
<b>Brighton and Hove</b>	<b>80,432.00</b>	<b>6,584,164</b>
<b>Eastbourne</b>	<b>32,477.00</b>	<b>2,658,567</b>
<b>Hastings</b>	<b>23,733.00</b>	<b>1,942,783</b>
<b>Lewes</b>	<b>34,636.00</b>	<b>2,835,303</b>
<b>Rother</b>	<b>35,321.00</b>	<b>2,891,377</b>
<b>Wealden</b>	<b>60,034.30</b>	<b>4,914,408</b>
	<b>266,633.30</b>	<b>21,826,602</b>



Appendix H (ii)

**EAST SUSSEX FIRE AUTHORITY: PRECEPT FOR 2014/15**  
**REF: S43 LOCAL GOVERNMENT FINANCE ACT 1992**  
**OPTION B – REJECT FREEZE GRANT**

	£	£
<b>NET BUDGET REQUIREMENT</b>		<b>38,568,000.00</b>
Forecast Business Rates retained	2,355,400	
Top Up grant	4,640,200	
Total Base Line funding	<u>6,995,600</u>	
Add Revenue Support Grant	9,049,100	
Total Grant funding (excluding transitional/freeze grant)	<u>16,044,700</u>	
Settlement Funding Assessment Adjustment	73,000	
Previous Year's Surpluses/(Deficits)	200,000	
<b>Total Council Tax required</b>		<b>22,250,300</b>
<b>Tax base</b>	<b>266,633.30</b>	
<b>Basic Council Tax (Band D equivalent)</b>		<b>83.45</b>
<b>Basic Council Tax from above calculation</b>		<b><u>Council Tax</u></b>
<b>Band A</b>	<b>6/9</b>	<b>55.63</b>
<b>Band B</b>	<b>7/9</b>	<b>64.91</b>
<b>Band C</b>	<b>8/9</b>	<b>74.18</b>
<b>Band D</b>	<b>9/9</b>	<b>83.45</b>
<b>Band E</b>	<b>11/9</b>	<b>101.99</b>
<b>Band F</b>	<b>13/9</b>	<b>120.54</b>
<b>Band G</b>	<b>15/9</b>	<b>139.08</b>
<b>Band H</b>	<b>18/9</b>	<b>166.90</b>
	<b><u>Tax Base</u></b>	<b><u>Precept</u></b>
<b>Brighton and Hove</b>	<b>80,432.00</b>	<b>6,712,050</b>
<b>Eastbourne</b>	<b>32,477.00</b>	<b>2,710,206</b>
<b>Hastings</b>	<b>23,733.00</b>	<b>1,980,519</b>
<b>Lewes</b>	<b>34,636.00</b>	<b>2,890,374</b>
<b>Rother</b>	<b>35,321.00</b>	<b>2,947,537</b>
<b>Wealden</b>	<b>60,034.30</b>	<b>5,009,862</b>
	<b>266,633.30</b>	<b>22,250,549</b>

## Appendix I

### Establishment and payroll budget

The following table shows the number of posts that are included in the 2014/15 revenue budget and the estimated cost of employing staff in those posts. The measure of full-time equivalent numbers of staff has been used although it may be that with part time working and job share the actual number of people employed will be greater. It may also be that the full time equivalent number of staff may vary during the course of the financial year, especially for transition to the new Sussex Control Centre.

<b>Staff Group</b>	<b>2014/15 Establishment/ Financial Provision Full time or whole equivalent</b>	<b>2014/15 Associated payroll cost budget  £'000</b>
Principal Officers	4	597,300
Wholetime Firefighter	397	17,085,800
Retained Firefighter	242	2,304,800
Mobilising (Sussex Control Staff)	47	1,716,800
Support Staff	139	4,717,100
<b>Total</b>	<b>829</b>	<b>26,421,800</b>