

## **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 11.00 hours on Thursday 16 January 2014.**

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

### **Also present:**

Mr. D. Prichard (Chief Fire Officer & Chief Executive), Mr. G. Walsh (Deputy Chief Fire Officer), Mr. G. Ferrand (Assistant Chief Fire Officer), Mrs. C. Rolph (Assistant Chief Officer - People & Organisational Development), Mr. D. Savage (Treasurer), Mr. R. Charman (Director of Financial Services), Ms. H. Champion (Ernst & Young Auditors), Miss L. Woodley (Deputy Monitoring Officer) and Mrs. K. Ward (Clerk).

### **923. DISCLOSABLE PECUNIARY INTERESTS**

923.1 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.

The Treasurer declared an interest in relation to Item 929 and discussions taking place with the Duke of York cinema and Preston Circus Station in that he was a Member of the Cinema and paid an annual subscription.

### **924. APOLOGIES FOR ABSENCE**

924.1 There were none.

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

925.1 There were none.

### **926. TO CONSIDER ANY PUBLIC QUESTIONS AND PETITIONS**

926.1 There were none.

### **927. NON-CONFIDENTIAL MINUTES OF THE POLICY & RESOURCES PANEL MEETING HELD ON 14 NOVEMBER 2013**

927.1 **RESOLVED** – That the minutes of the meeting held on 14 November 2013 be approved as a correct record and signed by the Chairman. (Copy in Minute Book).

### **928. CALLOVER**

928.1 Members reserved the following items for debate:

929. Revenue Budget and Capital Programme Monitoring 2013/14

930. Fire Authority Service Planning Processes for 2015/16 and beyond – Draft Revenue Budget 2014/15 and Capital Programme 2014/15 to 2018/19

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

- 929.1 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 November 2013. (Copy in Minute Book).
- 929.2 Councillor Barnes asked Officers about the overall Capital Programme and the significant increase in underspend. ACFO Ferrand advised the biggest contributor to the underspend was the Newhaven project which was slipping due to the complexity of incorporating both our partner and our own requirements and needs into the new build.
- 929.3 Members were advised that SECAMB were no longer willing to commit to the project which left the Police and Lewes District Council who had both written a letter of intent. The first meeting on the design of the building had been held and progress was now being made toward the planning application and consultation meetings were being held with both firefighters on their desired design requirements and our partners.
- 929.4 Provisional timescales had been agreed and Officers would be working toward completing the design stage and obtaining planning consent by late Spring 2014, starting construction by Autumn 2014 with a completion date of Summer 2015.
- 929.5 Councillor Scott asked about contractual obligations and any associated costs should the project not go ahead. He was advised that Officers were working in close collaboration with planners to ensure any planning application made had the best chance of approval. All partners would need to approve the final business case and sign an agreement covering both financial and governance arrangements.
- 929.6 Councillor Lambert suggested it would be beneficial to encourage contractors to employ locally and offer apprenticeship schemes. ACFO Ferrand confirmed that a local design team had been employed and acknowledged the broader point regarding apprentices.
- 929.7 The Chief Fire Officer & Chief Executive added that the other major contributor to the Capital Programme underspend was the breathing apparatus POD as Officers had been looking at and implementing new ways of working which had generated a saving of £140,000 in capital costs.
- 929.8 **RESOLVED** – That the Panel 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 spend.

930. **FIRE AUTHORITY SERVICE PLANNING PROCESSES FOR 2014/15 AN BEYOND – DRAFT REVENUE BUDGET 2014/15 AND INTERIM CAPITAL PROGRAMME 2014/15 TO 2018/19.**

- 930.1 Members noted a joint report of the Chief Fire Officer & Chief Executive and Treasurer which presented 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. (Copy in Minute Book).
- 930.2 The report proposed that two options should be presented to the full Fire Authority in February 2014.
- 930.3 Option A involved accepting the Council Tax Freeze Grant in 2014/15 – which would involve setting a net budget requirement of £38.397m, a Council Tax requirement of £21.827m and freezing Band D Council Tax at £81.66 i.e. 0% increase on 2013/14. Option B was to increase Council Tax by 1.94% which would involve setting a net budget requirement of up to £38.568m, a Council Tax Requirement of £22.250m an increasing Band D Council Tax to £83.45.
- 930.4 The Authority had identified the need to make up to £7.1m of savings over the period 2014/15 to 2018/19 in addition to £1.3m previously identified for 2014/15. Previous savings programmes had in the main, protected operational services, however the Fire Authority recognised that a broader review of all its services was necessary given the scale of savings that were now required.
- 930.5 The Local Government Finance Settlement was provisionally announced on 18 December 2013 and gave provisional funding figures for 2014/15 and illustrative figures for 2015/16. The announcement 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 grant.
- 930.6 The Chief Fire Officer & Chief Executive wished to thank the Treasurer and the Finance team for the enormous amount of work that had gone into preparing the draft budget. He advised Members that the budget in front of them was a draft which showed suggested figures for both the Government grant and Council Tax. Members were reminded that Council Tax was the main source of income for the Fire Authority and that any rise in Council Tax would remain in the base budget whilst the Council Tax freeze grant which would be embedded for 2014/15 would decline year on year in line with the Government Grant.
- 930.7 The Treasurer added that the proposed budget was drafted based on a number of assumptions. Final details of both Council Tax and Business Rate bases were awaited from billing authorities along with Collection Fund surpluses/deficits and these were expected by 31 January 2014. The final LGFS was not expected until 5 February 2014 when the Council Tax Referendum Threshold would also be announced. The Capital programme was currently an interim picture as there were a number of proposals in phases 2 and 3 of the savings programme which would if approved, require capital investment. The draft budget did however identify sufficient savings through approved non-operational and phase 1 operational proposals to meet savings targets for 2014/15 and 2015/16 and allow savings flexibility for investment.

- 930.8 Councillor Theobald asked the Treasurer about the possibility of the Chancellor setting a Council Tax referendum threshold of 1.5%. The Treasurer advised that it had been expected that the threshold would be set at 2%, but there were other indications that the Government was considering a lower threshold.
- 930.9 Councillor Barnes asked Officers what the balance was between the Government Grant and Council Tax income. The Treasurer confirmed that 56% of the Service's income was generated through Council Tax, 27% from Government grant and 17% from business rates. Councillor Barnes added that he wouldn't want to go down the route of triggering a referendum but that all options should be considered. Following previous consultation exercises, the public had suggested they would be happy to pay more to maintain the Fire & Rescue Service. Councillor Barnes felt it would be difficult on that basis to justify to the public that the Authority were going to cut jobs and services but not raise Council Tax.
- 930.10 Councillor Scott felt the Council Tax freeze grant being built into the base budget would add a new dynamic to Member discussions and should be seriously considered together with all the available options.
- 930.11 Councillor Pragnell agreed with Councillor Barnes' comments and that the Fire Authority should listen to what its residents had suggested in previous consultation exercises. He requested that in the final budget report, Officers incorporate details of the referendum level set by the Chancellor and associated information. Following further discussions, Members requested that the final budget report should include an option of a Council Tax rise just below the Referendum Threshold.

#### **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.

931. **EXCLUSION OF PRESS AND PUBLIC**

931.1 **RESOLVED** – That item 932 be exempt under paragraphs 3 and 4 of Schedule 12A to the Local Government (Access to Information) (Variation) Order 2006 and, accordingly, is not open for public inspection on the grounds that it includes 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.

**PART 2**

932. **CONFIDENTIAL MINUTES OF THE POLICY & RESOURCES PANEL MEETING HELD ON 14 NOVEMBER 2013 (EXEMPT CATEGORIES 3 & 4)**

932.1 **RESOLVED** – That the confidential minutes of the meeting held on 14 November 2013 be approved as a correct record and signed by the Chairman. (Copy in Minute Book).

The meeting concluded at 12.30 hours.

Signed

Chairman

Dated this Day of

2014

