



EAST SUSSEX FIRE AUTHORITY

POLICY & RESOURCES PANEL

FRIDAY 11 JULY 2014 at 11.30

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, Powell and Theobald

You are requested to attend this meeting to be held at East Sussex Fire & Rescue Service Headquarters, 20 Upperton Road, Eastbourne, on Friday 11 July 2014 at 11:00 hours, or at the conclusion of the Scrutiny & Audit Panel meeting, whichever is the later.

AGENDA

Item No.	Page No.
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945.	1.	In relation to matters on the agenda, seek declarations of any disclosable pecuniary interests under Section 30 of the Localism Act 2011.
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946.	1.	Election of Chairman.
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947.	1.	Apologies for Absence.
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948.	1.	Notification of items which the Chairman considers urgent and proposes to take at the end of the agenda/Chairman's business items.
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(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).

949.	3.	Non-confidential Minutes of the last Policy & Resources Panel meeting held on 15 May 2014 (copy attached).
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950. 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.
- [951.](#) 9 2013/14 Provisional Revenue and Capital Outturn – report of the Treasurer (copy attached).
- [952.](#) 23 2014/15 Revenue Budget and Capital Programme Monitoring – joint report of the Chief Fire Officer & Chief Executive and the Treasurer (copy attached).
- [953.](#) 33 ICT Transformation Programme – report of the Chief Fire Officer & Chief Executive (copy attached).
- [954.](#) 37 Sussex Control Centre – progress report – report of the Chief Fire Officer & Chief Executive (copy attached).
955. 2. Exclusion of the Press and Public.
956. 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.
957. 43 Confidential Minutes of the last Policy & Resources Panel meeting held on 15 May 2014 (copy attached). (Exempt categories under paragraphs 3 and 4 of the Local Government Act 1972).

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

EAST SUSSEX FIRE AUTHORITY

Minutes of the meeting of the POLICY & RESOURCES PANEL held at East Sussex Fire & Rescue Service Headquarters, 20 Upperton Road, Eastbourne, at 11.30 hours on Thursday 15 May 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. Ferrand (Assistant Chief Fire Officer), Mrs. C. Rolph (Assistant Chief Officer - People & Organisational Development), Mr. W. Tricker (Head of Finance & Procurement), Mrs. L. Ridley (Head of Performance Management), Miss L. Woodley (Deputy Monitoring Officer) and Mrs. K. Ward (Clerk).

933. **DISCLOSABLE PECUNIARY INTERESTS**

933.1 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.

934. **APOLOGIES FOR ABSENCE**

934.1 There were none.

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

935.1 **FRA Transformation Fund Bidding Process 2015-16**

935.1.1 Members considered a report of the Chief Fire Officer & Chief Executive which advised them of the proposed FRA Transformation Bid submissions from ESFA for 2015-16. (Copy in Minute Book).

935.1.2 The Chairman accepted the report as an urgent item due to the closing date for bids being before the date of the next meeting of the Panel or Fire Authority – this was the last opportunity for Members to approve the bid before its submission.

935.1.3 **RESOLVED** – That the bid submissions to the DCLG for capital funding in the year 2015-16 be noted and agreed.

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

936.1 There were none.

937. **NON-CONFIDENTIAL MINUTES OF THE POLICY & RESOURCES PANEL MEETING HELD ON 16 JANUARY 2014**

937.1 **RESOLVED** – That the minutes of the meeting held on 16 January 2014 be approved as a correct record and signed by the Chairman. (Copy in Minute Book).

938. **CALLOVER**

938.1 Members reserved the following items for debate:

- 939 Revenue Budget And Capital Programme Monitoring 2013/14
- 940 Corporate Performance Targets Up To 2015/16
- 941 Pensions Update
- 942 Predetermined Attendances At Automatic Fire Alarms

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

939.1 Members considered a joint report of the Chief Fire Officer & Chief Executive and the Treasurer which outlined issues arising from the monitoring of the 2013/14 Revenue Budget and Capital Programme as at 31 March 2014. (Copy in Minute Book).

939.2 The Revenue Budget outturn for 2013/14 was projected to underspend by £664,000, an increase of £315,000 on the previously reported £349,000. The overall underspend reflected a range of savings in Corporate Services and Support Services which had been removed from the 2014/15 budget as part of the non-operational savings proposals, a small net underspend on Service Delivery and Operational budgets, and project slippage, primarily in Information Management Department. The total value of projects expected to slip into 2014/15 was currently estimated as £471,000 and this would be confirmed as part of the final accounts process and reported to the Panel in July.

939.3 The overall Capital Programme was projected to be under planned spending by £410,000 compared to the £362,000 reported to the last Policy & Resources Panel. The current year's Capital Programme and spending profile was projected to be underspent by £2,958,000, an increase of £1,195,000 on the previously reported £1,763,000. The projected underspend was made up of two main elements: schemes which had been delivered under budget or had been removed as no longer necessary which had resulted in a saving of £416,000 and; schemes that had been delayed and the spend slipped into 2014/15 and these totalled £2,548,000. The majority (89%) of this slippage related to two major partnership schemes Newhaven Fire Station and Sussex Control Centre (Information Management and Accommodation).

939.4 The Authority maintained 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). The projected year end position reflected a lower than planned net drawdown from reserves by £735,000, primarily due to re-phasing of a number of IMD projects and the funding of a range of costs including redundancy payments from within the revenue budget. A number of reserves were no longer required and in line with the decision taken by the Fire Authority in February 2014 they would be transferred into the Improvement and Efficiency Reserve.

939.5 **RESOLVED** – That the following be noted:

- (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 being managed within the current overall underspend.

940. **CORPORATE PERFORMANCE TARGETS UP TO 2015/16**

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

940.2 In May 2011, the Panel had agreed strategic performance indicator targets for application in 2011/12 covering the five year period up to 2015/16 after which they would be reviewed for a further five year period. The targets were set to achieve incremental improvements in the majority of service delivery indicators. Last year, the Panel agreed to freeze the targets at the 2012/13 level, as it was unknown what the impact of the funding gap would be on the Service's resources and performance. However, there were three exceptions to this; Home Safety Visits and deaths in primary and accidental dwelling fires.

940.3 The indicators and targets were reviewed annually against projected performance results and discussed with the relevant Directorates.

940.4 It was proposed that the following targets be deleted this year:

- 26 - Retained Duty Staff Female firefighters as new entrants to the FRS
- 27 - Minority ethnic staff as new entrants to the FRS
- 28 - Disabled employees as new entrants to the FRS
- 31 - Affordable community safety services
- 6 - Expenditure per head of the population on the provision of Fire & Rescue Services

940.5 A new indicator was proposed to monitor short term sickness against the Bradford factor. This indicator would initially be introduced as a measure until benchmarking data is available to set a target for the following year.

940.6 The current priority areas were:

- Percentage of HSVs to the vulnerable members of our community
- Number of accidental fires in dwellings
- Percentage of accidental dwelling fires confined to room of origin
- Percentage reduction of automatic fire alarms
- Number of working days/shifts lost due to sickness absence for all staff

940.7 Councillor Hawtree asked Officers how the targets for recruitment would continue to be monitored once removed from the Indicator list. Officers confirmed that work would still continue to monitor the diversity of the workforce even though it would be unlikely that there would be any recruitment for the foreseeable future. ACO Rolph reminded Members that Councillor Scott was involved as the Member Lead for Equality & Diversity matters.

940.8 Councillors asked Officers if they felt there was an opportunity to charge for additional Services around the inspection of high risk/business premises particularly given consideration to the set up of the Community Interest Company (CIC). ACFO Ferrand advised Members that the Authority had a Statutory duty to enforce fire safety legislation and therefore were unable to charge for activities that form part of this duty, but any other activities such as advising or assessing risks on behalf of businesses would have to take into consideration the potential for a conflict of interest, and whilst this issue was not insurmountable, all implications had to carefully be considered alongside legal advice from the Monitoring Officer. Members were also advised that consideration would have to be given to the matter of 'State Aid' as staff in ESFRS were mainly employed to deliver the statutory functions of the Fire Authority and were provided through public funding. If these staff were to be used to generate income and potentially take trade away from other businesses, then there would need to be a robust and transparent mechanism of apportioning the true cost of doing business by these staff, to ensure there could be no legal challenge regarding 'State Aid' being used to subsidise this part of the enterprise. ACFO Ferrand advised that the delivery of advice or engagement activities with businesses could be explored further by delivery through the CIC but the above factors would need to be taken into account.

940.9 **RESOLVED:** That the following be approved:

- (i) the performance indicator targets were frozen last year at the 2012/13 target level as it was unknown what the impact of the funding gap would be on performance be noted;
- (ii) the performance indicator targets for application in 2014/15 onwards contained in Appendix 1, Table 1 and 2 of the report be approved;
- (iii) the changes to the current suite of indicators as detailed in paragraph 6 of the report be approved; and
- (iv) the existing 'Top set' of strategic indicators remain for 2014/15.

941. **PENSIONS UPDATE**

941.1 Members considered a joint report of the Chief Fire Officer & Chief Executive and the Treasurer which informed Members of the current position on a number of pension issues related to the FPS, NFPS and the LGPS. (Copy in Minute Book).

941.2 Members had received regular updates on various issues in relation to the Firefighters Pension Scheme (FPS) 1992, the New Firefighters Pension Scheme (NFPS) 2006 and the Local Government Pension Scheme (LGPS), as well as relevant court cases which would have consequences for the Fire Authority's revenue budget.

941.3 The revenue budget for 2014/15 and the Medium Term Financial Plan included a number of provisions for pension related costs based on the best information in February. Officers were working through the practical implications of the issues highlighted in the report and would be finalising the implementation plan and consulting with the Representative Bodies as necessary.

941.4 **RESOLVED:** That the latest information available on various pension related issues, be noted.

942. **PRE-DETERMINED ATTENDANCES AT AUTOMATIC FIRE ALARMS**

- 942.1 Members considered a report of the Chief Fire Officer & Chief Executive which outlined the regional work to standardise pre-determined attendances to Automatic Fire Alarms and to seek approval to change the previous IRMP decision. (Copy in Minute Book).
- 942.2 Following the introduction of Integrated Risk Management Planning (IRMP) the Fire Authority reviewed its policy for the attendance to Automatic Fire Detection (AFD) calls as part of the IRMP Action Plan for 2004/05. A revised Service policy was approved and implemented on 1st April 2004. Since then it had been subject to minor amendments following further risk assessments.
- 942.3 Following the introduction of a new post in 2010 and operational changes to call challenge, the number of incidents of unwanted fire signals had reduced each subsequent year. Despite this downward trend, the current levels of unwanted signals from AFD systems continue to place an unacceptable burden on the Service.
- 942.4 The Sussex Control Centre Project (SSC) was working with the regional Ways of Working group (WOW) to develop common standard operating procedures and common Pre-Determined Attendance (PDA) for all calls received including Automatic Fire Alarms (AFAs). The current policy for attending AFAs had been endorsed by Fire Authority and the Panel was asked to approve an amendment, (set out in the report to the Panel), of a new attendance policy in line with West Sussex Fire & Rescue Service to achieve a common PDA for AFAs.
- 942.5 If the proposed revised PDAs were adopted, not only would this achieve consistency across the two services but also cashable and non-cashable efficiency savings would be made. The busiest stations for attending AFAs were the wholetime stations. Productivity on these stations could be increased in terms of less disruption to the working shift which could result in significantly more time to undertake operational training, 7.2 (d) visits and Community Safety work.
- 942.6 The Chief Fire Officer & Chief Executive referred to a letter the FBU sent to all Members noting their concerns at the report being considered by the Panel. Members considered the correspondence from the FBU and were satisfied that the policy being put forward for determination, was in line with that adopted by a number of other Fire Authorities, and also in line with the policy currently in place in West Sussex. This way of working was already familiar with West Sussex who we were sharing a control centre with. Under the proposals, the Officer in charge would carry out a dynamic risk assessment and make up resources as with any other type of call should they be needed.
- 942.7 Officers answered Councillors concerns about whether there had been any negative impact reported by those Services that had implemented a one pump response to AFA's. Councillors agreed that a unified response with West Sussex and other Authorities would be appropriate.
- 942.8 **RESOLVED:** That an amendment to the existing Automatic Fire Alarm policy to allow for a standardised Pre Determined Attendance (PDA) across Sussex in line with the regional Ways of Working be endorsed.

943. **EXCLUSION OF PRESS AND PUBLIC**

943.1 **RESOLVED** – That item 944 be exempt under paragraph 3 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).

The meeting concluded at 13.20 hours.

Signed

Chairman

Dated this Day of

2014

EAST SUSSEX FIRE AUTHORITY

Panel	Policy & Resources
Date:	11 July 2014
Title:	Provisional Revenue & Capital Programme Outturn 2013/14
By:	Chief Fire Officer & Chief Executive and Treasurer
Purpose of Report:	To advise the Authority on the provisional outturn position for 2013/14

RECOMMENDATION: The Fire Authority is asked to:

- (i) Note the provisional 2013/14 Revenue outturn
- (ii) note the provisional 2013/14 Capital Programme outturn
- (iii) note the actual use of reserves
- (iv) note that the shortfall in 2013/14 budget savings was managed within the overall revenue underspend, and
- (v) approve the transfer of the 2013/14 revenue underspend to earmarked reserves as set out in paragraph 7.1

MAIN ISSUES

1. This report contains the provisional revenue and capital budget outturn for 2013/14 along with an updated analysis of reserves and balances. The pre-audit accounts have been signed and passed to the external auditor and the audited accounts must then be approved by the Authority and published by 30 September 2014.
2. The provisional Revenue Budget outturn for 2013/14 (Appendix 1) is an underspend of £647,000 (1.7%), a small decrease on the £664,000 previously reported. The overall underspend is explained in detail in Section 2 of the report but reflects a range of savings in Corporate Services and Support Services which have been removed from the 2014/15 budget as part of the agreed non-operational savings for 2014/15, a small net underspend on Service Delivery and Operational budgets, and project slippage, primarily in IMD. It is recommended that the underspend is transferred to balances, £275,000 as a carry forward for slipped projects (Appendix 6) and £372,000 to the Capital Programme Reserve as previously approved by the Fire Authority in February 2014..
3. The overall Capital Programme (Appendices 2-4) is projected to be under planned spending by £410,000 as previously reported, and the current year's Capital Programme and spending profile is projected to be underspent by £2,985,000, an increase of £27,000 on the previously reported £2,958,000. The projected underspend is made up of two main elements: schemes which have been delivered under budget or have been removed as no longer necessary which have resulted in a saving of £410,000 and; schemes that have been delayed and the spend slipped into 2014/15 and these total £2,575,000. The majority (88%) of this slippage relates to two major partnership schemes Newhaven Fire Station and Sussex Control Centre (Information Management and Accommodation).

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 projected year end position can be found at Appendix 5. Overall it reflects a lower than planned net drawdown from reserves by £1,045,000, primarily due to re-phasing of payments for the SCC accommodation project and a number of IMD projects and the funding of a range of costs including redundancy payments from within the revenue budget. A number of reserves are no longer required and in line with the decision taken at the Fire Authority in February 2014 they will be transferred into the Improvement and Efficiency Reserve

Des Prichard
CHIEF EXECUTIVE & CHIEF FIRE OFFICER
27 June 2014

Duncan Savage
TREASURER

1. INTRODUCTION

1.1 The financial information contained in this report is based upon the draft year end accounts. The accounts are now subject to external audit.

2. BUDGET OUTFURN SUMMARY

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

	Last P & R Report	This Report	Movement
	£,000	£,000	£,000
Revenue (See Paragraph 3)	(664)	(647)	(17)
Capital (See Paragraph 5)	(2,958)	(2,985)	(27)

3. PROJECTED REVENUE BUDGET OUTFURN – OBJECTIVE LEVEL

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

Directorate/Budget	Base Budget	Transfer	Current Budget	Actuals	Variance	Variance Last P & R
	£,000	£,000	£,000	£,000	£,000	
Service Delivery Response	5,382	(81)	5,301	5,182	(119)	(147)
Service Delivery Community Risk Management	518	2	520	506	(14)	(16)
Service Delivery Business Safety	114	68	182	180	(2)	(5)
Operational Pay and Pensions	17,970	(10)	17,960	18,044	84	83
Total Service Delivery & Operational budget	23,984	(21)	23,963	23,912	(51)	(85)
Service Support Estates	1,304	102	1,406	1,345	(61)	(61)
Service Support IMD	3,169	21	3,190	2,894	(296)	(296)
Service Support Fleet	1,601	47	1,648	1,648	0	30
Service support SCC	77	144	221	186	(35)	(25)
Service Support Health & Safety	121	25	146	131	(15)	(15)
Total Service Support budget	6,272	339	6,611	6,204	(407)	(367)
POD HR	691	28	719	693	(26)	(17)
POD L & O D	1,952	(18)	1,934	1,901	(33)	(31)
Total People & Org Development	2,643	10	2,653	2,594	(59)	(48)
Corporate Services	2,499	68	2,567	2,338	(229)	(241)
PO's	689	(14)	675	675	0	0
Central	2,992	(382)	2,610	2,713	103	81
Total Net Expenditure	39,079	0	39,079	38,436	(643)	(660)
Financing	(39,079)	0	(39,079)	(39,083)	(4)	(4)
Total Net Expenditure	0	0	0	(647)	(647)	(664)

- 3.2 **SERVICE DELIVERY:** The underspend of £51,000, previously reported to Policy & Resources as an underspend of £85,000, comprises underspends of £119,000 in Response, £14,000 in Community Risk Management, £2,000 in Business Safety and an overspend of £84,000 in Operational Pay and Pensions.
- 3.2.1 **Response:** The budget has underspent by £119,000 (previously reported as a projected underspend of £147,000). This made up of underspends on retained pay (£88,000), vacant posts in administration and community safety posts in the City and in M&CC (£77,000) and delays in JESIP training roll out (£27,000). The balance is made up of a range of small over and underspends.
- 3.2.2 **Business Safety:** The Business Safety budget has underspent by £2,000 (previously forecast to be £5,000 underspent).
- 3.2.3 **Community Risk Management:** The underspend is £14,000 (previously a £16,000 underspend) and relates to the equipment budget
- 3.2.4 **Operational Pay and Pensions: Operational Pay -** The budget has overspent by £84,000 (previously reported as a £83,000 overspend) primarily as a result of carrying a small number of supernumerary posts.
- 3.3 **SERVICE SUPPORT:** This budget has underspent by £407,000, previously reported as a forecast £367,000 underspend. Details are below in paragraphs 3.3.1 to 3.3.5:
- 3.3.1 **Estates:** The budget has underspent by £61,000 (as previously reported). This underspend primarily relates to the uncompleted project noted in appendix 6
- 3.3.2 **Information Management Department (IMD):** The budget has underspent by £296,000 (as previously reported). This underspend primarily relates to a number of delayed IMD Network related projects which can be funded from within the 2014/15 IMD Revenue Budget and the Hosted Voice project noted in appendix 6.
- 3.3.3 **Fleet:** The budget has come in on target (previously reported as a £30,000 overspend). The change in the projected spend is predominantly due to lower than expected spend on vehicle maintenance and repairs and minor accident repairs.
- 3.3.4 **Special Projects Team (SCC Project):** The Special Projects team budget has underspent by £35,000 (previously reported as a £25,000 underspend) primarily due to lower costs and delays in the adaptations to Maresfield Training Centre for the Secondary Control Centre the remaining cost of which will be incurred in 2014/15 and is noted in Appendix 6.
- 3.3.5 **Health & Safety:** The underspend is £15,000 (as previously reported).
- 3.4 **PEOPLE AND ORGANISATIONAL DEVELOPMENT (POD):** The POD budgets have underspent by £59,000, previously reported as an underspend of £48,000.
- 3.4.1 Human Resources budget has underspent by £24,000 on the Staff Advertising budget (previously reported as a forecast £15,000 underspend) and a £2,000 on the Occupational Health contract (as previously reported).

- 3.4.2 The L&OD budgets have underspent by £33,000 (previously reported as an underspend of £31,000). The underspends comprise £9,000 of L&D specific training allocations not fully spent by other sections, £8,000 Inclusion and Diversity vacant post and £16,000 on equipment in the Business Communications and Marketing budget.
- 3.5 **CORPORATE SERVICES:** The Corporate Services budgets have underspent by £229,000 (previously reported as a £244,000 underspend) made up as follows: additional Internal Audit costs of £34,000 offset by underspends on SAP development of £48,000, Members allowances £20,000, Printing £21,000, South East Improvement Projects £14,000 and Insurance Budgets £160,000.
- 3.6 **PRINCIPAL OFFICERS BUDGET:** The Principal Officers budget has come in on target, as previously reported.
- 3.7 **CENTRAL:** The Central budgets have overspent by £103,000, previously reported as an overspend of £81,000.
- 3.7.1 **Centrally controlled:** The centrally controlled budgets have overspent by £62,000 (previously reported as a £39,000 overspend). The overspend is primarily due to costs associated with Industrial Action of £34,000 after netting off pay deductions of £65,000 and range of smaller under / overspends.
- 3.7.2 **Treasury Management:** The Treasury Management overspend, caused by lower than expected returns on short term investments, has decreased to £41,000 (previously reported as an overspend of £42,000).
- 3.8 **FINANCING:** The Financing budgets have underspent (over-achieved) by £4,000, as previously reported. Actual income from the local share of business rates based on NNDR1 returns was less than that originally budgeted for based on the 2013/14 Settlement figures reducing funding by £142,803. The impact of this has been partially mitigated by the receipt of a Section 31 grant payment in respect of Small Business Rates Relief for 2013/14 of £90,000. The Authority also received two additional revenue grants from DCLG, one for £2,588 which relates to Data Transparency set up, the other for £53,751 relates to the refund of money top sliced from RSG to fund capitalisation (Capitalisation Provision Redistribution Grant).
- 3.9 **IN SUMMARY:** The projected Revenue Budget outturn is an underspend of £647,000.

4. **RESERVES**

- 4.1 The table below sets out the opening Reserves at the start of the financial year, actual movements during the course of the financial year and closing Reserves as at 31 March 2014. It does not include the revenue underspend of £647,000 above, which it is recommended that £275,000 is carried forward into 2014/15 for slipped projects, see appendix 6, and £372,000 is transferred to the Capital Programme Reserve.

Reserves	1 April 2013	Transfers in	Transfers out	31 March 2014
	£,000	£,000	£,000	£,000
Earmarked	3,446	477	(200)	3,723
Capital Programme	2,818	1,000	(747)	3,071
General	3,552	201	0	3,753
Total	9,816	1,678	(947)	10,547

4.2 A detailed breakdown of revenue reserves is shown in Appendix 5 and the main variances are set out below.

4.2.1 **Improvement & Efficiency Reserve:** The anticipated drawdown of £200,000 was not required as costs, including those for voluntary severance, have been contained in the overall revenue underspend. £121,000 was transferred into this reserve from other reserves that were no longer required as agreed by the Authority in February 2014.

4.2.2 **SCC Desktop; Connectivity; Mapping:** The expected drawdown of £311,000 has not been needed in 2013/14 as these IMD projects have slipped into 2014/15.

4.2.3 **Capital Programme Reserve:** The drawdown required to fund the SCC accommodation scheme was lower than anticipated by £353,000 due to a combination of the retention payment now being expected in 2014/15 and some technical changes to the overall financing of the Capital Programme.

4.2.4 **Coaching for Safer Communities:** Following a review of how the coaching for Safer Communities programme was delivered, the drawdown of £50,000 of this Reserve will not be needed and has been transferred to the Improvement & Efficiency Reserve.

4.2.5 **RDS Training:** Additional provision for RDS training has been made within the base budget and therefore this reserve is no longer required and £70,000 has been transferred to the Improvement & Efficiency Reserve.

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 £410,000, as previously reported.

5.2 The capital budget spending for 2013/14 has come in under budget by £2,985,000, previously reported as £2,958,000. Full details of the 2013/14 capital budget are shown in Appendix 3. The underspend is made up of two main elements: schemes which have been delivered under budget or have been removed as no longer necessary which have resulted in a saving of £410,000 and; schemes that have been delayed and the spend slipped into 2014/15 and these total £2,575,000. The majority (88%) of this slippage relates to two major partnership schemes Newhaven Fire Station and Sussex Control Centre (Information Management and Accommodation). Explanations of any new variances to the programme provided by the scheme project manager are shown below; otherwise all other projects with no change since the last report only show the variance and no detailed explanation.

- 5.3 **Replacement Appliances:** No change. The two appliances have been purchased and equipped. The scheme has underspent by £46,000.
- 5.4 **Replacement Cars and Vans:** The scheme is complete apart from the planned purchase of the Digital van (£51,000) which has been slipped to 2014/15.
- 5.5 **B A Compressors:** No change. The scheme is complete and £13,000 under budget.
- 5.6 **New Breathing Apparatus Pod:** No change. Following a review the Pod is no longer required resulting in an underspend of £140,000.
- 5.7 **Bohemia Road:** No change. There is a saving of £50,000 on this Scheme to refurbish the kitchen at Bohemia Road that is no longer required.
- 5.8 **Preston Circus:** No change. There is a saving of £50,000 on this Scheme following a stock condition survey. Only minor improvements are required which have been absorbed into the planned revenue spend.
- 5.9 **Property Strategy STC:** No change. The project has underspent by £23,000; this will need to be slipped into 2014/15.
- 5.10 **Newhaven Fire Station:** No change. The project has underspent by £922,000 and will be slipped into 2014/15.
- 5.11 **Aerial Rescue Pump (ARP):** No change. The project underspent by £60,000.
- 5.12 **Crowborough Refurbishment:** The scheme has underspent in the current year by £57,000 (previously reported as £30,000). £41,000 of this will need to be slipped into 2014/15 as provision for retention payments.
- 5.13 **BA Classroom Maresfield:** No change. This scheme has underspent by £8,000 in the current year and this will need to be carried forward into 2014/15 to cover the retention payment.
- 5.14 **IMD Strategy Sussex Control Centre:** This Scheme has underspent in the current year by £1,158,000 and will slip into 2014/15. This is reflected in the phasing of the draw down of grant funding.
- 5.15 **Replacement Fuel Tanks:** No change. The scheme has underspent in the current year by £80,000 and will slip into 2014/15.
- 5.16 **Property Strategy Roedean Roof:** No change. Following stock condition survey, this replacement is not due yet and the £30,000 has been re-profiled into the updated capital strategy.
- 5.17 **Sustainability:** No change. The scheme has underspent in the current year by £105,000 and will slip into 2014/15.
- 5.18 **Wadhurst Drill Tower/Yard:** No change. The works were completed in September 2011. This is the final payment relating to this scheme, (retention), following 12 months defects period and the contractor raising the final invoice late.

- 5.19 **Window Replacement, Eastbourne:** No change. This is the final part of a wider replacement scheme over three years at more than one establishment for which the final retention payment has now been made. Whilst this scheme has overspent by £2,000 the overall scheme has been delivered within its original cost estimate.
- 5.20 **Sussex Control Facility:** No change. West Sussex has advised that our share of the costs relating to the project in 2013/14 amount to £913,000. They are not yet in a position to forecast total spend at this stage so the balance of £187,000 will need to be slipped into 2014/15.
- 5.21 **Heathfield:** No change. The scheme has finished and a final retention payment of £2,000 has been made rather than the previously forecast £3,000. Overall the scheme has an underspend of £11,000.
- 5.22 Appendix 4 shows the projected outturn for capital resources available to finance the Capital Programme. Four Service Houses have been sold in 2013/14, against a plan to sell two. Drawdown of grant funding for the SCC Project has been re-phased to match the changed spending profile noted in paragraph 5.14.

6 **FACING THE CHALLENGE SAVINGS**

- 6.1 Facing the Challenge savings of £1.325m were agreed when the 2013/14 Revenue Budget was set. The majority of these savings have been achieved with an overall shortfall of £93,000 which has been contained within the overall revenue budget. The main reasons for the shortfall were the delay in achieving operational status for the new Aerial Rescue Platform in Eastbourne and the rephasing of savings from the Incident Command Review. In both cases the savings targets will be achieved in full against their revised timetables.

7 **USE OF THE REVENUE UNDERSPEND**

- 7.1 Some of the revenue underspending in 2013/14 relates to works or projects that could not be completed before the end of the financial year. As a result Corporate Management Team recommend that £275,000 of the revenue budget underspend is transferred into an earmarked reserve to fund the projects listed in Appendix 6 to be drawn down in 2014/15. The balance of £372,000 will be transferred to the Capital Programme Reserve as agreed at the February meeting of the Fire Authority.

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

Appendix 1

	Base Budget	Variations	Revised Budget	Projected Outturn	Projected Variance
	£,000	£,000	£,000	£,000	£,000
Employees	25,150	2,095	27,245	27,458	213
Pensions	3,018	34	3,052	3,047	(5)
Premises	2,257	(122)	2,135	2,110	(25)
Transport	1,159	4	1,163	1,039	(124)
Supplies & Services	5,302	327	5,629	5,077	(552)
Support Services	525	8	533	535	2
Capital Charges	2,521	0	2,521	2,521	0
Gross Service Budget	39,932	2,346	42,278	41,787	(491)
Specific Grants	(188)	0	(188)	(182)	6
Other Income	(643)	(2,181)	(2,824)	(2,998)	(174)
Total Service Income	(831)	(2,181)	(3,012)	(3,180)	(168)
Net Service Budget	39,101	165	39,266	38,607	(659)
Capital Charges credit	(2,521)	0	(2,521)	(2,521)	0
Interest receivable less capital financing	852	5	857	873	16
Transfer from reserves	0	(200)	(200)	(200)	0
Transfer to reserves	1,647	30	1,677	1,677	0
Total Gross Expenditure	39,079	0	39,079	38,436	(643)
Financed by:					
Revenue Support Grant	(10,195)		(10,195)	(10,195)	0
Council Tax	(21,625)		(21,625)	(21,625)	0
Council Tax Collection fund (Surplus)/Deficit	(136)		(136)	(136)	0
Business Rates	(6,782)		(6,782)	(6,729)	53
Capitalisation Refund / Data					
Transparency Grants	0		0	(57)	(57)
Council Tax Freeze Grant	(249)		(249)	(249)	0
Council Tax Support Grant	(92)		(92)	(92)	0
Total Financing	(39,079)		(39,079)	(39,083)	(4)
Total Net Expenditure	0		0	(647)	(647)

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 to be placed	Forecast outturn	Variance on approved Budget
	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000
Schemes starting in 2013/14									
Replacement Fire Appliances	480		480		434	434		434	(46)
Replacement Cars & Vans	210		210		159	159	51	210	0
BA Compressors	110		110		97	97		97	(13)
New Breathing Apparatus POD	140		140		0	0		0	(140)
Property Strategy: Bohemia Road	50		50		0	0		0	(50)
Property Strategy: Preston Circus	50		50		0	0		0	(50)
Property Strategy: STC	40		40		17	17	23	40	0
Newhaven Fire Station	3,070		3,070		98	98	2,972	3,070	0
Total Schemes starting 2013/14	4,150	0	4,150	0	805	805	3,046	3,851	(299)
Continuing schemes starting in previous years									
Combined Aerial Rescue Pump	769		769	554	155	709		709	(60)
Crowborough Refurbishment	1,019		1,019	393	569	962	41	1,003	(16)
BA Classroom Maresfield	220		220	16	196	212	8	220	0
IMD Strategy Sussex Control Centre	1,120	907	2,027	234	635	869	1158	2,027	0
Property Strategy: Roedean Drill Tower	16		16	16		16		16	0
Property Strategy: Replacement Fuel Tanks	190		190				190	190	0
Property Strategy: Roedean Roof	30		30			0		0	(30)
Property Strategy: Sustainability	420		420			0	420	420	0
Wadhurst Drill Yard/Tower	0		0		4	4		4	4
Window Replacement Eastbourne	0		0		2	2		2	2
Sussex Control Centr4e – Property adapt	666	434	1,100		913	913	187	1,100	0
Heathfield	112		112	99	2	101		101	(11)
Total schemes from previous years	4,562	1,341	5,903	1,312	2,476	3,788	2,004	5,792	(111)
Total	8,712	1,341	10,053	1,312	3,281	4,593	5,050	9,643	(410)

Capital spend in 2013/14 – April 2013 to March 2014 (not total Project Outturn)

Appendix 3

Capital scheme	Budget spend 2013/14	Spend 2013/14	Projected Outturn	Variance on Approved Budget	Slippage	(Under)/Overspend
	£,000	£,000	£,000	£,000	£,000	£,000
Schemes starting in 2013/14						
Replacement Fire Appliances	480	434	434	(46)		(46)
Replacement Cars & Vans	210	159	159	(51)	(51)	
BA Compressors	110	97	97	(13)		(13)
New Breathing Apparatus POD	140	0	0	(140)		(140)
Property Strategy Bohemia Road	50	0	0	(50)		(50)
Property Strategy Preston Circus	50	0	0	(50)		(50)
Property Strategy STC	40	17	17	(23)	(23)	
Newhaven Fire Station	1,020	98	98	(922)	(922)	
Total Schemes starting 2012/13	2,100	805	805	(1,295)	(996)	(299)
Continuing schemes starting in previous years						
Combined Aerial Rescue Pump	215	155	155	(60)		(60)
Crowborough Refurbishment	626	569	569	(57)	(41)	(16)
BA Classroom Maresfield	204	196	196	(8)	(8)	
Information Management Strategy SCC	1,793	635	635	(1,158)	(1,158)	
Property Strategy Replacement Fuel Tanks	80	0	0	(80)	(80)	
Property Strategy Roedean Roof	30	0	0	(30)		(30)
Property Strategy Sustainability Initiative	105	0	0	(105)	(105)	
Wadhurst Drill Yard/Tower		4	4	4		4
Window Replacement Eastbourne	0	2	2	2		2
Sussex Control Facility	1,100	913	913	(187)	(187)	
Heathfield EA	13	2	2	(11)		(11)
Total Schemes starting in previous years	4,166	2,476	2,476	(1,690)	(1,579)	(111)
Total	6,266	3,281	3,281	(2,985)	(2,575)	(410)

Capital Resources 2013/14

	Original Budget	Revised Budget	Income Received	Variance
	£,000	£,000	£,000	£,000
Sussex Control Grant	886	1,793	635	1,158
Government Grant	931	931	931	0
Capital Receipts	400	400	938	(538)
Revenue Transfer to Capital Reserves	1,000	1,000	1,000	0
Total Resources	3,217	4,124	3,504	620

Reserves Projections 31 March 2014 (excludes 2013/14 projected revenue underspend)

Description	Budget Manager	Corporate Owner	2013/14		Closing Balance 31/03/14	
			Opening Balance 1/4/2013	In £'000		Out £'000
Earmarked Reserves			£,000	£,000	£,000	£,000
Improvement & Efficiency	Warren Tricker	Duncan Savage	1,189	568		1,757
Maritime Incident and Response Group	Glenn Jones	Gary Walsh	150		(27)	123
Estates Condition Survey	Julian Salmon	Gary Ferrand	38		(38)	0
Community Safety Smoke Detectors	Neal Robinson	Gary Walsh	50			50
Insurance	Warren Tricker	Duncan Savage	249			249
Technical Fire Safety	Andy Reynolds	Gary Walsh	55		(55)	0
Community Fire Safety	Andy Reynolds	Gary Walsh	150			150
Breathing Apparatus	Bill Brewster	Gary Ferrand	750			750
SCC Desktop provision	Brenda Guile	Gary Ferrand	85			85
SCC Connectivity	Brenda Guile	Gary Ferrand	106			106
Mapping Solution	Brenda Guile	Gary Ferrand	120			120
Coaching for Safer Communities	Neal Robinson	Gary Walsh	50		(50)	0
Relocation Expenses for staff vacating houses	Vicky Chart	Cheryl Rolph	140	30		170
RDS Training	Mark Rist	Cheryl Rolph	70		(70)	0
Volunteers Scheme	David Kemp	Gary Walsh	236		(73)	163
IMD HR Replacement	Vicky Chart	Cheryl Rolph	8		(8)	0
Total Earmarked Reserves			3,446	477	(200)	3,723
Capital Programme Reserve			2,818	1,000	(747)	3,071
General Fund			3,552	201		3,753
TOTAL ALL RESERVES			9,816	1,678	(947)	10,547

Appendix 6

Projects delayed into 2014/15

CMT recommends that the following projects delayed from 2013/14 and due for completion in 2014/15 should be funded from the 2013/14 revenue budget underspend.

Budget	Project	Funding Required in 2014/15
		£,000
Response	Pilot Scheme - Additional Watch Manager B at Rother Borough	16
Response	Joint Emergency Services interoperability Training Programme (JESIP) Training	27
Response	Access Safety Kit (ASK Equipment (Rother)	1
Service Support	Estates CCTV Access Control	39
Service Support	Fleet – purchase of defibrillators	38
Service Support	Fleet –review of light and ancillary fleets	8
Service Support	IMD Hosted Voice	100
Service Support	Adaptations to Maresfield for Secondary Control Room	10
POD	Business Communications and Marketing – website redevelopment	10
POD	HR – mediation refresher training	1
POD	L & D – Review of L&OD Management of Competency	10
Corporate Services	Procurement Improvement Project	15
	Total	275

EAST SUSSEX FIRE & RESCUE SERVICE

Panel: **Policy & Resources**
Date: **11 July 2014**
Title: **Revenue Budget & Capital Programme Monitoring 2014/15**
By: **Chief Fire Officer & Chief Executive and the Treasurer**
Purpose of Report: **To report on issues arising from the monitoring of the 2014/15 Revenue Budget and Capital Programme as at 31 May 2014**

RECOMMENDATION: The Panel is asked to note:
(vi) the projected 2014/15 Revenue Budget outturn,
(vii) the projected Capital Programme outturn,
(viii) the planned use of reserves,
(ix) the monitoring of savings taken in 2014/15,

MAIN ISSUES

1. This is the first report to the Policy & Resources Panel for 2014/15. It should be noted that at this early point in the financial year it is difficult to accurately forecast outturn and there are many elements both internal and external that will influence the final position.
2. The Revenue Budget outturn for 2014/15 is projected to be £20,000 underspent.
3. The overall Capital Programme is projected to be under budget by £16,000. The current year's spending profile is projected to be underspent by £16,000.
4. The Authority maintains Earmarked and General Reserves in order to assist it in managing its spending plans across financial years (Earmarked Reserves) and making provisions for the financial risks it faces (General Reserve). A summary of the current planned use of Reserves can be found at Appendix 5.
5. The savings of £2.023m already taken from the 2014/15 budget are expected to be achieved.

Des Prichard,
CHIEF FIRE OFFICER & CHIEF EXECUTIVE
27 June 2014

Duncan Savage
TREASURER

1. **INTRODUCTION**

1.1 The financial information contained in this report is based upon enquiries as at 31 May 2014. This report discloses material variances and changes to previously reported variances, all other budgets are as planned.

2. **BUDGET OUTTURN SUMMARY**

2.1 The table below summarises the 2014/15 Revenue Budget and Capital Programme positions.

	Last P & R Report	This P & R Report	Movement
	£,000	£,000	£,000
Revenue (See Paragraph 3)	n/a	(20)	n/a
Capital (See Paragraph 5)	n/a	(16)	n/a

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

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

	Base Budget	Changes	Current Budget	Projected Outturn	Variance
	£,000	£,000	£,000	£,000	£,000
Response	5,440	(230)	5,210	5,210	0
Community Risk Management	675	18	693	693	0
Business Safety	119	0	119	119	0
Operations Pay & Pensions	18,295	177	18,472	18,472	0
Service Delivery	24,529	(35)	24,494	24,494	0
Estates	1,257	0	1,257	1,257	0
IMD	3,015	(74)	2,941	2,941	0
Fleet	1,656	0	1,656	1,656	0
Special Projects Team	130	(1)	129	129	0
Service Support	6,058	(75)	5,983	5,983	0
POD HR	657	0	657	657	0
POD L & OD	1,674	65	1,739	1,739	0
People & Organisational Development	2,331	65	2,396	2,396	0
Corporate Services	2,405	45	2,450	2,430	(20)
PO's	636	0	636	636	0
Central	2,816	0	2,816	2,816	0
Corporate & Central	5,857	0	5,902	5,882	(20)
Total Net Expenditure	38,775	0	38,775	38,755	(20)
Financed by	(38,775)	0	(38,775)	(38,775)	0
Over / (Under) Spend	0	0	0	(20)	(20)

- 3.2 **SERVICE DELIVERY:** The budget is projected to be on target.
- 3.3 **SERVICE SUPPORT:** This budget is forecast to be on target
- 3.4 **PEOPLE & ORGANISATIONAL DEVELOPMENT:** This budget is forecast to be on target.
- 3.5 **CORPORATE SERVICES:** The Corporate Services budgets are projected to underspend by £20,000 due to lower than anticipated insurance premiums following the recent re-letting of our insurance contract..
- 3.6 **CENTRAL:** The Central budgets are projected to be on target. Projected costs of industrial action currently stand at £30,000 and are being contained within this budget. Should these costs increase to a point this is no longer possible, additional funding will be drawn down from balances.
- 3.7 **IN SUMMARY:** At this very early stage in the financial year, the budget is projected to underspend by £20,000.

4. **RESERVES**

- 4.1 The table below shows opening balances and planned use of the 2014/15 Reserves. Subject to Member approval at Policy & Resources Panel at this meeting, (11 July), it is proposed that the £647,000 Revenue Budget underspend from 2013/14 is divided, £275,000 to form a Budget Carry Forward Reserve to fund a number of delayed projects which will be completed in 2014/15. The remaining £372,000 of the underspend will be added to Capital Programme Reserve.

Reserves	1 April 2014	Projected transfers in	Projected transfers out	31 March 2015
	£,000	£,000	£,000	£,000
Earmarked	3,723	519	(725)	3,517
Capital Programme	3,071	1,000	(187)	3,884
General	3,753			3,753
Total	10,547	1,519	(912)	11,154

- 4.2 The planned use of balances and reserves can be seen on Appendix 5.
5. **CAPITAL PROGRAMME PROJECTS**
- 5.1 Appendix 3 details the Capital Programme estimated payments as approved by the Fire Authority at its meeting on 7 February 2014, and carry forward (slippage) from 2013/14. The overall Programme is projected to underspend by £16,000.
- 5.2 The Capital budget spending for 2014/15 is projected underspent by £16,000. In accordance with previous reporting, this report will only report on capital schemes that are projected to over or underspend
- 5.4 **Crowborough Refurbishment:** The scheme is projected to underspend by £16,000.

6 **MONITORING OF SAVINGS**

- 6.1 As agreed £2,023,000 savings have been taken from the 2014/15 revenue budget as set out in the summary table below. At this stage all agreed savings are expected to be achieved.

	Savings agreed	Savings Projected	Variance
	£,000	£,000	£,000
Facing the Challenge Savings	419	419	0
Non-Operational Savings	729	729	0
Phase 1 Operational Savings	219	219	0
Sussex Control Centre Savings	317	317	0
Other savings	339	339	0
Total savings	2,023	2,023	

East Sussex Fire & Rescue Service Outturn Projection April 2014 to March 2015 Appendix 1

	Base Budget	Changes	Current Budget	Actual to date	Projected Outturn	Projected Variance
	£,000	£,000	£,000	£,000	£,000	£,000
Employees	25,375	121	25,496	4,279	25,526	30
Pensions	3,633	31	3,664	1,166	3,664	0
Premises	2,078	(1)	2,077	571	2,077	0
Transport	1,056	(11)	1,045	271	1,045	0
Supplies & Services	5,315	49	5,364	927	5,314	(50)
Support Services	532	45	577	(10)	577	0
Capital Financing	2,198	0	2,198	0	2,198	0
Total	40,187	234	40,421	7,204	40,401	(20)
Specific Grants	(210)	0	(210)	(31)	(210)	0
Other Income	(1,430)	(239)	(1,669)	610	(1,669)	0
Total Service Income	(1,640)	(239)	(1,879)	579	(1,879)	0
Net Service Expenditure	38,547	(5)	38,542	7,783	38,522	(20)
Capital charges credit	(2,198)	0	(2,198)	0	(2,198)	0
Interest receivable less capital financing	907	5	912	(11)	912	0
Transfer From Balances		0	0		0	0
Transfers to Balances	1,519	0	1,519	0	1,519	0
Total Net Expenditure	38,775	0	38,775	7,772	38,755	(20)
Financed by:						
Revenue Support Grant	(9,051)	0	(9,051)	(6,109)	(9,051)	0
Council Tax	(22,306)	0	(22,306)	(4,461)	(2,306)	0
Council Tax Collection Fund Surplus	(276)	0	(276)	(54)	(276)	0
Locally Retained Business Rates	(6,912)	0	(6,912)	(1,271)	(6,912)	0
Section 31 Grant (Business Rates Adjustment)	(230)	0	(230)		(230)	0
Total financing	(38,775)	0	(38,775)	(11,895)	(38,775)	0
Over / (Under) spend					(20)	(20)

East Sussex Fire & Rescue Service Capital Programme Monitoring April 2014 to March 2015

Appendix 2

Capital scheme	Estimated Capital Payments approved CFA FEB 2014	Changes	Total Approved Budget	Spend previous years	Spend 2014/15	Total Spend	Order placed 2014/15	Orders to be placed	Projected outturn	Variance
	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000
Schemes starting in 2014/15										
Replacement Fire Appliances	240		240	0	0	0	196	44	196	0
Replacement Ancillary Vehicles	14		14	0	0	0	0	14	0	0
Replacement Cars & Vans	211		211	0	0	0	86	125	86	0
Property Strategy	115		115	0	0	0	0	115	0	0
Total schemes starting 2014/15	580	0	580	0	0	0	282	298	282	0
Continuing schemes starting in previous years										
Replacement Cars & Vans	210		210	159	0	159	0	51	210	0
Crowborough Refurbishment	1,005		1,005	962	1	963	15	11	989	(16)
Property Strategy Sustainability	420		420		0	0	0	420	420	0
Property Strategy replacement Fuel Tanks	190		190		0	0	0	190	190	0
IMD Strategy SCC	2,027		2,027	869	205	1,074	399	554	2,027	0
Newhaven Fire Station	3,070		3,070	98	7	105	110	2,855	3,070	0
Property Strategy STC	40		40	17	0	17	22	1	40	0
BA classroom Maresfield	220		220	212	0	212	8		220	0
Sussex Control Facility	1,100		1,100	913		913	187		1,100	0
Total schemes from previous years	8,282	0	8,282	3,230	213	3,443	741	4,082	8,266	(16)
Total	8,862	0	8,862	3,230	213	3,443	1,023	4,380	8,846	(16)

Capital Spend in 2014/15 – April 2014 to March 2015 (Not total scheme outturn)

Appendix 3

Capital scheme	Budget	Actual Spend	Orders Placed	Orders still to be Processed	Projected Outturn	Variance
Schemes starting in 2014/15	£,000	£,000	£,000	£,000	£,000	£,000
Replacement Fire Appliances	240	0	196	44	240	0
Replacement Ancillary Vehicles	14	0	0	14	14	0
Replacement Cars & Vans	211	0	86	125	211	0
Property Strategy	115	0	0	115	115	0
Total schemes starting 2014/15	580	0	282	298	580	0
Continuing schemes starting in previous years						
Replacement Cars & Vans	51	0	0	51	51	0
Crowborough Refurbishment	43	1	15	11	27	(16)
Property Strategy Sustainability	140	0	0	140	140	0
Property Strategy replacement Fuel Tanks	75	0	0	75	75	0
IMD Strategy SCC	1,158	205	399	554	1,158	0
Newhaven Fire Station	2,972	7	110	2,855	2,972	0
Property Strategy STC	23	0	22	1	23	0
BA classroom Maresfield	8	0	8		8	0
Sussex Control Facility	187	(87)	274		187	0
Total schemes starting in previous years	4,657	126	828	3,687	4,641	(16)
Total	5,237	126	1,110	3,985	5,221	(16)

Capital Resources 2014/15

Appendix 4

	Original Budget	Current Budget	Income Received	Projected Resources	Variance on 2014/15 Budget spend
	£,000	£,000	£,000	£,000	£,000
Sussex Control Grant	1,158	1,158	0	1,158	0
Government Grant	931	931	0	931	0
Capital Receipts	444	444	0	444	0
Revenue Transfer to Capital Reserves	1,000	1,000	0	1,000	0
Total Resources	3,533	3,533	0	3,533	0

Reserves Projections March 2014 to April 2015

Description	Budget Manager	Corporate Owner	2014/15			Closing Balance 31/03/2015
			Opening Balance 1/4/2014*	In £'000	Out £'000	
Earmarked Reserves			£,000	£,000	£,000	£,000
Improvement & Efficiency	Warren Tricker	Duncan Savage	1,757	519	(100)	2,176
Budget Carry Forward	Warren Tricker	Duncan Savage	0		(0)	0
Maritime Incident and Response Group	Glenn Jones	Gary Walsh	123		(50)	73
Community Safety Smoke Detectors	Neal Robinson	Gary Walsh	50		(50)	0
Insurance	Warren Tricker	Duncan Savage	249			249
Community Fire Safety	Andy Reynolds	Gary Walsh	150		(65)	85
Breathing Apparatus	Bill Brewster	Gary Ferrand	750			750
SCC Desktop provision	Brenda Guile	Gary Ferrand	85		(85)	0
SCC Connectivity	Brenda Guile	Gary Ferrand	106		(106)	0
Mapping Solution	Brenda Guile	Gary Ferrand	120		(120)	0
Relocation Expenses for staff vacating houses	Vicky Chart	Cheryl Rolph	170		(70)	100
Volunteers Scheme	David Kemp	Gary Walsh	163		(79)	84
Total Earmarked Reserves			3,723	519	(725)	3,517
Capital Programme Reserve			3,071	1,000	(187)	3,884
General Fund			3,753			3,753
TOTAL ALL RESERVES			10,547	1,519	(912)	11,154

*The proposed transfer of the 2013/14 underspend of £0.647m to the Budget Carry Forward Reserve (£0.275m) and the Capital Programme reserve (£0.372m) will be actioned once approved by Policy & Resources Panel at this meeting, 11 July 2014.

EAST SUSSEX FIRE AUTHORITY

Panel: **Policy & Resources**
Date: **11 July 2014**
Title of Report: **ICT Transformation Programme**
By: **Chief Fire Officer & Chief Executive**
Purpose of report: **To advise the Panel of the intended programme of work to transform the Service's ICT infrastructure and services.**

RECOMMENDATION: The Panel is asked to;

- (i) note the intended course of action as set out within this report; and
- (ii) approve the transfer of up to £400,000 in total from within the existing IMD budget to fund this transformation work.

MAIN ISSUES

1. An effective and reliable ICT infrastructure is critical to the efficient and continuous operation of the Service. All departments and functions rely on ICT services being available and accessible, and fire stations are more reliant than ever before on effective ICT systems and applications.
2. Over a number of years the Service's ICT equipment, systems and applications have increased in number and complexity, they have been hosted on servers managed internally at the SHQ site with back-up servers at various fire station sites. Consequently, there has been increasing reliance on the internal staff to manage and maintain the IT environment. These limited resources have been constrained by both capacity, and in some cases, there is a lack of skill and capability to meet the increasingly dynamic and demanding requirements of the business.
3. There is consequently a need to not only change but to transform our ICT environment to a more suitable and affordable solution which meets the current and future needs of the business. Corporate Management Team (CMT) has agreed to progress a programme of work that will result in all ICT services being managed externally by a partner or a third party supplier.
4. This report updates the Panel on the work done to date and the forward plans and anticipated costs.

Des Prichard
CHIEF FIRE OFFICER & CHIEF EXECUTIVE
24 June 2014

1. INTRODUCTION

- 1.1 During 2013/14 the Service undertook a substantial review of the current ICT provision. This review examined the array of existing hardware, applications, staff skills, support for users and costs associated with providing all ICT services.
- 1.2 The review team reported to CMT in September 2013. This revealed a number of issues in need of addressing, significant findings were:
- Risks – involved with the management, maintenance and monitoring of hardware, the continual renewal and replacement of core items which require substantial resourcing by skilled staff, and the need to manage a plethora of 3rd party contractors and suppliers;
 - Cost – indicative benchmarking of current costs against alternative delivery models suggested the potential for significant savings but also the need for significant short term investment to realise them;
 - Disparate systems in use across the ICT estate – making it difficult to integrate data systems, and resulting in inefficient work processes; and
 - A need to progress mobile working – the fixed ICT assets inhibit a more flexible and agile approach which could promote more efficient work patterns and would assist in any future rationalisation of the Authority's built environment, should that be considered.
- 1.3 The current 'in-house' provision has struggled to keep pace with the demands of a modern fire and rescue service, and presents risks that can be better managed through alternative delivery models. Further, and importantly, the Authority is required to achieve substantial savings over the coming years and, therefore, every budget head must be scrutinised and where necessary it must support the Authority's need to achieve the financial target of £7.1m revenue savings by 2018/19.

2. ICT TRANSFORMATION PROGRAMME

- 2.1 The Corporate Management Team has considered last year's review and has determined that transformation rather than transition or minor change, is needed. As such the CMT agreed to progress an initiation stage in advance of agreeing a full programme of transformation of ICT. This stage has resulted in the development of a plan to deliver the transformation programme and has set out the context, aim and scope for delivery. It will examine options ranging from working with partners to fully outsourced solutions with commercial providers.
- 2.2 The programme will include a variety of stages, with flexibility to exit the arrangements at any stage;
- (i) Planning - understand and clarify the outcome;
 - (ii) Initiation - commencement of the plan;
 - (iii) Specification - specifying the outcomes;
 - (iv) Procurement - where necessary designing evaluation criteria; evaluating tender responses, and identifying a preferred supplier; and
 - (v) Implementation - progressing with migration of data systems, processes and working towards 'business as usual'.
- 2.3 It has been agreed that a fully managed service, or services, is the preferred outcome. This could be achieved in a number of ways;

- a) A fully managed service provided by a single provider - either commercial supplier or partner;
- b) A managed service from multiple suppliers;
- c) A managed service from a single supplier acting as a managing agent (who will manage other suppliers on behalf of ESFRS)

The programme of work will identify which model is most advantageous and which supplier(s) is best suited to deliver within the preferred model.

- 2.4 The next stage will commence the planning of the programme and subsequent to that a specification will be developed. This will be an outcome-based specification as opposed to a detailed technical specification, thereby affording many more opportunities to be presented, as commercial suppliers or partners will be able to provide various and differing solutions that meet our specified output. Naturally, there will be suppliers and contractors that will provide a total provision and those who provide an array of services from various subordinate/disparate suppliers.
- 2.5 Following the evaluation stage there may be a need to progress a fully compliant OJEU (Official Journal of the European Union) procurement project. This will be both time and resource intensive, and may result in an extended programme of work, possibly up to 24 months before full migration and implementation of the new ICT services.
- 2.6 The Panel should be aware that such an extensive programme of transformation is outside of the capacity and capability of existing ESFRS resources, and will therefore require third party support. The next section sets out the likely costs of this support.

3. **FINANCIAL IMPLICATIONS**

- 3.1 The current cost of ICT provision to the Authority is £3.015m, and the indicative figures identified in the 2013 review would suggest a potential to achieve 10-40% savings (i.e. £0.3m to £1.2m) once fully implemented. The existing IMD budget is projected to include the full costs involved in managing the programme and any subsequent procurement process, full costs will comprise:
 - o External support for Programme Management and Procurement support,
 - o Internal support to assist in the programme and procurement process (and the cost of any required backfill of staff).
- 3.2 The approximate cost of releasing internal technical staff to support the programme over its duration amounts to approximately 400 days. A cost of backfilling one employee for this period of time will amount to approximately £50k (including on-costs). This cost will be absorbed within the existing IMD base budget.

- 3.3 The approximate costs for external programme and procurement support are substantial, but should be considered against the total value of the procurement of these services. The costs apportioned to programme management after the 'initiation phase' and where the 'procurement phase' is completed are likely to be up to £400k. These costs represent less than 5% of the total anticipated contract sum, should a contract be let over a typical 5 year term. In line with the current Scheme of Delegations Part 2 A2(b) the transfer of this funding from the existing IMD budget requires approval of the Panel, as it exceeds the threshold delegated to the Chief Fire Officer and Chief Executive.
- 3.4 A fully compliant procurement project to obtain third party programme support has commenced, and it is anticipated this will result in a supplier who will deliver the programme and manage the stages referred in paragraph 2.2 above. It should be pointed out that the Service will not be committed to all stages of the programme. For example, if the early stages of specification reveals that a partner (such as East Sussex CC, Surrey CC or Sussex Police) is able to provide a suitable and affordable ICT provision then this may negate a lengthy and resource intensive procurement stage – which will substantially reduce the overall cost of the programme as identified in 3.3 above.
- 3.5 The costs associated with third party support will be found from within the existing IMD base budget over the next two year period, current projections represent a 'worst case scenario' prediction.

4. **CONCLUSION**

- 4.1 The Service intends to progress a programme of work to select the right supplier(s) to transform the existing ICT provision to meet the current and future needs of the Service and to achieve a reduction in costs that will contribute to the Authority's agreed savings target.
- 4.2 This programme of work will require external and internal capacity and support to deliver, at a cost up to £400,000. This cost can be funded from within the existing IMD budget for 2014/15 and 2015/16 which can be justified both by the need to achieve an effective and resilient ICT service, and by the potential to achieve a significant reduction in revenue costs.

5. **RECOMMENDATION**

- 5.1 The Panel is asked to;
- (i) note the intended course of action as set out within this report; and
 - (ii) approve the transfer of up to £400,000 in total from within the existing IMD budget to this transformation work.

EAST SUSSEX FIRE AUTHORITY

Panel: **Policy & Resources**

Date: **11 July 2014**

Title: **Sussex Control Centre – Progress Report**

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

Purpose of Report: **To update the Policy & Resources Panel on the progress and financial position of the Sussex Control Centre Project.**

RECOMMENDATION: Members are asked to note this report.

MAIN ISSUES

1. The Sussex Control Centre (SCC) has been live since the 21st May 2014. Overall operations have gone well although the SCC Management Team have been dealing with staff issues (performance, different ways of working, confidence and crewing) and the SCC Project Team have been dealing with a number of technical issues. Both legacy systems continue to perform (with some occasional assistance) but the emphasis of the Project Team is now fully focussed on the delivery of the new mobilising system.
2. The next stages of the project fall primarily into 4 areas; data provision, acceptance tests, installation and training. Data provision has to be completed before FAT (Factory Acceptance Test) which is week commencing 14th and 21st July, installation takes part in 2 phases now due to it taking place in a fully operational control environment (August and late September) and training is scheduled for September and October.
3. To the end of May 2014 £1.98m has been spent on shared costs with further commitments of £0.02m and further anticipated spend of £0.37m.
4. The forecast spend for grant funded expenditure now stands at £3.62m, and exceeds the value of the grant by £0.02m. Spend to the end of May 2014 stands at £2.29m with another £0.88m approved to be spent.
5. DCLG officials visited SCC on the 28th April and a further visit took place on the 23rd June.

Des Prichard
CHIEF FIRE OFFICER & CHIEF EXECUTIVE
24 June 2014

1. Shared Costs

- 1.1 Some costs, not covered by the Grant, are to be shared equally between the two authorities. The table below shows a summary of the current position. All items have been approved via the appropriate route with the exception of the generator and all costs since the inception of the Project are included:

SHARED COST						
Item	Budget	Actual to date	Committed	Anticipated further spend	Forecast Outturn	Forecast Over / (Under) Spend
	£	£	£	£	£	£
Commissioning of Actica for project support in the development of the technical specification for the MCC system.	11,520	11,520	0	0	11,520	0
Adaptations to Haywards Heath Fire Station, following the receipt of tender.	2,200,000	1,825,722	0	374,278	2,200,000	0
Actuaries (Hymans) commissioned to evaluate pensions options available.	17,980	17,980	0	0	17,980	0
Independent legal advice on procurement.	3,900	3,900	0	0	3,900	0
To provide a dedicated Principal Officer to the SCCP from 1 May 2012 until 30 November 2012	64,238	64,238	0	0	64,238	0
Ergonomist.	27,000	26,187	0	0	26,187	(813)
Design, specification and contract administration for the Secondary Control Room.	4,000	2,940	0	0	2,940	(1,060)
Modifications to Maresfield Sec. control	45,416	24,193	21,488	0	45,680	264
Coordination of all Haywards Heath Contractors (from Mansells, HH works)	0	0	0	0	0	0
Temporary gym facility	1,785	0	0	0	0	(1,785)
Factory Acceptance Testing (ICCS)	1,900	3,622	0	0	3,622	1,722
SHARED FUNDING TOTAL	2,377,739	1,980,302	21,488	374,278	2,376,067	(1,671)

- 1.2 To the end of May 2014 £1.98m has been spent on shared costs. Since the last report £14,077 has been spent on modifications at Maresfield Secondary Control reducing the previously reported underspend from £15,784 to £1,671.
- 1.3 Spend on Haywards Heath remains at £1.83m, from the £2.20m committed. The remaining £0.37m is now shown as Anticipated Further Spend pending the final retention sum. The cost of the CDMC (Construction, Design, Management Co-Ordinator) at Haywards Heath is included within the Grant funding.
- 1.4 All actual to date and committed items have been approved by the SCC Project Board or, if below threshold, by the Assistant Chief Officer (ACO(POD/SCC)). Actual expenditure is shown in the table above, however, the remaining forecast costs are not shown as committed.

2. **Grant Allocations**

- 2.1 The actual and anticipated spend cannot exceed the overall value of the grant. Neither authority has the resource to support costs in excess of the grant allocation except where previously agreed to joint fund those costs.
- 2.2 As previously reported a number of allocations have come in over budget. It was previously reported that the forecast spend on grant funded items would exceed the grant by £0.11m. The report went on to explain that opportunities to use or reallocate some of the grant allocations were under consideration and spending plans were under review.
- 2.4 These changes result is a shift of £112,000 from capital allocation to revenue allocation. In the past DCLG have been informed of all changes to grant allocations and have not queried or indicated in any way any restriction in grant spending on capital or revenue items. A summary of the existing and recommended budget is shown in the table overleaf:

ITEM	Total Budget £'000	Capital £'000	Revenue £'000
Existing Ver. B			
MDT SUB TOTAL	760	690	70
CONTROL ROOM SUB TOTAL	1,377	1,263	114
COMMUNICATION SUB TOTAL	211	211	0
SAN H SUB TOTAL	313	213	100
STAFF SUB TOTAL	939	0	939
GRANT FUNDED EXPENDITURE	3,600	2,377	1,223
Proposed Ver. C			
MDT SUB TOTAL	715	649	66
CONTROL ROOM SUB TOTAL	1,183	1,144	39
COMMUNICATION SUB TOTAL	458	266	192
SAN H SUB TOTAL	265	205	60
STAFF SUB TOTAL	979	0	979
GRANT FUNDED EXPENDITURE	3,600	2,264	1,336
INCREASE / (DECREASE)			
MDT SUB TOTAL	(45)	(41)	(4)
CONTROL ROOM SUB TOTAL	(194)	(118)	(75)
COMMUNICATION SUB TOTAL	247	55	192
SAN H SUB TOTAL	(48)	(8)	(40)
STAFF SUB TOTAL	40	0	40
GRANT FUNDED EXPENDITURE	0	(112)	112

3. **Grant Funding**

- 3.1 The following table shows the position for grant funded expenditure based on actual expenditure to the end of May 2014 and assumes that the recommended reallocation of grant is approved.

FUNDED BY GRANT						
Item	Budget	Actual to date	Committed	Anticipated further spend	Forecast Outturn	Forecast Over / (Under) Spend
	£'000	£'000	£'000	£'000	£'000	£'000
MDT SUBTOTAL	715	565	24	126	715	0
CONTROL ROOM SUBTOTAL	1,183	749	393	41	1,183	0
COMMUNICATION SUBTOTAL	458	239	61	155	455	(3)
SAN H SUBTOTAL	265	99	166	0	265	0
STAFF SUBTOTAL	979	640	234	128	1,002	23
GRANT FUNDED EXPENDITURE	3,600	2,292	878	450	3,620	20

- 3.2 Since the last report actual expenditure has increased by £335k and includes two contract payments to Remsdaq for ICCS Installation and Site Acceptance Tests, various hardware and software items, redundancy payments and the Implementation Team.
- 3.3 Although reallocation of grant has taken place there remains a forecast small overspend on the Staff subtotal. This is due to the use of consultancy support leading up to go-live and the anticipated cost of redundancy exceeding the budget estimate.
- 3.3 All actual to date and committed items have been approved by the SCC Project Board or, if below threshold, by the ACO (POD/SCC).