

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 10.30 hours on Thursday 15 January 2015.

Members Present: Councillors Barnes, Hawtree, Howson (Chairman), Lambert, Peltzer Dunn, Powell, Pragnell and Scott.

N.B. Councillor Peltzer Dunn attended the meeting in place of Councillor Theobald having been nominated by the Deputy Monitoring Officer in consultation with the relevant Group spokesperson.

Also present:

Mr. D. Prichard (Chief Fire Officer & Chief Executive), Mr. G. Ferrand (Assistant Chief Fire Officer), Mr. D. Savage (Treasurer), Mr. W. Tricker (Head of Finance & Procurement), Miss L. Woodley (Deputy Monitoring Officer) and Mrs. K. Ward (Clerk).

968. **DISCLOSABLE PECUNIARY INTERESTS**

968.1 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.

969. **APOLOGIES FOR ABSENCE**

969.1 Apologies were received from Councillor Theobald.

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

970.1 There were no urgent items for consideration.

971. **NON-CONFIDENTIAL MINUTES OF THE POLICY & RESOURCES PANEL MEETING HELD ON 13 NOVEMBER 2014**

971.1 **RESOLVED** – That the minutes of the meeting held on 13 November 2014 be approved as a correct record and signed by the Chairman. (Copy in Minute Book).

972. **CALLOVER**

972.1 Members reserved the following items for debate:

973. 2014/15 Revenue Budget and Capital Programme Monitoring

974. Fire Authority Service Planning Processes for 2015/16 and beyond – draft Revenue Budget 2015/16 and Capital Programme 2015/16 to 2019/20

973. **2014/15 REVENUE BUDGET AND CAPITAL PROGRAMME MONITORING**

- 973.1 Members considered a joint report of the Chief Fire Officer & Chief Executive and Treasurer that reported on issues arising from the monitoring of the 2014/15 Revenue Budget and Capital Programme as at 30 November 2014. (Copy in Minute Book).
- 973.2 Members were advised that the Revenue Budget outturn for 2014/15 was currently projected to be underspent by £132,000. This was made up of underspends primarily from the Response budget of £146,000, Health & Safety budget of £15,000 and Operational Pay & Pension budget of £9,000. The additional cost to the Service of the Industrial Action was currently reported at £150,000 and Ill Health Retirement Budget was projected to be overspent by £90,000.
- 973.3 The overall Capital Programme was projected to be under budget by £43,000 whilst the current year's spending profile was projected to be underspent by £2,047,000. This was due to a number of property schemes but primarily due to the re-phasing of the Newhaven Fire Station project, the start of which had been delayed. It was therefore forecast that £1,734,000 would slip into 2015/16.
- 973.4 Councillor Barnes asked officers to explain why the figures relating to industrial action, in particular the additional cost of £150,000 which did not include deductions from pay which would currently total around £219,000, appeared to suggest that the Service would appear to be making a saving from the action.
- 973.5 The Chief Fire Officer & Chief Executive advised Members that there was delay in reporting some costs such as waiting for overtime claims to be submitted and asked Members to remember that action short of strike was still on going. This on going action impacted on the Service in numerous ways which included non-quantifiable costs such as having to rearrange training for firefighters and Officers, which would have an impact on the budget.
- 973.6 **RESOLVED** – that the Panel note:
- i. the projected 2014/15 Revenue Budget outturn;
 - ii. the projected 2014/15 Capital Budget outturn;
 - iii. the projected use of Reserves;
 - iv. the monitoring of savings taken in 2014/15; and
 - v. that borrowing and investment activity are in line with the Treasury Management Strategy.

974. **FIRE AUTHORITY SERVICE PLANNING PROCESSES FOR 2015/16 AND BEYOND – DRAFT REVENUE BUDGET 2015/16 AND CAPITAL PROGRAMME 2015/16 TO 2019/20**

- 974.1 Members considered a joint report of the Chief Fire Officer & Chief Executive and Treasurer which presented the draft 2015/16 Fire Authority Revenue Budget and Capital Programme for initial consideration prior to formal consideration by the Fire Authority at its meeting on 12 February 2015. (Copy in Minute Book).

- 974.2 The Treasurer apprised Members of the current position and the uncertainties for funding in 2015/16 and beyond. Both the Local Government Finance Settlement (LGFS) and Council Tax and Business Rates Information would not be confirmed until the end of January 2015 and it would be likely that further changes to the MTFP would be made before it was submitted to the Fire Authority for its consideration in February 2015.
- 974.3 The current economic climate was discussed together with policy of austerity by the current Coalition Government. It was considered unlikely that following the result of the general election during 2015, whatever the outcome, the situation would improve with funding reductions for the public sector continuing. The Autumn statement forecast the need for additional borrowing in 2014/15 and 2015/16 with the Office for Budget Responsibility expecting Public Sector Net Debt to peak at £1.65tn in 2018/19.
- 974.4 It was reported that the Authority had made good progress in identifying and agreeing savings proposals over the last 12 months. £5.8m of savings had been identified for delivery by 2019/20, but a further £1.6m would need to be found subject to future Council tax decisions. Further options for changes to operational and non-operational services that are expected to deliver the additional savings would be developed by Officers for the Fire Authority to consider.
- 974.5 The RPI increase to Business Rates for 2014/15 had been capped at 2% with the Government committed to compensate local authorities for any reduction they experienced as a result. The Local Government Finance Settlement also confirmed that a Council Tax Freeze Grant of 1% per annum would again be offered for 2015/16 and would be built into the spending review baseline thereby avoiding a funding cliff edge.
- 974.6 Councillor Barnes asked the Treasurer if Officers had considered borrowing Capital funding and saving the revenue budget for future years as he felt this would be an opportune moment to borrow given that interest rates were at an all time low. He wanted Officers' assurances that borrowing options would be looked at with a reflection on the way forward.
- 974.7 The Treasurer informed Members that the Service did not need to borrow at the moment and that although the Public Works Loan Board (PWLB) rates were currently at an all time low, its rates would probably rise when the base rate rose. The Treasurer reassured Councillor Barnes that borrowing options were being examined, however in the short term, using revenue savings to fund additional capital projects avoided the necessity to borrow and provided the opportunity to invest and save.
- 974.8 Councillor Lambert asked Officers to explain the parameters of the new business rate pooling scheme and if there was the opportunity to work on our own. If this was a possibility, Councillor Lambert suggested a report be put forward by Officers on the options available to them, to include the Community Interest Company, and whether that could be used to help generate income opportunities both at Service Headquarters and Preston Circus, such as encouraging outside businesses to rent space at either site on a temporary basis prior to any permanent solution.

- 974.9 The Treasurer advised that the Pooling agreement required the additional funding achieved via the pool to be used for economic regeneration initiatives. Each pool member can determine the use of its share of the pool but that does not preclude working jointly on projects. As the Authority has no statutory roll in economic development, Officers were considering what initiatives could be funded that would meet the Authority's objectives and support local businesses to grow.
- 974.10 The Chief Fire Officer & Chief Executive informed Members that Wealden District Council had been lobbying its residents to contact East Sussex Fire & Rescue Service to keep the Safe Drive Stay Alive programme which could be considered an example of economic regeneration in supporting the community and local businesses. Members were also advised that Officers had attempted to interest private business in renting out space within Service Headquarters and Preston Circus, but the cost of installing necessary improvements made proposals cost prohibitive.
- 974.11 Members were also advised that Lyn Brown, Shadow Minister for Communities and Fire had written to consult the Chairs of Fire & Rescue Services to seek views on the best way forward in the future and the possible reduction in the number of Fire & Rescue Services through mergers or a single national service.
- 974.12 Councillor Scott welcomed the Labour Party's consultation exercise and agreed that new ways of working would need to be found and welcomed ways of finding alternative sources of funding/savings such as the Service's fees and charges, with particular attention to AFA's and the potential to levy charges against repeat offenders.
- 974.13 Councillor Powell requested Officers carry out a review of Service buildings as she felt there were probably buildings that were being under used, e.g. Preston Circus and asked if Officers had investigated the possibility of sharing our space with other Services such as SECamb or 3rd sector groups.
- 974.14 The Chief Fire Officer & Chief Executive advised that discussions had been held with both SECamb and the Police, neither of whom had expressed an interest in sharing space at Preston Circus. The Service had been working closely with Brighton & Hove City Council over a number of years in an effort to try and progress the situation with Preston Circus and that every option available had been explored.
- 974.15 The Assistant Chief Fire Officer added that he had been working with the City Strategy Working Group which included 3rd Sector Groups. If there was an opportunity to offer those groups space, it would be considered by Officers. Preston Circus had also been included in the review for Service Headquarters but consultants had advised this was a more costly option and Members had previously discounted this and directed Officers to progress an option with Sussex Police.
- 974.16 Councillor Hawtree suggested he would be in favour of a Council tax rise and felt Officers should provide figures for a 5 or 6% increase to give Councillors a full range of options.

974.17 Councillor Pragnell felt a 6% increase would generate a loss after the cost of a referendum had been factored in.

974.18 **RESOLVED** – That 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 an increase in Council Tax of 1.94% (Option A) and, as a result, approves:
 - (i) the budget proposals set out in the Report and the net budget requirement of £38.471m for 2015/16,
 - (ii) the Council Tax requirement of £23.161m,
 - (iii) the Council Tax and precepts as set out in Appendix H, part 1,

or

- (b) approves the acceptance of the Council Tax Freeze Grant for 2015/16 (Option B) and, as a result, approves:
 - (i) the budget proposals set out in the Report and the net budget requirement of £38.289m for 2015/16,
 - (ii) the Council Tax requirement of £22.720m,
 - (iii) the Council Tax and precepts as set out in Appendix H, part 2.

and recommend:

3.
 - (a) 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,
 - (b) the maintenance of the General Reserve at a minimum of 8% of the net revenue budget over the medium term,
 - (c) the transfer of £121,000 from Earmarked Reserves no longer required into the Improvement & Efficiency Reserve,
 - (d) the transfer of the projected revenue underspend of £0.349m for 2013/14 to the Capital Programme Reserve,
 - (e) the fees and charges set out in Appendix D, and
 - (f) the prudential indicators set out in Appendix F
- (g) that the CFO&CE is authorised in consultation with the Chairman and Treasurer, to make adjustments to the presentation of the budget to reflect the final Local Government Finance Settlement.

975. **EXCLUSION OF PRESS AND PUBLIC**

975.1 **RESOLVED** – That items 976 be exempt under paragraph 3 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).

PART 2

976. **CONFIDENTIAL MINUTES OF THE MEETING OF THE POLICY & RESOURCES PANEL HELD ON 13 NOVEMBER 2014 (EXEMPT CATEGORY UNDER PARAGRAPH 3 OF THE LOCAL GOVERNMENT ACT 1972)**

976.1 **RESOLVED** – That the confidential minutes of the meeting held on 13 November 2014 be approved as a correct record and signed by the Chairman. (Copy in Minute Book).

The meeting concluded at 12.20 hours.

Signed

Chairman

Dated this Day of

2015