

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 11:05 hours on Thursday 3 November 2016.

Members Present: Councillors Barnes, Howson (Chair), Lambert, O'Quinn, Pragnell, Scott and Theobald.

In attendance:

Mr. G. Walsh (Chief Fire Officer), Ms. D Whittaker (Deputy Chief Fire Officer), Mr. M. Andrews (Assistant Chief Fire Officer), Miss L. Woodley (Deputy Monitoring Officer), Mr. D. Savage (Assistant Director Resources/Treasurer) and Mrs. A. Bryen (Clerk).

027. DISCLOSABLE PECUNIARY INTERESTS

027.1 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.

028. APOLOGIES FOR ABSENCE

028.1 There were no apologies for absence.

029. NOTIFICATION OF ITEMS WHICH THE CHAIRMAN CONSIDERS URGENT / CHAIRMAN'S BUSINESS

029.1 Fire Minister's meeting with FRSs

The Chairman updated Members on a recent meeting with the Fire Minister who had taken a positive stance about Fire & Rescue Services delivering national objectives. The Minister also confirmed that he would be considering business cases from Police & Crime Commissioners seeking to explore governance changes in Fire Authorities on an individual and meritorious basis. The Chairman said that he had again put forward the case for sprinkler systems to be installed in all new build domestic premises but had been told that more support from MPs was needed before this could be considered for legislation.

029.2 The Adrian Thomas Review

The Chairman informed Members that the independent review into conditions of service for fire & rescue service staff by Adrian Thomas had been published. This review had been commissioned some 18 months earlier by the then Fire Minister Penny Mordant. The review outlined conditions of service for Chief Fire Officers and firefighters, and the possible barriers to reform, improvement and efficiency of fire and rescue services. The report covered five key findings: the working environment, conditions of service, industrial relations, retained duty systems and management of fire and rescue services. The Chief Fire Officer informed Members that he would be formulating a response and would keep Members informed about any press releases issued by the Service.

030. **NON-CONFIDENTIAL MINUTES OF THE POLICY & RESOURCES PANEL MEETING HELD ON 7 JULY 2016**

030.1 **RESOLVED** – That the minutes of the meeting held on 7 July 2016 be approved as a correct record and signed by the Chairman. (Copy in Minute Book).

031. **CALLOVER**

031.1 Members reserved the following items for debate:

032. Revenue Budget and Capital Programme Monitoring 2016/17

033. Treasury Management – Half Year Review for 2016/17

034. Contributions from Development Schemes

032. **REVENUE BUDGET AND CAPITAL PROGRAMME MONITORING 2016/17**

032.1 The Panel considered a joint report of the Chief Fire Officer and Assistant Director Resources / Treasurer that reported on issues arising from the monitoring of the 2016/17 Revenue Budget and Capital Programme as at 30 September 2016. (Copy in minute book).

032.2 Members noted that the Revenue Budget was forecast to be underspent by £262,000, which was mainly due to the combination of a revised forecast following the devolution of firefighter pay and pension employer's contributions and the acknowledgement that the establishment of the Programme Management Office had slipped.

032.3 The overall Capital Programme was projected to be £13,000 underspent but Members noted that there was a risk that the current year's spending profile may slip for some schemes.

032.4 Members considered a summary of the current planned use of Reserves, and a summary of the savings, £1,864,000, already taken from the 2016/17 budget.

032.5 Councillor Barnes said that projected revenue underspend was more than anticipated, and asked what proportion would be carried forward and what proportion related to vacant posts. The Treasurer said that the Assistant Director Safer Communities had carried out an in-depth analysis of the whole-time budgets which had been previously overspent; some posts had been deleted from the establishment in the current year and next year. The changes in the Firefighters Pension Scheme brought about by Norman v Cheshire and the retained modified scheme had created a major area of fluctuation in the budget. There had also been slippage in the Programme Management Office resulting in an under-spend of £134,000, although it was anticipated that an appointment would be made in Q3. The Treasurer said that some areas of underspend would be factored into next year's proposals.

- 032.6 Councillor Scott asked if the vacancies were due to a policy of not recruiting or difficulty in attracting suitable candidates. The Chief Fire Officer said that there were a number of vacancies in HQ which were being held open for the time being to redeploy staff should the need arise. The recent appointment to the post of Assistant Director Safer Communities would release a number of temporary appointments.
- 032.7 The Treasurer said that there remained a number of risks and uncertainties in the budget including the cost of IMD transformation, and the work to the ESFRS properties arising from the planned move of HQ.
- 032.8 The Chief Fire Officer informed Members that the marketing of ESFRS HQ building would start in the next week or so, with bids expected in January 2017. The cost of relocating from Eastbourne would include refurbishment of Eastbourne, Lewes and Bexhill fire stations to accommodate staff moves. The project for the move of HQ to Lewes was continuing, and he anticipated the Heads of Terms would be agreed by the beginning of December. The target date for the move was the end of March 2017 and any exception reports would be brought to Members as necessary.
- 032.9 The Chief Fire Officer informed Members that a report would be brought to the Fire Authority in December 2016 on the progress of the Sussex Control Centre. The independent review by Blue Light Works commissioned by the Home Office had concluded and a draft report issued, and he would be meeting with Home Office staff on 9th November to respond. The report had broadly concluded that there was a good chance of success in delivering the project, and made a number of recommendations to fulfil the project. A factory acceptance test was due at the end of January 2017 with an anticipated 'go-live' date in June 2017. The whole project should be completed by December 2017.
- 032.10 **RESOLVED** –That the following be noted:
- (i) the risks to and the projected Revenue Budget underspend;
 - (ii) the projected underspend in the Capital Programme;
 - (iii) the use of reserves;
 - (iv) the monitoring of savings taken in 2016/17; and
 - (v) the current year investments.

033. **TREASURY MANAGEMENT – HALF YEAR REVIEW FOR 2016/17**

- 033.1 The Panel considered a report of the Assistant Director Resources / Treasurer that was a requirement of the Fire Authority's reporting procedures and covered the treasury activity for the first six months of 2016/17. The report included an update on the first half year of Prudential Indicators which related to the treasury activity. (Copy in minute book).

- 033.2 The Fire Authority had complied with its approved Treasury Management Strategy and Prudential Indicators during the first six months of the year, and Members noted that the average rate of interest received through Treasury Management activity was 0.60% which reflected the Fire Authority's continuing prioritisation of security and liquidity over yield. The Bank of England had cut bank base interest rates from 0.50% to 0.25% on 4 August 2016 and this reduction would have a significant impact on investment returns. Members were informed that further cuts could not be discounted, which would mean a longer term lower interest rate environment than previously forecast.
- 033.3 Members noted that no new borrowing had been undertaken in 2016/17 to date. There had been no beneficial opportunities to reschedule debt so far during the year. The projected outturn of the Fire Authority's Capital Financing Requirement, (a measure of the underlying need to borrow), was £10.973m.
- 033.4 Members discussed the volatility following the Brexit referendum, and the impact that the imminent American presidential election could have on the economy. The Treasurer said the risks had been mitigated as far as possible with the Authority's investment portfolio, and there was little that could be done that would benefit the Authority's investment position, which remained prudent in line with the Authority's view for security and liquidity over yield. The Chief Fire Officer said that there was no common view across Fire & Rescue Services about what impacts these issues could have, but it was important to ensure that ESFA had a strong and flexible budget.
- 033.5 **RESOLVED** – That the treasury management performance for the first half year of 2016/17 be noted.

034. **CONTRIBUTIONS FROM DEVELOPMENT SCHEMES**

- 034.1 The Panel considered a report of the Deputy Chief Fire Officer (DCFO) that presented a framework document for approval that would ensure future local authority development plans considered the needs of Fire & Rescue Service provision of service as part of schemes that delivered growth in houses, commercial buildings and infrastructure. (Copy in minute book).
- 034.2 Members noted Government plans that required every local authority to assess growth and development plans as part of the delivery of suitable and sufficient housing. This meant that, in East Sussex, the need for in excess of 20,000 additional homes and associated employment and infrastructure had been identified. This would have the potential to significantly increase the demands on current fire and rescue service resources.
- 034.3 It was noted that local planning authorities were at various stages of development in delivery of these plans and, to date, ESFRS had not presented a requirements framework to these authorities for impacts of growth to be considered as part of growth development plans.

034.4 The DCFO informed Members that the options for ESFRS within development schemes included a range of costs, such as vehicles, property, and home safety measures. The aim of the Service was the provision of safer homes. The Framework Document could be used in either Section 106 negotiations (Town & Country Planning Act 1990) or the Community Infrastructure Levy. Members welcomed the Framework Document to enable contributions to be sought from developers where schemes had the potential to increase demand on the Service. It was emphasised that grant and funding applications could be lower if developers included in-built sprinklers or other suppression measures to make buildings safer.

034. **RESOLVED** – That:

- (i) the draft Framework Document for ESFRS be approved and circulated to all local planning authorities before the end of November 2016; and
- (ii) officers be asked to use the basis of the framework to seek contributions from future development schemes.

035. **EXCLUSION OF PRESS AND PUBLIC**

035.1 There were no items that, in view of the business to be transacted or the nature of the proceedings, would result in disclosure of exempt information, and which required the exclusion of the press and public.

The meeting concluded at 11:55 hours.

Signed

Chairman

Dated this day of 2017