

## **EAST SUSSEX FIRE AUTHORITY**

**Minutes of the meeting of the POLICY & RESOURCES PANEL held at County Hall, St Anne's Crescent, Lewes at 10:00 hours on Thursday, 18 January 2018.**

**Members Present:** Councillors Barnes, Dowling, Elford, Peltzer Dunn, O'Quinn, Scott and Tutt.

### **In attendance:**

Ms D Whittaker (Chief Fire Officer), Mr M O'Brien (Deputy Chief Fire Officer), Mr M Andrews (Assistant Chief Fire Officer), Miss L Woodley (Deputy Monitoring Officer), Mr D Savage (Assistant Director Resources/Treasurer), Mrs L Ridley (Assistant Director Planning & Improvement) and A Blanshard (Senior Democratic Services Officer).

### **78      DECLARATIONS OF INTEREST**

78.1      It was noted that, in relation to matters on the agenda, no participating Member had any interest to declare under the Fire Authority's Code of Conduct for Members.

### **79      APOLOGIES FOR ABSENCE**

79.1      Apologies had been received from Cllr Theobald.

### **80      NOTIFICATION OF ITEMS WHICH THE CHAIRMAN CONSIDERS URGENT AND PROPOSES TO TAKE AT THE END OF THE AGENDA/CHAIRMAN'S BUSINESS**

80.1      The Panel formally recorded their congratulations to Mark O'Brien on his appointment as Deputy Chief Fire Officer. They also formally recorded their thanks to Mark Andrews for his work as Interim Deputy Chief Fire Officer.

### **81      MINUTES OF THE POLICY & RESOURCES PANEL MEETING HELD ON 2 NOVEMBER 2017**

81.1      **RESOLVED** – That the non-confidential minutes of the meeting of the Policy & Resources Panel held on 2 November 2017 be approved as a correct record and signed by the Chairman. (*Copy in Minute Book*)

### **82      CALLOVER**

82.1      Members reserved the following items for debate:

83      Revenue Budget and Capital Programme Monitoring 2017/18

84      Collaborative PPE Framework Contract

85      Fire Reform Agenda – Government Consultations

86      Fire Authority Service Planning processes for 2018/19 and beyond

### **83 REVENUE BUDGET AND CAPITAL PROGRAMME MONITORING 2017/18**

- 83.1 The Panel considered the report of the Assistant Director Resources/Treasurer (ADR/T) containing information on issue arising from the monitoring of the 2017/18 Revenue Budget and Capital Programme as at 30 November 2017. (*Copy in minute book*)
- 83.2 Members were informed that the revenue budget was currently forecast to underspend by £454,000. There were a number of risks but certainty would increase with time as more data became available, particularly that relating to Safer Communities, which made up over 47% of the revenue budget. The underspend was also caused by a number of vacant posts across the Service
- 83.3 There was an overall underspend on the Capital Programme of £164,000 with HQ relocation being reclassified as revenue and underspending on general property schemes. The current year's Capital Programme was forecast to be £2,144,000 underspent primarily due to forecast slippage on appliances, ancillary vehicles and property schemes including Preston Circus and replacement fuel tanks, sustainability and security.
- 83.4 The Panel were informed that the Authority maintains Earmarked and General Reserves in order to assist it in managing its spending plans across the financial year and provisions for the financial risks it faces.
- 83.5 Member's attention was drawn to the summary of the planned use of Reserves, including the latest operational position including Capital Programme at Appendix 5 to the Report and to the summary of the savings, £1.009m, already taken from the 2017/18 budget as set out at Appendix 6 to the Report.
- 83.6 Members queried the overspend of £96,000 on Business Rates, as detailed at paragraph 2.2.4. The ADR/T explained that this stemmed from the national re-evaluation of business rates which hadn't anticipated the impact of changes. The Authority was considering making an appeal once an additional resource was available in the Estates team.
- 83.7 The Panel stated that the returns on the Santander Investments seemed to be low and wondered whether there were other options in the market that might give a better return. The ADR/T responded confirming that the Santander Account had not benefitted from increases since the base rate change and that following meetings with advisors, the intention was to consider alternatives and provide an update to Members at a future meeting.
- 83.8 The Panel urged the ADR/T to consider relaxing slightly on our caution in the future. The Treasurer replied to this explaining that he was working with East Sussex County Council and advisors to allow more opportunity to be flexible. Historically the Authority has held high reserves, but was seeking over the next 5 years to run these reserves down to a minimum. The Authority may wish in future to change its Capital Investment Programme, there was a balance of risk and return, the new Estates Strategy would have an impact on this.

83.9 The Panel were informed that a review of the Estates Strategy had been commissioned. Work had commenced, but it had not yet been possible to appoint to the vacancy. A plan was to be submitted to a meeting of the Senior Leadership Team, suggesting the appointment of an external Consultant to work on proposed design guidelines. The creation of design guidelines was key to progressing any estate work including Preston Circus. Members were reminded that under the One Public Estate initiative the Authority were encouraged to considering partner involvement and the creation of shared spaces.

83.10 Members appreciated the update, and whilst there were frustrations surrounding the timescales for work to Preston Circus, they were pleased that discussions were ongoing and that the Estates Review was underway.

83.11 **RESOLVED** – That the panel:

- i) noted the risks to the Revenue Budget and the projected underspend;
- ii) noted the risks to the Capital Programme and the projected slippage and underspend in the current year;
- iii) noted the use of reserves;
- iv) note the monitoring of savings taken in 2017/18; and
- v) noted the current year investments.

#### **84 COLLABORATIVE PPE FRAMEWORK CONTRACT**

84.1 The Panel considered the report of the Assistant Director Resources/Treasurer which provided information on the current Personal Protective Equipment (PPE) Framework contract for the supply of PPE and the new Collaborative PPE Framework and to seek approval to access the new collaborative framework. (*Copy in minute book*)

84.2 The ADR/T explained that the provision of PPE for operational staff was a fundamental responsibility of the Authority in protecting the health, safety and wellbeing of staff, ensuring safe and effective ways of working and meeting statutory responsibilities. PPE had been procured through collaborative arrangements since 2003. The current PPE was purchased through a fully managed service, including maintenance, repair and laundering, through a framework contract of nine fire services led by Kent Fire & Rescue Service. Access to this contract would end in November 2019.

84.3 A new National Framework Contract for PPE was awarded in May 2017, to access the Framework the Authority was required to sign an access agreement allowing it to plan formal implementation of the new contract and service. Members were reassured that the new Framework was EU compliant and met the requirements of the Authority's Contract Standing Orders. Subject to further work to confirm exact requirements for PPE under the Framework it was anticipated that ongoing costs would be significantly reduced.

- 84.4 The ADR/T informed Members that the existing supplier had lost the contract but was now offering a one year extension. However, there was no provision to extend the current framework and given the value an EU compliant procurement process would have to be undertaken in order to access it, Officers therefore could not pursue this offer.
- 84.5 A discussion followed outlining the superior standard of the kit and the total care services, including decontamination, under the new framework and Members were pleased that by joining a National Framework we would be fulfilling the Home Office requirement on us to work collaboratively.
- 84.6 **RESOLVED** – That the panel:
- i) Approved the procurement of a fully managed service for the provision and maintenance of Personal Protective Equipment through the national collaborative framework; and
  - ii) authorised the Assistant Director Resources/Treasurer to sign the Access Agreement with Bristol Uniforms Ltd allowing East Sussex Fire & Rescue Service to purchase from the Collaborative PPE Framework Contract.

## **85 FIRE REFORM AGENDA – GOVERNMENT CONSULTATIONS**

- 85.1 The Panel considered the report of the Assistant Director Planning & Improvement detailing the Governments consultations relating to the fire reform agenda. (*Copy in minute book*)
- 85.2 Members discussed the two current government consultation documents, the Proposed Fire & Rescue Services Inspection Programme and Framework 2018/19 and the Revised Fire & Rescue National Framework for England.
- 85.3 The Assistant Director Planning & Improvement advised Members on the scope of each consultation. The consultation on the National Framework is part of the Secretary of State's obligation to keep it under review and to revise when necessary. It was last updated in 2012 and had been revised to embed the fire reform programme including the creation of the new inspectorate, the creation of the National Fire Chiefs Council and the provisions of the Policing & Crime Act 2017 on collaboration.
- 85.4 The Chief Fire Officer explained that the National Framework was a government expectations document and that it would not outline changes to services. There was a particular emphasis in the revised document on Grenfell Tower and response to terrorist attack.
- 85.5 Members then discussed the consultation on the proposed inspection scheme. Members believed that a lot of thought had been put into the inspections and were interested to know whether the HMICFRS would be increasing the number of suitably qualified people who would perform the inspections.
- 85.6 The CFO explained that recruitment of the HMICFRS inspection team was underway. There had been no experience in fire therefore they were recruiting some staff directly as well as seconding experienced fire practitioners. An ESFRS officer

had been seconded and was currently undergoing inspection training. The HMICFRS was also training Police inspectorates to be able to undertake Fire inspections. In addition to beginning Fire Service inspections, the Police inspection regime was being changed.

85.7 **RESOLVED** – That the panel:

- i) considered the consultation documents and provided any comments it wished to be included in the Service’s consultation responses;
- ii) note that the consultation documents will be circulated to all Fire Authority Members to afford them an opportunity to comment on the proposals; and
- iii) authorised that the approval of the final consultation responses be delegated to the Chief Fire Officer/Chief Executive after consultation with the Chair.

**86 FIRE AUTHORITY SERVICE PLANNING PROCESSES FOR 2018/19 AND BEYOND – REVENUE BUDGET 2018/19 AND CAPITAL STRATEGY 2018/19 TO 2022/23**

86.1 The Panel considered the report of the Assistant Director Resources/Treasurer which presented the Fire Authority’s draft Revenue Budget 2018/19, Capital Strategy 2018/19 – 2022/23 and Medium Term Finance Plan (MTFP) for 2018/19 – 2022/23 for initial consideration prior to its formal consideration by the Fire Authority at its meeting on 15 February 2018.

86.2 The ADR/T introduced the report by informing members that the Panel were not required to make the Council Tax precept decision at the meeting, but that they were to receive and discuss the proposals with a view to making a recommendation to the Fire Authority.

86.3 The ADR/T explained that the report presented was the best position at the time of writing The Local Government Finance Settlement had been announced on a provisional basis, but the final figure would not be known until the 6 February 2018 and final information on council tax and business rates income was still outstanding from the other billing authorities.

86.4 The ADR/T told the Panel that the Authority had continued to make good progress in identifying and agreeing savings proposals over the last 12 months. The latest version of the MTFP showed that the Authority had already identified £0.687m of savings in 2018/19 and a total of £0.722m savings in total over the life of the MTFP.

86.5 Members were informed that there remained significant uncertainty for fire funding beyond the current multi-year funding offer that would end in 2019/20. For 2020/21 and beyond there were potentially significant risks as a result of proposals to change the Business Rates Retention Scheme., the Fairer Funding Review and a Comprehensive Spending Review covering the last three years of this Parliament.

86.6 An in depth discussion followed. On balance the view of the Panel was that the Fire Authority should agree a Council Tax increase of 2.94% in 2018/19 and plan on the basis of a similar rise in 2019/20. However, the Panel was anxious that this decision

did not send out the wrong signals and stressed that Officers should continue to focus on improving productivity, efficiency and effectiveness across the Service and that the savings target within the MTFP, either £0.8m or £1.3m (depending on the level of Council Tax increase agreed), should be regarded as a minimum threshold to be identified over the period. Members of the Panel saw particular opportunities arising from closer collaboration with other fire authorities and from partnership working.

86.7 In coming to this view the Panel considered the content of the paper and in particular the risks that the Authority faced:

- The uncertainty in the Authority's funding position beyond 2019/20 as a result of the next Comprehensive Spending Review, the Fairer Funding Review, changes to the Business Rates Retention regime and the potential for FRA income from Business Rates to be replaced with a Home Office Grant;
- The potential for pay awards to exceed the provision in the budget for 2018/19 and over the life of the MTFP in the light of Government's relaxation of the 1% pay cap and the current ongoing negotiations within the fire sector regarding the expansion of the role map;
- The expectation that there would be an expansion of the statutory duties of Fire Authorities in relation to Business Safety as a result of the Moore-Blick and Hackitt Reviews, and that despite the New Burdens doctrine this was unlikely to be fully funded by central government.

86.8 The Panel considered the results of the public consultation carried out as part of the Integrated Risk Management Plan process during 2016/17 which showed that 79% of respondents felt that the Authority offered value for money and 81% said they would be willing to pay more for their fire service through Council Tax. Members from Brighton and Hove City Council highlighted that the most recent resident's survey had resulted in a 100% satisfaction rating for the Fire Service. The Panel felt that this demonstrated public support for increases in Council Tax to ensure that the Service was adequately funded.

86.9 The Panel recognised the impact of increases in Council Tax across all local authorities in East Sussex and the City of Brighton and Hove, including fire and police, on Council Taxpayers, particularly those on fixed incomes. The Panel felt that the sustained reductions in Government funding since 2010/11 left the Authority with little option but to increase Council Tax. The Panel noted that:

- The Government's own Core Spending Power calculations communicated to the Authority assumed that the Authority would increase Council Tax by 3%
- Higher percentage increases were proposed by both the County and City Councils and the Police and Crime Commissioner.
- The difference between a 1.94% and 2.94% increase in the Authority's Band D Council Tax was 89 pence in 2018/19.

86.10 The Panel discussed the need for the Authority to achieve financial stability over the medium term and that this included continued investment in its assets, through the Capital Asset Strategy, to ensure that they were fit for purpose and met the future needs of the Service and the Community. The Panel welcomed the proposal to fully fund the IT Strategy through the re-purposing of existing reserves and the review of

the Estates Strategy. They noted that the latter was likely to result in the need for further investment over the next five to fifteen years and that the Authority would need to reconsider its capital financing strategy and the impact on the Revenue Budget as part of the 2019/20 service planning process.

86.11 The Panel welcomed greater clarity on the Reserves and Balances Policy which set out clearly how the Authority planned to make use of its available one off resources over the next five years and noted that these resources were planned to reduce from £20.9m to £5.5m over the period. Necessarily this would have some effect on our ability to secure a greater return via our Treasury Management Strategy.

86.12 **RESOLVED** – That the panel:

1 Noted that:

- (a) the multi-year settlement as set out in the Local Government Finance Settlement is only provisional at this stage and may be subject to change; and
- (b) the council tax and business rate bases and the Collection Fund positions are still awaited and that final budget proposals may change once this information is received;

2 Recommended that the Fire Authority, subject to any changes as a result of recommendation 1 and with a preference for (b), approves either:

- (a) an increase in council tax of 1.94% and thus approves:
  - i. the budget proposals set out in this Report and the net budget requirement of £37.660m for 2018/19;
  - ii. the council tax requirement of £25.886m; and
  - iii. the council tax and precepts as set out in Appendix F(i)

Or

- (b) an increase in council tax of 2.94% and thus approves:
  - i. the budget proposals set out in this Report and the net budget requirement of £37.915m for 2018/19;
  - ii. the council tax requirement of £26.141m; and
  - iii. the council tax and precepts as set out in Appendix F(ii)
- (c) the capital programme for the next five years and the capital budget of £3.903m for 2018/19 and the plans to use capital grant, capital receipts and revenue contributions to finance capital expenditure;
- (d) the maintenance of the General Reserve at a minimum of 8% of the net revenue budget over the medium term;
- (e) that a further 2.077m is transferred from the Capital Programme Reserve with £0.150m transferred to the IT Strategy Reserve to ensure that the IT Strategy is fully funded;

