



**EAST SUSSEX FIRE AUTHORITY**  
**POLICY & RESOURCES PANEL**  
**THURSDAY 24 MAY 2018 at 11:30**

**MEMBERS**

**East Sussex County Council**

Councillors Barnes, Dowling, Elford, Scott, Tutt

**Brighton and Hove City Council**

Councillors O'Quinn, Theobald

You are requested to attend this meeting to be held at County Hall, St Anne's Crescent, Lewes, East Sussex BN7 1UE at 11:30 hours.

**AGENDA**

Item No.	Page No.	
87	1	In relation to matters on the agenda, seek declarations of interest from Members, in accordance with the provisions of the Fire Authority's Code of Conduct for Members
88	1	Apologies for Absence.
89	1	Notification of items which the Chairman considers urgent and proposes to take at the end of the agenda/Chairman's business items  (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)
90	3	<a href="#"><u>Minutes of the last Policy &amp; Resources Panel meeting held on 18 January 2018</u></a> (copy attached)

Item No.	Page No	
91	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.
92	11	<a href="#"><u>Revenue Budget and Capital Programme Provisional Outturn 2017/18 - Report of the Assistant Director Resources/Treasurer</u></a> <i>(copy attached)</i>
93	29	<a href="#"><u>Occupational Health Collaboration Project – Report of the Assistant Director Human Resources &amp; Organisational Development</u></a> <i>(copy attached)</i>

**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 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;



**EAST SUSSEX FIRE AND RESCUE SERVICE**

**Meeting** Policy & Resources Panel

**Date** 24 May 2018

**Title of Report** Revenue Budget and Capital Programme Provisional Outturn 2017/18

**By** Duncan Savage, Assistant Director Resources / Treasurer

**Lead Officer** Warren Tricker, Finance Manager

**Background Papers** None

**Appendices**

Appendix 1: 2017/18 Revenue Budget – Functional Analysis  
 Appendix 2: 2017/18 Revenue Budget – Safer Communities Analysis  
 Appendix 3: 2017/18 Capital Budget Monitoring  
 Appendix 4: All Years Capital Budget Monitoring (to 2021/22)  
 Appendix 5: 2017/18 Reserves Projections  
 Appendix 6: Monitoring of Savings 2016/17 - 2018/19  
 Appendix 7: Investments as at 31 March 2018

**Implications**

<b>CORPORATE RISK</b>		<b>LEGAL</b>	
<b>ENVIRONMENTAL</b>		<b>POLICY</b>	
<b>EQUALITY IMPACT</b>		<b>POLITICAL</b>	
<b>FINANCIAL</b>	✓	<b>OTHER (please specify)</b>	
<b>HEALTH &amp; SAFETY</b>		<b>CORE BRIEF</b>	
<b>HUMAN RESOURCES</b>			

**PURPOSE OF REPORT** To report on of the provisional outturn for the 2017/18 Revenue Budget and Capital Programme.

**EXECUTIVE SUMMARY** This report is on an exception basis and addresses those areas where there are clear issues or risks. There is a chance that these provisional figures will change as the year end process continues, subject to external audit.

The revenue budget is provisionally forecast to underspend by £196,000 or 0.4% of the Net Revenue Budget (previously

reported as £454,000 underspent). There has been a range of variances across the budget the most material being:

- Safer Communities - £296,000 overspend (1.6%) primarily as a result of a £350,000 overspend on operational staff within the Boroughs due to running over the budgeted establishment with overtime and fixed term contracts being used to cover sickness absence, internal secondments and light duties
- Resources / Treasurer - £186,000 underspend (2.1%) which includes the costs awarded to the Authority following a successful Business Safety prosecution.

The overall Capital Programme is provisionally forecast to be £61,000 underspent (previously reported as £164,000). The underspend relates to Newhaven Fire Station and Service HQ Relocation, with both schemes coming in under budget. The 2017/18 Capital Programme is provisionally forecast to be £1,887,000 underspent (previously reported as £2,144,000) (Appendices 3 and 4). Although the Programme was reviewed as part of the budget report in February there has been further slippage on appliances, ancillary vehicles and cars and vans whilst the Fleet Strategy is under review.

The Authority maintains Earmarked and General Reserves in order to assist it in managing its spending plans across financial year (Earmarked Reserves) and making provisions for the financial risks it faces (General Reserves). A summary of the current planned use of reserves, updated with the latest operational position including Capital Programme in year underspend, can be found at Appendix 5. The forecast outturn is expected to be £23.387m, 35% higher than planned as a result of Capital Programme slippage, Emergency Services Mobile Communication Project (ESMCP) grant received in advance of requirement and higher than expected capital receipts following the sale of the old Headquarters in Eastbourne.

A summary of the savings, £1.009m, already taken from the 2017/18 budget, is set out in Appendix 6.

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**RECOMMENDATION**

The Panel is asked to note:

- (i) The provisional 2017/18 revenue budget outturn,
- (ii) The provisional 2017/18 capital programme outturn,
- (iii) The use of reserves during the year
- (iv) The capital programme slippage, and

- (v) The year-end investments.

The Panel is asked to approve:

- (vi) The transfer of the revenue underspend into the Improvement and Efficiency Reserve

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## 1 INTRODUCTION

- 1.1 This report is based on the year-end position, prior to audit.

	This P & R Report	Last P & R Report	Movement
	£'000	£'000	£'000
Revenue (See paragraph 2)	(196)	(454)	258
Capital in year (See paragraph 5)	(1,887)	(2,144)	257

- 1.2 This is the fifth report to Panel for this financial year, and shows the pre-audited final position. There is a small chance that these provisional figures will change as the year end process continues.

## 2 REVENUE BUDGET COMMENTARY

- 2.1 **Safer Communities:** The budget is forecast to overspend by £286,000 (previously reported as £101,000 underspent). The Borough Commander budgets in particular are both large and complex, with many impacting issues that are resulting in underspends and overspends that counteract each other to some extent. There has been a material movement, from a projected underspend to an overspend, but the overspend is still less than 2% of the budget.

- 2.1.1 **Borough Commanders Hastings and Rother:** The Borough Commanders budget in Hastings and Rother is £39,000 overspent (previously reported as £91,000 underspent). The overspend comprises an underspend on Wholetime pay and pensions of £41,000, an overspend on overtime of £48,000 and an overspend on the Retained Duty System (RDS) budgets of £16,000. The underspend on Wholetime pay and pensions relates almost entirely to Pension payments, where the blended rate for employer's contribution is used across the Service and in this case there are more people on the 2015 scheme than the other two schemes. The RDS overspend relates to resources being used to maintain resilience while pumps have been involved in events or other activities, something that has also happened in the City and Lewes. There are also smaller overspends on Support Staff (£3,000) and non-pay budgets of £13,000.

- 2.1.2 **Borough Commanders Eastbourne and Wealden:** The Borough Commander's budget in Eastbourne and Wealden overspent by £164,000 (previously reported as £5,000 overspent). The overspend comprises an underspend on RDS of £127,000 as RDS crewing levels have fallen and overspends on Wholetime overtime of £31,000 and Wholetime pay and pensions of £240,000, attributed to cover for sickness absence and some stations being over-crewed. An overspend on Support staff of £4,000 and an overspend on non-pay items of £16,000.

- 2.1.3 **Borough Commanders The City and Lewes:** The Borough Commander's budget in City and Lewes overspent by £138,000 (previously reported as £40,000 overspent). There was an overspend on Wholetime pay of £116,000, £45,000 on overtime and £87,000 on RDS pay. This was offset by an underspend of £84,000 on pensions, where the blended rate for employer's contribution is used across the Service and in this case there are more people on the 2015 scheme than the other two schemes. There was a £13,000 underspend on support staff with vacant posts in the City and a £13,000 underspend on non-pay items.
- 2.1.4 **Borough Commanders overall commentary:** Overall the Borough Commanders provisional overspend is £341,000. There are small underspends on Support Staff £6,000, RDS £24,000 and a small overspend on non-pay of £17,000. However the significant elements relates to an overspend on Wholetime pay of £350,000, an underspend on Wholetime pensions of £120,000, netting off to £230,000 overspend, and an overspend on Wholetime overtime of £124,000. The overspend is directly linked to numbers of firefighters, the budget was set with a Wholetime Firefighter establishment of 310 and throughout the year there have been consistently more the 310 firefighters paid. The additional firefighters over establishment have been used by the service to cover absence from full duties and secondments.
- 2.1.5 **Business Safety:** The budget underspent by £108,000 (previously reported as £45,000 underspend). This underspend is due to staff vacancies, both Wholetime £69,000 and Support Staff £22,000 and a non-pay underspend of £17,000.
- 2.1.6 **Community Safety:** The budget overspent by £61,000 (previously on target). The overspend is due to an acceleration in the delivery of various projects including the Safe and Well Practitioners.
- 2.1.7 **Bariatric Equipment:** There is a small underspend of £4,000 (previously on target).
- 2.1.8 **Management:** This budget underspent by £16,000, the AD has a discretionary budget that was not used. (previously on target).
- 2.1.9 **Officer Review:** This budget overspent by £12,000, as agreed the project costs were covered by the overall underspend during 2017/18, Corporate Contingency funds have been allocated for four months in 2018/19.
- 2.2 **Resources/Treasurer:** The budget is forecast to underspend by £186,000 (previously reported as a £99,000 underspend). The forecast is broken down as follows:
- 2.2.1 **ITG:** The budget underspent by £32,000 (previously reported as a £80,000 underspend), the underspend relates to savings resulting from contractual renegotiations.
- 2.2.2 **Finance:** The budget underspent by £101,000 (previously reported as a £73,000 underspend). The underspend relates to lower than expected recharges for SAP and County Council Services, £93,000, Insurance services £8,000, External Audit £7,000 (includes rebate) and a small overspend on other expenditure of £7,000.
- 2.2.3 **Procurement:** The Uniforms budget is projected to overspend by £45,000 (previously reported as £50,000 overspend).

- 2.2.4 **Estates:** The budget underspent by £15,000, (previously reported as £9,000 overspend) the underspend comprises, an underspend of £24,000 on staff vacancies, an underspend on Building maintenance of £145,000 (due to staff vacancies and having to re prioritise workloads), there was an overspend on Utilities of £96,000, the majority of this overspend relates to Business Rates and £101,000 on Consultants fees which includes £22,000 fees relating to the sale of Upperton Road, additional valuations and condition surveys of properties of £26,000 and initial work on the new Estates Strategy of £10,000. Spend of £43,000 on the Integrated Transport Function Programme (ITFP) feasibility study will be claimed from the grant funding held by Surrey County Council.
- 2.2.5 **Legal Services:** The budget underspent by £83,000, the underspend comprises an overspend of £82,000 on legal fees offset by income following the award of costs in favour of the Authority of £165,000.
- 2.3 **Human Resources and OD:** The budget underspent by £45,000 (previously reported as £37,000 underspend). The underspend comprises, underspends on Admin Support £17,000 and Inclusion and Diversity £45,000, both relate to vacancies throughout the year and an overspend of £17,000 on the HR budget, relating to increased hours and maternity cover. Firefighter Recruitment has been funded from the earmarked Reserve. Budget of £25,000 intended fund apprentice posts has been used to fund core staffing costs in HR.
- 2.4 **Training and Assurance:** The training budgets came in on target, this takes into account the Wholetime Firefighter recruit costs (salaries and training) that has been funded from earmarked reserves.
- 2.5 **Planning and Improvement:** The budget is forecast to underspend by £66,000 (previously reported as an underspend of £50,000). The underspend comprises £50,000 Cost of Democracy, £8,000 Programme Management Office, £21,000 Performance Management and an overspend of £13,000 on Communications and Marketing relating to printing.
- 2.6 **Operational Support:** The Operational Planning and Policy budget has overspent by £3,000 (previously reported as £40,000 underspend).
- 2.6.1 **Sussex Control Centre:** The net budget has overspent by £62,000. The position reported to the SCC Operational Governance Board is an overspend of £304,000 (previously reported as an overspend of £234,000). The vast majority of the overspend is pay related resulting from operational issues requiring the centre to be over establishment all year as a result of the delay in the 4i system going live. The Authority's share (50%) is £152,000. This is offset in part by the additional funding of £120,000 agreed as part of the 2017/18 budget. Other unplanned spend, including a share of the electricity bill following the move to Haywards Heath, office redesign and furniture, has totalled £30,000.
- 2.6.2 **Special Projects:** The Special Projects budget has overspent by £57,000. An underspend of £60,000 resulting from vacant posts and a contribution from the Control Room Grant of £45,000. There are overspends of £25,000 of works at Secondary Control, £16,000 of contractors working on IT systems including gazetteer, £78,000

on SCC programme support provided by telent and £43,000 was spent on project management. These figures are net of the agreed contribution made by West Sussex FRS to SCC project costs.

- 2.6.3 **ESMCP:** The programme has underspent by £40,000. Regional (£53,000) and local (£74,080) project management and control room readiness are funded in full from Home Office grant. The Service's own one-off budget for 2017/18 of £40,000 was not required.
- 2.6.4 **Operations Planning and Policy:** The service has underspent by £61,000 on the maintenance and installation of Hydrants where previous years' costs were overestimated.
- 2.6.5 **Engineering:** There is an underspend of £47,000 comprising an underspend on fuel of £84,000, netted off against an overspend on Repairs and Maintenance of £37,000. Both of these budgets will be adjusted in 2018/19 to reflect these variances.
- 2.6.6 **Operational Support & Resilience Management:** The budget is overspent by £32,000 on pay, where the staffing has been over establishment all year
- 2.7 **CFO Staff:** The budget is underspent by £11,000 (previously reported as a £50,000 underspend) due to unfilled vacancies.
- 2.8 **Non Delegated Costs:** The budget is projected to underspend by £40,000 (previously reported as a £27,000 overspend). This budget includes employee settlement costs of £72,000.
- 2.9 **Corporate Contingency:** This budget is intended to provide some flexibility for SLT to manage in year budget pressures and was set at £390,000. The budget has been used during the year to support various initiatives and the remaining sum of £130,000 is now classed as unspent.
- 2.10 **Business Rates:** Following a change in the treatment of the Newhaven Enterprise Zone by the Department of Communities and Local Government there is an extra £20,000 due in Retained Business Rates (as previously reported).
- 2.11 **Section 31 Grants:** As a result of the 2018/19 Local Government Settlement adjustments made to the business rates retention scheme have resulted in a recalculation of the grant due in 2017/18 and as a result an additional £8,000 has been received. There is also an additional £8,000 received for the Transparency regulations.

### **3 REVENUE BUDGET AND CAPITAL PROGRAMME RISKS**

- 3.1 The Authority continues to face a number of potential pay related risks that were not resolved in 2017/18:
- Negotiations are ongoing between Fire Service Employers and the Fire Brigades Union (FBU) on a pay award for 2017/18. Agreement has been reached to make payment of 1% backdated to 1 July 2017 pending the outcome of the negotiations and this is reflected in the provisional outturn.



- The FBU has registered a local dispute claiming that an Additional Responsibility Allowance (ARA) should be paid in relation to Swift Water Rescue. This could have potential financial impacts both one off (for back pay) and ongoing. The dispute is currently with ACAS for arbitration.

3.2 These risks will continue to be monitored in 2018/19 and should they materialise the Authority will need to determine how the financial impact is to be managed. The Authority has a number of options open to it to manage in year budget pressures: Identification of additional in year savings or managed underspends, use of the Corporate Contingency and use of General Balances.

#### **4 MONITORING OF SAVINGS**

4.1 Appendix 6 shows the savings made in 2016/17 and those required to be made in 2017/18 and 2018/19. This illustrates the levels of savings that need to be achieved in those years, rather than the cumulative savings including those already achieved.

4.2 It has been confirmed that the reduction of 14 posts for the Change to Ridership saving was achieved in 2016/17 and 2017/18 and that the crewing arrangements are in place. This Report, however, shows continuing pressure on the Wholetime pay budget and overtime budget. Further action is being taken through the Officer Review to ensure that the establishment and pay spend is stabilised.

#### **5 CAPITAL PROGRAMME COMMENTARY**

5.1 The 2017/18 revised Capital Programme as agreed by the Fire Authority in February 2018 is projected to underspend by £1,887,000. The overall Capital Programme is projected to be £61,000 underspent which represents a very small proportion of the overall spend over the five years.

5.2 **Newhaven Fire Station:** The scheme finished £2,000 underspent.

5.3 **Service HQ Relocation:** The scheme is complete and the outturn is £59,000 underspent. The underspend is a result of costs being reclassified as revenue. There is no pressure on the revenue budget as this scheme was funded from the Improvement and Efficiency earmarked reserve.

5.4 **General Schemes:** The scheme is overspent against the revised budget for 2017/18, but is not projected to overspend against the overall budget. The revised budget anticipated a slower rate of spend given the resources available in the Estates Team. However, those resources became available and works accelerated and as a result the current spend is now ahead of the revised budget's spending profile.

5.5 **Breathing Apparatus:** There is a small underspend in the current year that will need to be slipped into the new financial year as it relates to the contractual retention.

5.6 **Replacement Fuel Tanks:** There is a projected underspend of £50,000 in the current year. In year costs supporting feasibility work have been funded from revenue. The overall cost of the ITF Fuel Project is currently being reviewed prior to the Service's pilot scheme at Bohemia Road commencing.

- 5.7 **Sustainability:** There has been a small amount of spend against this scheme. No further activity is anticipated until the new Estates Strategy is in place and this was reflected in the revised budget agreed by the Authority in February.
- 5.8 **IMD Strategy SCC:** The scheme is on target to spend the original £3.6m grant funding in full across both East and West Sussex FRS.
- 5.9 **Fleet & Equipment:** The Fleet & Equipment schemes are all underspending against the revised budget, whilst the Fleet Strategy is reviewed, they will all need to be slipped into the 2018/19 programme.

## **6 RESERVES**

- 6.1 The table in Appendix 5 shows the planned and actual use of reserves for 2017/18. The planned transfer into the Improvement & Efficiency (I&E) earmarked reserve is the 2017/18 Transition Grant.
- 6.2 The planned transfers are as recorded in the Fire Authority meeting in February 2017. The provisional outturn balance of usable reserves is £23.387m which is 35% higher than planned.
- 6.3 The main difference from planned is the Capital Receipts reserve where the receipt from the sale of Upperton Road is £3.9m higher than the planned receipt from Fort Road which is yet to be sold and £1.1m less funding was required for the Capital Programme where spend has slipped.
- 6.4 Significant funding has been received from the Home Office for the funding of the ESMCP national project in excess of £0.5m. This has been received in advance of need and is being held in earmarked reserves pending draw down.
- 6.5 The planned transfer out from the Improvement and Efficiency reserve was set early on at a nominal value based on broad alignment to Corporate Projects which have proven optimistic leaving an extra £0.437m to be spent in the future.

## **7 BORROWING AND INVESTMENT**

- 7.1 As at the 31 March 2018, the Authority held cash balances of £22.8m which were invested as set out in Appendix 7 in accordance with the Treasury Management Strategy. The interest received is £49,000 more than originally budgeted (as previously reported). There is also a small underspend, £2,000 on bank charges.

East Sussex Fire Authority  
2017/18 Revenue Budget – Objective Analysis

	Original Budget	Revised Budget	Provisional Outturn	Variance	Variance	Variance Last Report
	£'000	£'000	£'000	£'000	%	£'000
Training and Assurance	2,211	2,307	2,307	0		
Resources/Treasurer	7,529	8,985	8,799	(186)	(2.1)	(94)
Planning and Improvement	1,049	1,034	968	(66)	(6.4)	(50)
<b>Total Deputy Chief Fire Officer</b>	<b>10,789</b>	<b>12,326</b>	<b>12,074</b>	<b>(252)</b>	<b>(2.1)</b>	<b>(144)</b>
Human Resources and OD	922	1,015	970	(45)	(4.4)	(37)
Safer Communities	18,273	18,178	18,464	286	1.6	(101)
Operational Support	3,850	3,311	3,314	3	0.1	(40)
<b>Total Assistant Chief Fire Officer</b>	<b>23,045</b>	<b>22,504</b>	<b>22,748</b>	<b>244</b>	<b>1.1</b>	<b>(178)</b>
CFO Staff	675	673	662	(11)	(1.6)	(50)
Treasury Management	1,408	1,408	1,357	(51)	(3.6)	(35)
Non Delegated costs	474	537	577	40	7.4	(27)
Corporate Contingency	390	130	0	(130)	(100.0)	
Transfer to Reserves	622	1,830	1,830	0		
Transfer from Reserves	0	(2,005)	(2,005)	0		
<b>Total Corporate</b>	<b>3,569</b>	<b>2,573</b>	<b>2,421</b>	<b>(152)</b>	<b>(5.9)</b>	<b>(112)</b>
<b>Total Net Expenditure</b>	<b>37,403</b>	<b>37,403</b>	<b>37,243</b>	<b>(160)</b>	<b>(0.4)</b>	<b>(434)</b>
Financed By:						
Council Tax	(25,036)	(25,036)	(25,036)	0		
Business Rates	(7,213)	(7,140)	(7,168)	(28)	(0.4)	(20)
Revenue Support Grant	(4,524)	(4,524)	(4,524)	0		
Transition Grant	(122)	(122)	(122)	0		
S31 Grants	(258)	(258)	(266)	(8)	(3.1)	
Collection Fund	(250)	(323)	(323)	0		
Surplus/Deficit						
<b>Total Financing</b>	<b>(37,403)</b>	<b>(37,403)</b>	<b>(37,439)</b>	<b>(36)</b>	<b>(0.1)</b>	<b>(20)</b>
<b>Total Over / (Under) Spend</b>	<b>0</b>	<b>0</b>	<b>(196)</b>	<b>(196)</b>	<b>(0.4)</b>	<b>(454)</b>

East Sussex Fire Authority  
2017/18 Revenue Budget – Safer Communities Analysis

	Original Budget	Revised Budget	Provisional Outturn	Variance	Variance
	£'000	£'000	£'000	£'000	%
AD Safer Communities	107	113	97	(16)	(14.1)
Bariatric Equipment	0	28	24	(4)	(15.3)
Officer Review			12	12	100
Hastings and Rother	4,404	4,644	4,683	39	0.8
Eastbourne and Wealden	4,638	4,561	4,725	164	3.6
The City and Lewes	6,861	6,718	6,856	138	2.1
Business Safety	1,455	1,305	1,197	(108)	(8.4)
Community Safety	808	809	870	61	8.1
<b>Total Safer Communities</b>	<b>18,273</b>	<b>18,178</b>	<b>18,464</b>	<b>286</b>	<b>1.6</b>

2017/18 Revenue Budget - Safer communities Overtime analysis

	Original Budget	Revised Budget	Provisional Outturn	Variance	Variance
	£'000	£'000	£'000	£'000	%
AD Safer Communities	0	0	1	1	100.0
Hastings and Rother	52	44	92	48	109.1
Eastbourne and Wealden	43	35	66	31	88.6
The City and Lewes	47	69	114	45	65.2
Business Safety	2	2	4	2	100.0
Community Safety	4	4	1	(3)	(75.0)
<b>Total Safer Communities</b>	<b>148</b>	<b>154</b>	<b>278</b>	<b>124</b>	<b>80.5</b>

East Sussex Fire Authority  
2017/18 Capital Budget Monitoring

Capital Scheme	Original Budget as agreed CFA Feb 2017 £'000	Revised Budget as agreed CFA Feb 2018 £'000	Provisional Outturn £'000	Variance £'000	Variance %	Variance last Report £'000
<b>Property Major Schemes</b>						
Newhaven Fire Station	2	2	0	(2)	(100.0)	0
Service HQ Relocation	26	165	106	(59)	(35.7)	(8)
Preston Circus	200	0	0	0		(200)
<b>Subtotal</b>	<b>228</b>	<b>167</b>	<b>106</b>	<b>(61)</b>	<b>(36.5)</b>	<b>(208)</b>
<b>Property General Schemes</b>						
General Schemes	937	254	480	226	88.9	(123)
Breathing Apparatus Chambers	144	347	342	(5)	(1.4)	0
Replacement Fuel Tanks	190	50	0	(50)	(100.0)	(190)
Sustainability	200	0	3	3		(248)
Security	100	0	0	0		(100)
<b>Subtotal</b>	<b>1,571</b>	<b>651</b>	<b>825</b>	<b>174</b>	<b>26.7</b>	<b>(661)</b>
<b>Information Management</b>						
IMD Strategy SCC	274	123	123	0	0.0	0
<b>Fleet &amp; Equipment</b>						
Fire Appliances	970	970	0	(970)	(100.0)	(970)
Ancillary Vehicles	703	703	27	(676)	(96.1)	(445)
Cars & Vans	210	539	254	(285)	(53.0)	140
BA & Ancillary Equipment	720	750	681	(69)	(9.1)	0
<b>Subtotal</b>	<b>2,603</b>	<b>2,962</b>	<b>962</b>	<b>(2,000)</b>	<b>(67.5)</b>	<b>(1,275)</b>
<b>Total</b>	<b>4,676</b>	<b>3,903</b>	<b>2,016</b>	<b>(1,887)</b>	<b>(48.4)</b>	<b>(2,144)</b>

East Sussex Fire Authority  
2017/18 - 2021/22 Capital Budget Monitoring

Capital Scheme	Original Budget as agreed by CFA Feb 2017 £'000	Revised Budget as agreed by CFA Feb 2018 £'000	Provisional Outturn £'000	Variance £'000	Variance %	Variance last Report £'000
<b>Property Major Schemes</b>						
Newhaven Fire Station	3,560	3,560	3,558	(2)	(0.1)	0
Service HQ Relocation	650	553	494	(59)	(10.7)	(105)
Preston Circus	2,550	2,550	2,550	0	0.0	0
ITF Southeast Workshop	1,000	1,000	1,000	0	0.0	0
<b>Subtotal</b>	<b>7,760</b>	<b>7,663</b>	<b>7,602</b>	<b>(61)</b>	<b>(0.8)</b>	<b>(105)</b>
<b>Property General Schemes</b>						
General Schemes	3,432	2,794	2,794	0	0.0	(123)
Breathing Apparatus Chambers	360	360	360	0	0.0	0
Replacement Fuel Tanks	220	220	220	0	0.0	0
Sustainability	420	441	441	0	0.0	14
Security	150	150	150	0	0.0	0
<b>Subtotal</b>	<b>4,582</b>	<b>3,965</b>	<b>3,965</b>	<b>0</b>	<b>0.0</b>	<b>(109)</b>
<b>Information Management</b>						
IMD Strategy SCC	1,791	1,672	1,672	0	0.0	0
<b>Fleet &amp; Equipment</b>						
Aerial Appliances	675	737	737	0	0.0	0
Fire Appliances	6,470	7,674	7,674	0	0.0	0
Ancillary Vehicles	1,397	2,729	2,729	0	0.0	0
Cars & Vans	1,576	1,801	1,801	0	0.0	50
BA & Ancillary Equipment	750	750	750	0	0.0	0
<b>Subtotal</b>	<b>10,868</b>	<b>13,691</b>	<b>13,691</b>	<b>0</b>	<b>0.0</b>	<b>50</b>
<b>Total</b>	<b>25,001</b>	<b>26,991</b>	<b>26,930</b>	<b>(61)</b>	<b>(0.2)</b>	<b>(164)</b>

East Sussex Fire Authority  
2017/18 Reserves Projections

Description	Opening Balance 01/04/17	2017/18 Planned Transfers In	2017/18 Planned Transfers Out	2017/18 Actual Transfers In	2017/18 Actual Transfers Out	Provisional Closing Balance 31/03/18
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Earmarked Reserves</b>						
Improvement and Efficiency	1,485	122	(600)	122	(163)	1,444
Sprinklers	187		(187)	103		290
Insurance	249					249
Community Fire Safety	145				(145)	0
RPE and communications	1,014		(996)		(823)	191
Mapping Solution	69		(69)		(69)	0
ESN Health Check	15				(15)	0
ESMCP ESFRS readiness	1,160				(100)	1,060
ESMCP Regional Programme reserve	0			961	(228)	733
Responding to new risks Revenue	19				(5)	14
Safer Business Training	213		(63)		(15)	198
IT Strategy	2,000		(450)	429	(1,265)	1,164
Wholetime Firefighter recruitment	464				(103)	361
Capital Programme Reserve	5,381	500		528	(69)	5,840
<b>Total Earmarked Reserves</b>	<b>12,401</b>	<b>622</b>	<b>(2,365)</b>	<b>2,143</b>	<b>(3,000)</b>	<b>11,544</b>
<b>General Fund</b>	<b>3,142</b>					<b>3,142</b>
<b>Total Revenue Reserves</b>	<b>15,543</b>	<b>622</b>	<b>(2,365)</b>	<b>2,143</b>	<b>(3,000)</b>	<b>14,686</b>
Capital Receipts Reserve	5,512	515	(2,564)	4,400	(1,211)	8,701
Responding to new risks Capital	21				(21)	0
<b>Total Capital Reserves</b>	<b>5,533</b>	<b>515</b>	<b>(2,564)</b>	<b>4,400</b>	<b>(1,232)</b>	<b>8,701</b>
<b>Total Usable Reserves</b>	<b>21,076</b>	<b>1,137</b>	<b>(4,929)</b>	<b>6,543</b>	<b>(4,232)</b>	<b>23,387</b>





## East Sussex Fire Authority

## Monitoring of Savings 2016/17 - 2018/19

## Summary showing Changing the Service Phases One and Two and other operational savings

	Budget			Current Forecast			Variance		
	2016/17 £'000	2017/18 £'000	2018/19 £'000	2016/17 £'000	2017/18 £'000	2018/19 £'000	2016/17 £'000	2017/18 £'000	2018/19 £'000
<b>Phase Two Savings</b>									
Removal of a pump from Hove	(932)	0	0	(932)	0	0	0	0	0
Change to Ridership	(280)	(560)	(280)	(280)	(560)	(280)	0	0	0
<b>Total Phase Two Savings</b>	<b>(1,212)</b>	<b>(560)</b>	<b>(280)</b>	<b>(1,212)</b>	<b>(560)</b>	<b>(280)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Facing the Challenge</b>	<b>(75)</b>	<b>(73)</b>	<b>0</b>	<b>(75)</b>	<b>(73)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total non-operational savings</b>	<b>(439)</b>	<b>(376)</b>	<b>(173)</b>	<b>(439)</b>	<b>(376)</b>	<b>(173)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total additional savings</b>	<b>(138)</b>	<b>0</b>	<b>0</b>	<b>(138)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total all other savings</b>	<b>(652)</b>	<b>(449)</b>	<b>(173)</b>	<b>(652)</b>	<b>(449)</b>	<b>(173)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Savings</b>	<b>(1,864)</b>	<b>(1,009)</b>	<b>(453)</b>	<b>(1,864)</b>	<b>(1,009)</b>	<b>(453)</b>	<b>0</b>	<b>0</b>	<b>0</b>

N.B. Above table shows in-year savings, not cumulative



**East Sussex Fire Authority  
Investments as at 31 March 2018**

Counterparty	Type	Amount	Rate
		£'m	%
Lloyds/HBOS	175 Day notice	4.00	0.75
Santander	95 Day notice	4.00	0.60
Barclays	95 Day Notice	4.00	0.69
Goldman Sachs IB	Fixed term – 6 months	4.00	0.65
NatWest	Fixed term – 12 months	4.00	0.40
Standard Life	MMF	2.8	Variable
<b>Total Current Investments</b>		<b>22.8</b>	



**EAST SUSSEX FIRE AND RESCUE SERVICE**

**Meeting** Policy and Resources Panel

**Date** 24 May 2018

**Title of Report** Occupational Health Collaboration Project

**By** Vicky Chart; Assistant Director Human Resources and Organisational Development

**Lead Officer** Jason Hathaway; Human Resources Manager

**Background Papers** 'Toolkit for Police Collaboration', Home Office; December 2012

**Appendices** Appendix 1 - Timeline

**Implications**

<b>CORPORATE RISK</b>		<b>LEGAL</b>	
<b>ENVIRONMENTAL</b>		<b>POLICY</b>	
<b>FINANCIAL</b>	<b>X</b>	<b>POLITICAL</b>	
<b>HEALTH &amp; SAFETY</b>	<b>X</b>	<b>OTHER (please specify)</b>	
<b>HUMAN RESOURCES</b>	<b>X</b>	<b>CORE BRIEF</b>	

**PURPOSE OF REPORT** To ask the Policy and Resources Panel to ratify the adoption of a new partnership model for the provision of Occupational Health and Wellbeing services to East Sussex Fire & Rescue Service (ESFRS), which will be at a cost of £248k to the organisation. There is also an additional £16k one-off cost in year one regarding the initial set up of the COHORT Occupational Health software system plus an annual increase of circa £35,000 per annum.

**EXECUTIVE SUMMARY** ESFRS currently utilises an outsourced model (Team Prevent) for the provision of Occupational Health (OH) services, which has experienced a number of challenges since the previous outsourced provider, HML. Team Prevent have been given notice and our contract with them ends on 30 June 2018.

In overview, these issues have included a serious loss of governance regarding three yearly medical recalls, delays in arranging appointments for staff, administration errors, and a lack of clarity regarding advice for line managers.

ESFRS are working towards a partnership service with Surrey and Sussex Police and Surrey Fire and Rescue Service (SFRS) due to the contract with Team Prevent ending on 30 June 2018. ESFRS are also seeking additional resilience for our Occupational Health provision, which a partnership model will provide. Surrey and Sussex Police have had a fully collaborated Occupational Health Service since July 2016. Surrey Fire and Rescue joined the collaboration under a Memorandum of Understanding (MOU) in August 2017.

### High Level Outcomes

From 1 July 2018, the collaborated service will deliver:

1. A 'blended approach' to Occupational Health and Wellbeing services provision, via a collaboration with Surrey and Sussex Police and Surrey Fire and Rescue Service;
2. Will provide greater resilience across the Occupational Health and Wellbeing service provision within ESFRS;
3. Support ESFRS strategies concerning Attendance Management, Wellbeing, and Engagement, plus wider Health and Safety activities;
4. Provide ESFRS with a tailored service better able to respond to the organisation's requirements by providing greater resilience in doctor and nurse time;
5. Support the development of positive stakeholder attitude towards Occupational Health and Wellbeing services, which will support increased take up; supporting more positive outcomes for staff, and for ESFRS organisationally;
6. Provide ESFRS with an opportunity to share in best practice and utilise expertise that currently sits outside of the organisation

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### **RECOMMENDATION**

The Panel is asked to:

- (i) note that the Senior Leadership Team (SLT) have approved funding of £264k in year one, and £248k per annum thereafter. The current budget is circa £213k per annum;

- (ii) ratify a partnership model with Surrey and Sussex Police (SSP) and Surrey Fire and Rescue Service (SFRS) for the provision of Occupational Health and Wellbeing services to further support and improve staff wellbeing; and
  - (iii) consider if a further update report post implementation of the new model is required.
- 

## **1 INTRODUCTION**

- 1.1 Surrey and Sussex Police have had a fully collaborated Occupational Health Service since July 2016. Surrey Fire and Rescue (SFRS) joined the collaboration under a MOU in August 2017. ESFRS are working towards becoming part of a collaborated service as the outsourced Occupational Health Service contract with Team Prevent ends on 30 June 2018.
- 1.2 This Project has derived from the Emergency Services Collaboration Programme (ESCP) which involved Surrey and Sussex Police, East Sussex, Surrey and West Sussex Fire and Rescue and SECAMB. This business case has been agreed by the ESCP Board in March and is now subject to the internal governance processes within each organisation although all parties have agreed the broad direction contained within this business case.
- 1.3 This new partnership approach is critical in supporting ESFRS against a backdrop of high levels of mental health and musculoskeletal related absences and we are currently experiencing high levels of sickness absence when benchmarked against the Fire and Rescue sector. This is set against a context of operational incidents such as Marlie Farm and Shoreham. In addition, in Sussex general population statistics are high when compared to UK mental health overall and Sussex suicide rates are higher than the national average.

## **2 PROPOSAL**

### **2.1 Proposed structure:**

It is proposed to move to a Joint Initiative which is a collaborative enterprise that is designed to achieve a single objective (see 'Toolkit for Police Collaboration', Home Office; December 2012)

The benefits of a Joint Initiative are:

- Flexible
- Can be quick to establish
- Low cost to maintain and operate
- No staff transfers required as staff tend to remain employed by their 'own' organisation

- 2.2 **Governance:** The OH Service will be managed by a collaborative Board, to be set up to manage the implementation of the collaboration and then to continue to have oversight of the service. It is proposed that Russell Pearson, Surrey Fire and Rescue Service Chief Fire Officer will chair this Board on behalf of all the

organisations involved in this collaboration. It is also proposed that the Occupational Health Service will continue to be line managed by the Head of Service Delivery in the Police on behalf of all of the collaborated organisations, and who will in turn be accountable to the Governance Board.

- 2.3 **Financial Model:** The collaborated service will be based on cost sharing of 72% Surrey and Sussex Police and 28% Fire (14% each Fire Service) based on the staff numbers in each organisation and the estimated demand on clinical services. These proportions have been agreed by the ESCP Board.

In addition, pay rates for Surrey and Sussex police incorporate a management on-cost to ensure full cost recovery. Although this will be based on cost recovery only and will not be an income generation tool for the Police.

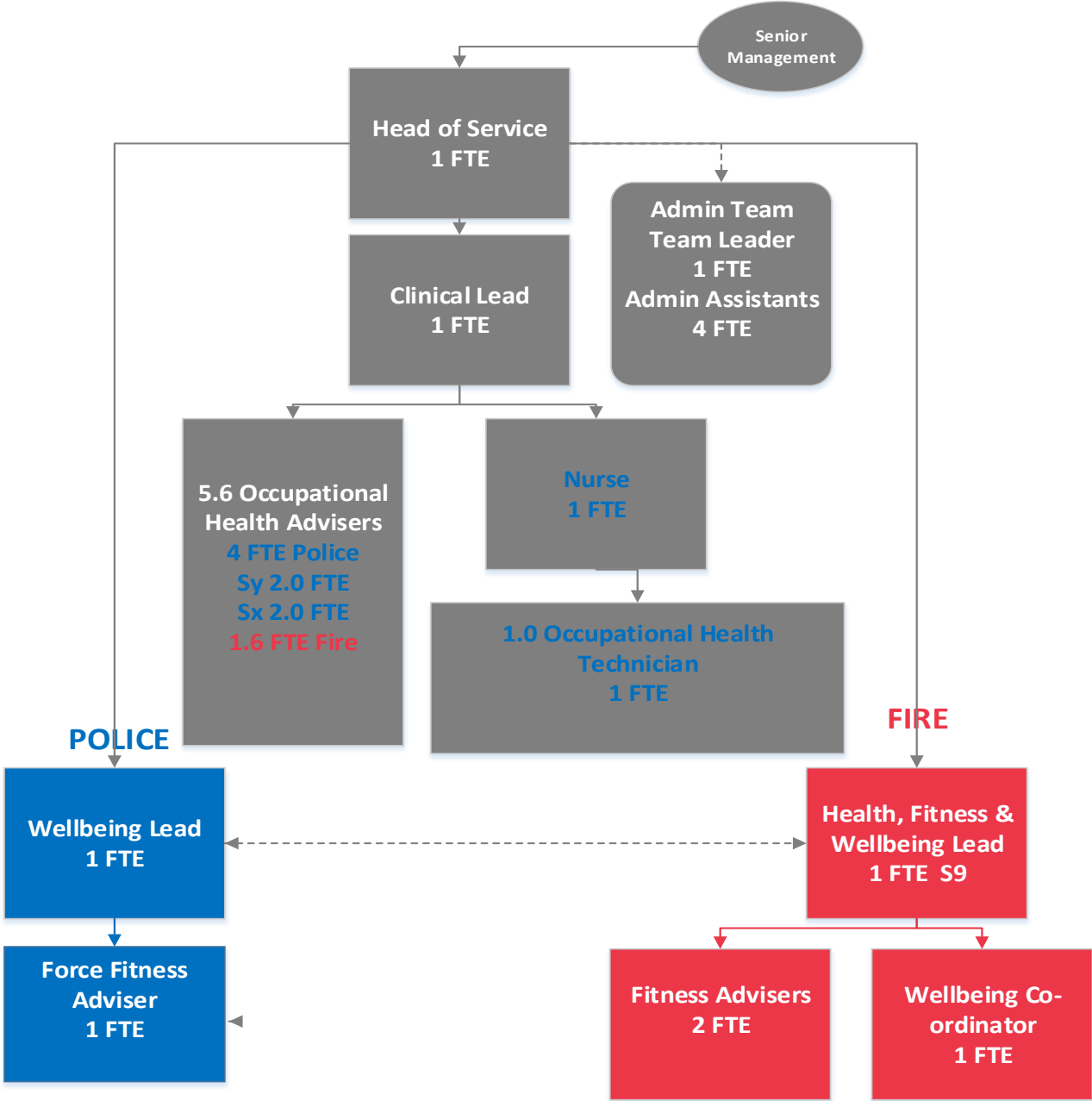
Each party's contributions will be formalised as part of the Heads of Terms for the Joint Initiative. Due to some of the staffing considerations regarding TUPE and Hamburg Waste issues, a few posts within the structure will be cost shared but most will be funded directly by a specific partner in the collaboration. Most members of staff, therefore, will remain employed by their existing organisation and their Terms and Conditions will remain the same. These arrangements will be clearly set out in the agreed Heads of Terms.

### **3 EXTERNAL CONTRACTS**

- 3.1 **Doctor Service:** The intention is to re-tender for the Doctor Service this summer. This re-tendering process will include the Doctor needs for all three partner organisations. The gap for ESFRS between the end of their external OH contract and the new provision will be filled by an agency Doctor if required.
- 3.2 **Physio Service:** The Surrey and Sussex Police Pay As You Go service cannot be extended to include ESFRS as we are a separate legal entity and will therefore make our own direct contract arrangements until the new contracts can be awarded in 2019. SFRS have indicated a wish to be included onto this contract in the future.
- 3.3 **Psychological Service:** The Surrey and Sussex Police Pay As You Go service cannot be extended to include ESFRS as Surrey and Sussex Police are a separate legal entity, and will therefore make our own direct contract arrangements until the new contracts can be awarded in 2019. SFRS do not currently use a psychological service.



**TO BE COLLABORATED OCCUPATIONAL HEALTH MODEL POLICE  
SURREY FIRE / ESFRS**



#### 4 BENEFITS

Benefit Identified	Type of Benefit (financial/non-financial)	How measured?	Responsible person for measuring	Projected date of realisation
<b>1. Increase of service options available for the end user due to increased number of clinicians and locations where clinics can take place</b>	Financial and service quality	Cost and feedback from customer and stakeholders	Departmental Manager	End of year 1 – April 2019
<b>2. Greater flexibility and resilience with combined services and contract options</b>	Financial and service quality  Cost savings realised through increased provision options and allowing potential cost savings on current contracts	Contract costs.  Increasing flexibility and resilience for departmental managers / stakeholders / customers	Contract Manager  Department Manager	End of year 1 – April 2019
<b>3. Through combined OH service provide an OH Fitness and Wellbeing framework to support strategic goals of the organization</b>	Financial and service quality	Strategic goals: LTS, non-operational / adjusted duties, RTW timeframes. Frontline capability. Internal KPI's around in date medicals, fitness assessments, and statutory obligations.	Policy and performance or similar statistical capture department.  Clinical Lead of joined or individual services.	After first quarter/half analysis after collaboration/integration  October 2018 / December 2018
<b>4. Reduction in sickness absence and increased and improved wellbeing for the workforce</b>	Financial and improved resilience of police and fire services.	Internal KPI's for sickness levels.	Policy and performance or similar statistical capture department	Sickness levels continually monitored in all 4 participating organisations.
<b>5. Financial savings across external contracts through combining provisions, economies of scale and scope.</b>	Financial	Cost reduction from current expenditure	Budget holder  Departmental Manager	April 2018 to show potential savings and realise savings by end of April 2019

<p><b>NB:</b> There are extra cost for ESFRS as we are investing in extra Doctor service; 2 extra days per month, and additional nurse and wellbeing provision.</p>				
<p><b>6. Sharing best practice, joint wellbeing campaigns and supporting each other through SEQOHS accreditation process.</b></p>	<p>Financial and service quality</p>	<p>Achieving gold standard accreditation to ensure quality of service.</p> <p>Possible cost savings with joint accreditation.</p> <p>Need for extra resource to achieve needs to be considered.</p>	<p>Clinical Lead of joined or individual services</p>	<p>End of 2018 (resource dependant)</p>
<p><b>7. Increased control and tailoring of the Occupational Health service to ESFRS requirements with greater flexibility to meet changing demands.</b></p>	<p>Financial and service quality</p>	<p>Improved service outcomes for staff and managers</p> <p>Improvements in feedback from stakeholders</p> <p>Internal KPI's for sickness levels</p>	<p>Contract Manager  Departmental Manager</p>	<p>After first quarter/half analysis after collaboration/integration</p> <p>October 2018 / December 2018</p>

### March 28<sup>th</sup> 2018: Occupational Health Collaboration High Level Timeline

Milestone  
 Boards  
 Deliverable  
 OHC Project Board

