

## **EAST SUSSEX FIRE AUTHORITY**

**Minutes of the meeting of the POLICY & RESOURCES PANEL held at County Hall, St Anne's Crescent, Lewes at 11:30 hours on Thursday, 1 November 2018.**

**Members Present:** Councillors Barnes, Dowling, Elford, Osborne, O'Quinn, Scott and Theobald.

### **In attendance:**

M O'Brien (Deputy Chief Fire Officer), M Andrews (Assistant Chief Fire Officer), L Woodley (Deputy Monitoring Officer), D Savage (Assistant Director Resources/Treasurer), L Ridley (Assistant Director Planning & Improvement), H Scott-Youldon (Assistant Director Training & Assurance), M Matthews (Assistant Director Safer Communities), W Tricker (Finance Manager), M Whiting (Performance & Intelligence Analyst) and E Simpkin (Democratic Services Officer).

### **103      DECLARATIONS OF INTEREST**

103.1      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.

### **104      APOLOGIES FOR ABSENCE**

104.1      Apologies had been received from Councillor Tutt. Councillor Osborne was attending as his substitute.

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

105.1      There were none.

### **106      MINUTES OF THE POLICY & RESOURCES PANEL MEETING HELD ON 26 JULY 2018**

106.1      **RESOLVED:** That the minutes of the meeting of the Policy & Resources Panel held on 26 July 2018 be approved as a correct record and signed by the Chairman. (*Copy in Minute Book*)

### **107      CALLOVER**

107.1      Members reserved the following items for debate:

108      Revenue Budget & Capital Programme Monitoring 2018/19

109      Treasury Management – Half Year Review for 2018/19

111      One Public Estate (OPE) Emergency Services Collaboration – Phase 1

112      Preston Circus Feasibility

**RESOLVED:** That all other reports be resolved in accordance with the recommendations as detailed below.

**108 REVENUE BUDGET AND CAPITAL PROGRAMME MONITORING 2018/19**

- 108.1 The Panel considered the report of the Assistant Director Resources/Treasurer (ADR/T) on issues arising from the monitoring of the 2018/19 Revenue Budget and Capital Programme as at 30 September 2018. (*Copy in Minute Book*)
- 108.2 The Panel was advised that at the half way stage in the financial year, the report was on an exception basis and addressed those areas where there were clear issues or risks. The Revenue Budget was currently projected to be overspent by £577,000. The overall Capital Programme was projected to be £13,000 over budget, whilst the current year's Capital Programme was projected to underspend by £87,000.
- 108.3 With regard to the Revenue budget, the ADR/T explained further that the predicted overspend was primarily due to staffing pressures within Safer Communities where Fixed Term Contracts were being used in order to cover long term absence. The Senior Leadership Team (SLT) was closely monitoring and exploring options to manage the forecast overspend (as detailed in section 6 of the report). The ADR/T explained that the proposed variation to the Capital Programme which reduced the overall cost by £1.025m over two years did provide some revenue flexibility in relation to the budgeted revenue contribution to capital (CERA) of £1.2m in 2018/19.
- 108.4 The Panel was informed that the 2019/20 budget Star Chamber process had been completed and proposals were to be considered by SLT in November. Additional pressures for the impact of the Service Delivery review and the need to provide some additional resilience in the operational establishment to remove the reliance on fixed term contracts.
- 108.5 Members queried savings from the Sussex Control Centre (SCC) partnership with West Sussex County Council (WSCC) and noted that delays and WSCC's decision to terminate the agreement had prevented full planned efficiencies from being realised. The ADR/T reminded Members that the Urgency Panel had agreed the drawdown of £0.625m from General Balances to fund the forecast pressure on the cost of running the Sussex Control Centre in 2018/19 (£0.125m) and to establish an SCC Reserve (£0.500m) to fund the cost of SCC Phase 2, SCC Exit Strategy and work on Mobilising Strategy after March 2021, when the current contract with Remsdaq expired. Work was being undertaken to establish governance arrangements in order to manage the exit strategy, however, it was too early to have a full knowledge of costs. East Sussex Fire and Rescue Service (ESFRS) would be seeking a fair and equitable division of costs with the Deputy Chief Fire Officer (DCFO) due to present WSCC with a financial position in January 2019 as a starting point for negotiations. Members highlighted the need for regular updates and expressed confidence in officers.
- 108.6 The Panel discussed the overall position of the future of public sector funding. The ADR/T commented on the lack of any specific mention of fire and rescue services in the Chancellor's Autumn Budget Statement, with only general public sector

issues such as pensions and business rate relief referred to. The National Fire Chiefs Council Committee and the Home Office would be putting forward submissions ahead of the Comprehensive Spending Review and ESFRS would also be making a submission, however, it was thought unlikely that it would deliver any additional revenue funding. The Authority would also be making a case for capital investment, especially around nationally shared resources. The Provisional Local Government Finance Settlement was expected on 6 December. Members agreed that a clear message needed to be communicated to Central Government that a reduction in incident numbers was not a signal that further savings could be made. Emergency response was still required and the rescue and prevention agenda important, especially considering the community safety and public protection mandate.

108.7 The ADR/T turned to the Capital Programme, highlighting the areas of slippage, as detailed in the report. With regards to fleet and equipment, a review had been undertaken which had resulted in proposals to remove 3 appliances from the Capital Programme. It was emphasised that this was an adjustment to how replacement appliances were managed and not an overall change in appliance numbers. Members were reassured that representative bodies and those using appliances had been briefed on proposals and would be involved with the strategy, design and future implementation. The principles would also be shared with Fire Authority Members.

108.8 **RESOLVED:** That the panel:

1. Approved the variation to the Capital Programme, reducing the overall budget in 2018/19 by £2,029,000 and increasing the budget for 2019/20 by £1,004,000.
2. Approved the drawdown of £100,000 from General Balances to fund the pressure on the Revenue Budget resulting from the higher than planned Grey Book pay award.
3. Noted:
  - (i) the risks to and the projected Revenue Budget overspend,
  - (ii) the action being taken by the Senior Leadership Team to manage the projected Revenue Budget overspend,
  - (iii) the risks to and the projected underspend in the current year's Capital Programme,
  - (iv) the use of reserves,
  - (v) the shortfall in savings taken in 2018/19, and
  - (vi) the current year investments.

## **109 TREASURY MANAGEMENT-HALF YEAR REVIEW FOR 2018/19**

- 109.1 The Panel considered the treasury management half yearly report from the ADR/T; a requirement of the Fire Authority's reporting procedures. The report covered the treasury activity for the first six months of 2018/19 and included an update on the first half year of Prudential Indicators which related to treasury activity. (*Copy in Minute Book*)
- 109.2 Members asked for further explanation of the decision not to restructure debt. The ADR/T clarified that redemption penalties would have exceeded interest differentials and that the overall interest level would reduce as some higher rate debt was repaid over the next 5 years. There had been no new borrowing since 2008.
- 109.3 Members inquired as to whether an active treasury management approach had been considered in order to look at alternative ways in which income could be generated and maximised through the management of reserves. The ADR/T explained that Members had previously provided greater flexibility for investment within the Treasury Management Strategy. These opportunities were being considered, but in the knowledge that cash available for investment would reduce significantly over the next five years. With regard to adopting a more commercial strategy, it was noted that this may not necessarily be appropriate given the level of investment available and the nature of the Authority. The ADR/T noted that guidance from CIPFA and Central Government on commercial property investment was being revised.
- 109.4 **RESOLVED:** That the Panel noted the treasury management performance for the first half year of 2018/19.

## **110 EFFICIENCY STRATEGY UPDATE**

- 110.1 The Panel received the report of the ADR/T which informed Members of the progress in developing the Authority's Efficiency Strategy and provided an update on the delivery of the Efficiency Plan. (*Copy in Minute Book*)
- 110.2 **RESOLVED:** That the Panel:
- i) Approved the progress update on the Authority's published Efficiency Plan.
  - ii) Noted the progress on delivering the Efficiency Strategy.

## **111 ONE PUBLIC ESTATE (OPE) EMERGENCY SERVICES COLLABORATION PHASE**

- 111.1 The Panel received a report of the ADR/T on the feasibility studies for the co-location of ESFRS, Sussex Police and South East Coast Ambulance Service (SECamb) across Uckfield, Heathfield and Battle sites. (*Copy in Minute Book*)
- 111.2 The Panel asked for clarification on the Equality Impact Assessments (EqIAs) and noted that the redevelopments were fundamentally a positive impact in terms of accessibility, gender equality and health and safety. The EqIAs would continue to

be developed as plans progressed. Timescales for the projects would be established following approvals. Public consultation was not intended as, from a fire service perspective, there would be no change in service; Sussex Police and SECamb would have their own processes to follow.

111.3 The Chairman requested that 'in principle' be removed from recommendations as the report was seeking approval to progress the projects beyond the agreement in principle stage.

111.4 **RESOLVED:** That the Panel:

1. Approved proposals to enable both Sussex Police and SECamb, subject to their own internal sign-off, to relocate into Uckfield Fire Station;
2. Approved proposals to enable both Sussex Police and SECamb, subject to their own internal sign-off, to relocate into Heathfield Fire Station;
3. Approved a variation to the Capital Programme of £100,000 to fund the Authority's contribution to the Uckfield Fire Station Scheme;
4. Granted authority to the Assistant Director Resources / Treasurer, after consultation with the Monitoring Officer, to grant leases or licences to the Police and SECamb in respect of their occupation of Uckfield and Heathfield Fire Stations;
5. Noted the requirements to support the next steps and actions;
6. Noted that further work is required to secure a more appropriate split of future running costs for Uckfield and Heathfield.

## **112 PRESTON CIRCUS FEASIBILITY**

112.1 The Panel received a report of the ADR/T which presented the concept design stage for Preston Circus feasibility work and the costs of supporting a decision on the future layout of the building. (*Copy in Minute Book*).

112.2 The ADR/T explained that approval was being sought to mobilise the project and that in order to avoid further delays, the plans allowed for work to commence whilst efforts continued in seeking a partner to occupy the remaining space. It was highlighted that the costings included in the report were for the stage 2 design plans and not necessarily final. It was also noted that Historic England was looking at the buildings listing status which could impact on timings and costings. It was not yet known whether this related to external and/or internal features. FBU consultation regarding the layouts had taken place with feedback being worked through by the architects and the Estates Manager.

112.3 Members queried the increase in costs from earlier proposals and were informed that the original costs were made at an early stage. The Panel was informed that provision had now been made for programme management, an upgrade of IT, a budget contingency as well as an adjustment to costs following more detailed building investigations. The installation of a lift ensured accessibility to all floors for staff, the public and potential partners.

