

EAST SUSSEX FIRE AUTHORITY

Minutes of the meeting of the East Sussex Fire Authority URGENCY PANEL held at Fire & Rescue Service Headquarters, Lewes on Thursday, 3 January 2019 at 10:00 hours.

Members present: Councillors Barnes, Dowling, Lambert, Scott and O'Quinn.

Also present: D Whittaker (Chief Fire Officer), D Savage (Assistant Director Resources/Treasurer), L Woodley (Deputy Monitoring Officer) and E Simpkin (Democratic Services Officer)

29 DECLARATIONS OF INTEREST

- 29.1 Councillor Dowling declared that his wife was a Cabinet Member at Wealden District Council.

30 APOLOGIES FOR ABSENCE

- 30.1 Apologies had been received from Councillors Elford and Theobald.

31 NOTIFICATION OF ITEMS WHICH THE CHAIRMAN CONSIDERS TO BE URGENT

- 31.1 There were none.

32 BUSINESS RATES RETENTION PILOT

- 32.1 The Panel received a report from the Assistant Director Resources/Treasurer (ADR/T) seeking agreement for East Sussex Fire and Rescue Service (ESFRS) to participate in the East Sussex Business Rates Pilot for 75% business rate retention for 2019/20.

- 32.2 The ADR/T reminded the Panel that in September 2018 the Fire Authority had, as part of a report on Strategic Service Planning and Medium Financial Plan 2019/20, given approval for the submission of an expression of interest to join an East Sussex Business Rate Pilot for 2019/10. On Tuesday, 11 December 2018, as part of the Provisional Local Government Finance Settlement, the Ministry of Housing, Communities & Local Government (MHCLG) had confirmed that the East Sussex Business Rates Retention Pilot bid had been successful and approval was now being sought to progress in the Pilot. Approval was required prior to the consultation period deadline of 10 January 2019. The Panel was reminded that withdrawal of any partner would result in both Pilot and the existing Business Rates Pool failing. It was anticipated that participation in the pilot would result in £250k additional income in 2019/20, making £550,000 in total including the forecast income from the existing Business rates Pool.

- 32.3 The ADR/T went on to highlight the Government expectations for the use of the additional income, explaining that under the current pooling arrangement additional income had to be spent on economic development and business growth. A Safer Business Reserve had been established for this purpose, however, this had presented

challenges and some of these funds remained unspent. Under the 75% Business Rate Retention Pilot additional funds would be split between economic development (which would be the region of £70k) and financial stability (forecast to be £480k). It was envisaged that the Fire Authority would have discretion in how it utilised the economic development fund and could, for example, use the income for feasibility studies or existing planned projects which supported business growth/economic development. Detailed proposals were awaited from each District / Borough. With regard to financial stability, there was an understanding that these funds could be used to support the delivery of local services. The ADR/T reminded the Panel that the Authority would not have the final amount of gain under the Pilot confirmed (and receive the actual income) until after the audit of the 2019/20 accounts. For that reason it was proposed to transfer the additional Pilot income into an Earmarked Reserve and to make plans for its expenditure in 2020/21.

- 32.4 The Panel discussed the risks of the pilot including the potential for Business Rate income to decrease. The ADR/T clarified that the pilot did not have a safety net government guarantee and that any losses would be proportionally shared between the authorities. A sensitivity analysis had been carried out and it was thought that the risk was relatively low, partly due to nature of the businesses in East Sussex. Members highlighted the national challenge to Business Rates from NHS Trusts, however, the ADR/T thought it unlikely that this would be resolved in 2019/20 and would be a national issue. The difference between the risks associated with the pilot itself and the potential for more long term issues to affect Business Rate collection rates was acknowledged by the Panel. It was noted that the risks would form part of the general funding risk in the Corporate Risk Register. The Panel suggested that the acknowledgment of the risks be reflected in the report recommendations.

32.5 **RESOLVED:** That the Panel:

1. agrees that Wealden District Council be nominated as the lead authority;
2. agrees that East Sussex Fire Authority participates in the East Sussex Business Rates pilot for 2019/20 resulting in an anticipated gain of £0.250m over current pooling arrangements (i.e. £0.550m in total);
3. agrees that the basic principle be agreed that no authority will receive a lower level of funding than they would have received without the pool;
4. agrees to split resources gained on the growth in business rates on the basis of the split being 26% to East Sussex County Council, 5% to the Fire Authority and the remaining 44% split amongst the District/Borough Councils;
5. agrees the financial stability and economic development split of funding as set out in paragraphs 5.4 and 5.5 of the report;
6. agrees that additional income to the Fire Authority is transferred to earmarked reserves whilst investment plans are developed,
7. authorises the Assistant Director Resources/Treasurer, after consultation with the Chief Fire Officer and Monitoring Officer, to sign the Memorandum of Understanding on behalf of the Authority and to take such other steps as are necessary to give effect to the foregoing recommendations.; and

8. notes the risks as set out in the report.

33 EXCLUSION OF THE PRESS AND PUBLIC

- 33.1 **RESOLVED** – That items 34 be exempt under paragraph 3 of Part 1 Schedule 12A of the Local Government Act 1972 as amended by the Local Government (Access to Information) (Variation) Order 2006 and accordingly not open for public inspection on the grounds that they include information relating to the financial or business affairs of any particular person (including the authority holding that information).

34 CONFIDENTIAL MINUTES OF THE LAST URGENCY PANEL MEETING HELD ON 6 AUGUST 2018

- 34.1 **RESOLVED** – That the minutes of the meeting of the Urgency Panel held on 6 August 2018 be approved as a correct record and signed by the Chair. (*Copy in minute book*)

The meeting concluded at 10:36 hours.

Signed

Chairman

Dated this

day of

2019

