

**EAST SUSSEX FIRE AUTHORITY**

Date: 17 January 2013

Title: Note of the Policy & Resources Panel meeting held on 10 January 2013

By: Clerk to the Fire Authority

Purpose of report: To report upon the Policy & Resources Panel meeting held since the last meeting of the Fire Authority with regard to those issues of greater significance or requiring a decision from the Fire Authority.

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- RECOMMENDATION:**
- a) The Fire Authority is asked to note the report; and:
  - b) the Fire Authority **BE RECOMMENDED** to
    - i) Note the projected expenditure for 2012/13 (Section 2.1).
    - ii) Note the continued Revenue Budget consultations taking place (Section 2.2.3).
    - iii) Approve the committed budget for 2013/14 of **£38.932m** including provision for pay awards of 1% in 2013/14, price increases of typically 2.5% and net inescapable commitments (Sections 4.2.5, 4.2.7 and 4.2.8).
    - iv) Approve the fees and charges as set out in section 4.2.6 and in Appendix B.
    - v) Note the absence of Service Investment proposals in the 2013/14 Revenue Budget and reasons for their absence as highlighted in Section 4.2.10.
    - vi) Approve the amended Capital Programme for 2012/13 totalling **£4.050m** and the Capital Programme for 2013/14 totalling **£4.150m**, as set out in Section 5 and note that there are no related revenue consequences.
    - vii) Approve the Reserves and Balances Policy set out in Appendix F and the proposed level of reserves summarised in Table 15.
    - viii) Defer determining whether or not to accept the Council Tax Freeze Grant until the February 2013 precept setting meeting as detailed budget and resourcing information still needs to be confirmed (covered in Section 7 and Tables 16 and 17.)
    - ix) Note that the format of the Fire Authority's council tax information will be finalised after the decisions made at the Fire Authority meeting on 7 February 2013.

- x) Note that the detailed recommendations for setting the precept will be included in the final Revenue Budget report to be presented to the Fire Authority at its 7 February 2013 meeting, using the Local Government Finance Settlement and final tax base figures yet to be published.
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## **MAIN ISSUES**

1. There has been one Panel meeting since the last meeting of the Fire Authority on 13 December 2012 which was the Policy & Resources Panel on 10 January 2013 (see also confidential item no. 697).
2. Where the Panel has considered a report that is separately on the agenda for this meeting of the Authority for decision or information, a note of the Panel's recommendation has been included in the report to the Authority. Not all the business issues covered by the Panel has been summarised in this report, only the issues of greater significance requiring either a decision from the Fire Authority or significant items for information. Any Member wishing to see the minutes of the Panel is requested to contact the Clerk.

## **CLERK TO THE FIRE AUTHORITY**

11 January 2013

### **Background Papers:**

Policy & Resources – 10 January 2013

## **POLICY & RESOURCES PANEL MEETING ON 10 JANUARY 2013**

**Members Present: Councillors Livings (Chairman), Ost, Rufus, Scott, Sparks and Thomas.**

The confidential issues considered at this Panel meeting are reported at item no. 697 elsewhere on the agenda.

### **1. REVENUE BUDGET AND CAPITAL PROGRAMME MONITORING 2012/13**

- 1.1 Members considered a joint report of the Chief Fire Officer & Chief Executive and the Treasurer that reported on issues arising from the monitoring of the 2012/13 Revenue Budget and Capital Programme as at 30 November 2012 and set out the current position on the main areas of spending for both Revenue and Capital. There were no outstanding issues.
- 1.2 This was the fourth monitoring report for 2012/13, covering 1 April 2012 to 30 November 2012. The Revenue Budget outturn for 2012/13 was projected to be under budget by £731,000, compared to the £412,000 previously reported in November 2012.
- 1.3 The overall Capital Programme was projected to underspend by £40,000, compared to the overspend of £21,000 reported to the Panel in November. The current year's Programme was projected to be under budget by £1,944,000 against £559,000 previously reported in November, due to slippage on projects from 2012/13 to 2013/14, one of the most significant being the purchase of land at Maresfield which was dependent upon the outcome of the DCLG capital grant bidding process which was not announced until recently. The Panel noted that whilst the ESFRS bid was not successful, our general allocation of Fire Capital Grant was higher than previously projected. The Panel also noted that an amended business case for a capital scheme at Maresfield would be brought to the Panel for consideration in early 2013/14.
- 1.4 Members noted:
  - i. The projected 2012/13 Revenue Budget outturn;
  - ii. The projected Capital Programme outturn;
  - iii. The current and planned use of Balances;
  - iv. The contribution of £0.666m to adaptations to Haywards Heath Fire Station to the Capital Programme, funded from the Capital Programme Reserve; and
  - v. The transfer of the remaining transition/collaboration funds of £371,000 in the 2012/13 base budget to Earmarked Reserves.

### **2. MEDIUM TERM FINANCIAL PLAN 2013/14 TO 2017/18 INCLUDING IRMP – CONSULTATION OUTCOMES**

- 2.1 Members considered a report of the Chief Fire Officer & Chief Executive that apprised them of the consultation responses to the latest draft Medium Term Plan 2013/14 to 2017/18 for consideration as part of the Fire Authority's medium term strategic policy and resource planning considerations.

- 2.2 As part of Medium Term Planning processes, a draft Medium Term Plan, including proposed IRMP issues covering the period 2013/14 to 2017/18, was approved for consultation earlier this year. The key consultation methodologies used were letters to all stakeholders including representative bodies, and on-line survey, and ORS commissioned work including a telephone survey to 500 residents and 3 deliberative focus groups across our local area so that the outcomes could be considered to be broadly demographically representative and inclusive. The 12 week consultation programme ended on 14 December 2012.
- 2.3 The overall results indicated that the proposals set out in the Medium Term Plan have sustained extensive public support. Consultees still believed ESFRS provides value for money to local council taxpayers, and our amended strategic aims were supported. When asked about service prioritisation issues to manage future cuts in available resources, both the telephone survey and the focus group outcomes suggested that the public wished our operational response standards to be protected the most; reducing prevention and protection was also not favoured. Maximising council tax within government limits was the preferred potential partial solution - but reducing staffing costs via different crewing arrangements was seen as a higher priority for the Service to address, along with increasing income from fees and charges and greater partnership working to achieve efficiencies in scale and scope of support services.
- 2.4 Two areas of improvement were identified from the telephone survey:
- a) a quarter of residents (25%) felt poorly informed about the standard of service they should expect from their Fire & Rescue Service (compared with 40% in 2010/11); and
  - b) more than half (52%) of residents reported feeling poorly informed about what their Fire and Rescue Service spends its money on (compared with 53% in 2010/11).
- 2.5 The Panel's attention was drawn to the conclusions of the Deliberative Focus Groups which were described by ORS in their executive report as follows:

### **“CONCLUSIONS**

*52. The public sector spending reductions and ESFRS' funding gap do not lead informed members of the public to suppose that the service should abandon its commitment to prevention work and public education. On the evidence of these three meetings, the public want to retain these important activities and also the focus on the vulnerable and higher risk people. However, the public are ready to see a more differentiated approach developed – with selective targeting of different groups for different kinds of educative and protective initiatives. For instance, there was no support for smoke detectors and free home fire safety checks to continue to be delivered by ESFRS as “free universal benefits” for all households regardless of need or risk; rather the public thought that these initiatives should be delivered on a more rational, targeted basis, reflecting variations in risk levels.*

53. *The weighting exercise, in which people had to prioritise some key possible options in the context of ESFRS' funding gap shows clearly that the emphasis should not fall wholly on one initiative to the detriment of all the others: the fact that an option is given any weighting at all means that it has some importance.*

54. *Therefore, the implication is that ESFRS should **pursue a balanced approach**, giving recognition to at least three of the main ways forward. The public's main priorities are for the ESFRS to consider more **economical duty systems** and to **raise ESFRS council tax**; they do not want to see fire engines reduced and response times lengthened; but they do want to **protect preventive work in the community**, albeit in a more targeted and economical manner.*

55. *Both initially and when the financial situation was understood, there was considerable support for increasing the **ESFRS council tax precept** by 2% - mainly because people thought the current annual payment for Band D households is low and because they understood that the money would go exclusively to the ESFRS."*

2.6 Members were informed that a more detailed analysis would be prepared on what conclusions might be drawn for further consideration as part of next year's strategic planning processes and a summary would be published in the final version of the Plan for publication by 31 March 2013 along with the appropriate supporting documents.

2.7 Members noted the report.

3. **FIRE AUTHORITY SERVICE PLANNING PROCESSES FOR 2013/14 AND BEYOND – REVENUE BUDGET 2013/14 AND CAPITAL PROGRAMME 2013/14 TO 2017/18**

3.1 Members considered a joint report of the Chief Fire Officer & Chief Executive and the Treasurer that presented the draft 2013/14 Fire Authority Service Planning issues for initial consideration prior to formal consideration by the Fire Authority on 17 January 2013. (Copy in Minute Book).

3.2 It was noted that the approved Revenue Budget and Capital Programme would be incorporated into final versions of the 2013/14 Medium Term Plan and the 2013/14 Annual Plan, once the Fire Authority had approved them in February 2013, for subsequent publication. The Fire Authority noted the requirement to set its precept for 2013/14 at its meeting on 7 February 2013.

3.3 The Treasurer advised on the key implications of all the issues set out in the report including the need to await the remaining information outstanding before any final decisions could be taken on the precept at the February 2013 meeting which included:

- i) the economic outlook and national funding changes;
- ii) a summary of the agreed budget strategy and service priorities for the Fire Authority;
- iii) the details of the draft committed Revenue Budget of £38.932m which is a net reduction £1.610m (-2.74%) on the 2012/13 base budget of £40.030m, a significant proportion of the net savings being achieved through the outcome of the Facing the Challenge proposals £1.325m;

- iv) the implications of the Medium Term Plan which, based upon current presumptions would result in net expenditure reductions of 1.44% to 2014/15, and subsequent increases of 0.38% to 2015/16, 1.79% to 2016/17 and 1.62% to 2017/18;
- v) the implications of the changes arising from the Local Government Finance Settlement consultation information which set out the implications for ESFRS in both 2013/14 and 2014/15 on the proposed figures for Revenue Support Grant; Business Rates Retention, Council Tax Freeze and Transitional Support Grant amounts with the resultant implications upon the council tax requirements for either Option A accepting the CT Freeze Grant or Option B rejecting it in favour of an increase up to the 2% threshold.  
Option A would result in a balanced budget and Option B would result in additional base budget flexibility of £0.183m in 2013/14 with the latter option helping to close the strategic resourcing gap in future years.
- vi) a summary of the latest spending projections against DCLG grant for the Sussex Control Centre
- vii) a summary of the schemes included in the draft Capital Programme 2013/14 to 2017/18 (base year 2012/13); outcomes of the 2013/14 fire capital grant distributions; overall costs over the period along with available capital resourcing and how such resourcing could be applied to meet the phasing of schemes in the Capital Programme
- viii) a summary of available reserves and balances and a new Reserves Policy for the Authority which sets out to explain the differences in the types of reserves held, the reasons for them and levels achieved, and proposes a minimum level of General Reserves set at 8% of Net Budget Requirement.
- ix) a summary of the overall financial implications placed upon the Fire Authority if all of the detailed proposals set out are approved but dependent upon information still outstanding at this stage and whether or not the Fire Authority accept the Council Tax Freeze Grant (resourcing deficit of £2.017m by 2017/18) or reject it in favour of a council tax increase of up to 2% (resourcing deficit of £1.549m by 2017/18).

3.4 Members were reminded of the information still outstanding, the fact that Government Grant figures may yet change after the consultation period ends; the current presumptions made on future council tax increases in the Medium Term projections; the range of risks the Fire Authority remains exposed to, especially as a result of the localisation of council tax support and business rates retention and the need to set a Balanced Budget for 2013/14 as well as considering the medium term resourcing gap faced by the Fire Authority and the uncertainty about funding after 2014/15 until the results of the next Comprehensive Spending review (CSR13) are known.

3.5 Members have agreed to **RECOMMEND** that the Fire Authority:

- i) Note the projected expenditure for 2012/13 (Section 2.1).
- ii) Note the continued Revenue Budget consultations taking place (Section 2.2.3).
- iii) Approve the committed budget for 2013/14 of **£38.932m** including provision for pay awards of 1% in 2013/14, price increases of typically 2.5% and net inescapable commitments (Sections 4.2.5, 4.2.7 and 4.2.8).
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#### 4. **MEMBERS' MOTOR INSURANCE WHILST ON FIRE AUTHORITY BUSINESS**

- 4.1 Members considered a report of the Chief Fire Officer & Chief Executive that provided guidance on the lawful procedure with regard to Members using their own private motor vehicles on Fire Authority business.
- 4.2 Members must advise their own insurers and ensure they are suitably covered if they are using their own vehicles on Fire Authority business. This means business use cover. This is a requirement of all local authority Members, staff and, indeed, required for any businesses. In order to ensure the Fire Authority complies with its legal requirements, all Members must now provide evidence that they have business cover insurance if using their own vehicles on CFA business, on an annual basis.
- 4.3 Members noted the report.

**Councillor Livings**  
**Chairman, Policy & Resources Panel**  
 11 January 2013