



## **EAST SUSSEX FIRE AUTHORITY**

**THURSDAY 6 JUNE 2013 at 10.30 HOURS**

### **MEMBERS**

#### **East Sussex County Council (12)**

Councillors Barnes, Buchanan, Butler, Earl, Galley, Howson, Lambert, Pragnell, Scott, Sheppard, Taylor and Wincott.

#### **Brighton & Hove City Council (6)**

Councillors Carden, Hawtree, Peltzer Dunn, Powell, Rufus and Theobald.

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**You are required to attend this meeting to be held at Fire and Rescue Service Headquarters, 20 Upperton Road, Eastbourne at 10.30 hours.**

### **AGENDA**

716. In relation to matters on the agenda, seek declarations of any disclosable pecuniary interests under Section 30 of the Localism Act 2011.
717. Election of Chairman – report of the Monitoring Officer (copy attached).
718. Election of Vice-Chairman – report of the Monitoring Officer (copy attached).
719. Apologies for absence.
720. Notification of items which the Chairman considers urgent and proposes to take at the end of the agenda/Chairman's Business.  
  
(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).
721. To consider any public questions.
722. Petitions.

723. Non-confidential minutes of the meeting held on 7 February 2013 (copy attached).
724. 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 Fire Authority to adopt without debate the recommendations and resolutions contained in the relevant reports for those items which have not been called.
725. Political Representation on the Panels of the Fire Authority – report of the Monitoring Officer (copy attached).
726. Provisional Revenue and Capital Outturn 2012/13 – joint report of the Chief Fire Officer & Chief Executive and Treasurer (copy attached).
727. Treasury Management – Stewardship Report for 2012/13 – report of the Treasurer (copy attached).
728. Authorised Banking Arrangements – joint report of the Chief Fire Officer & Chief Executive and Treasurer (Copy Attached).
729. Facing the Future: Findings from the Review of Efficiencies and Operations in the Fire & Rescue Authorities in England – report of the Chief Fire Officer & Chief Executive (copy attached).
730. Quarterly Report for January to March 2013 – report of the Chief Fire Officer & Chief Executive (copy attached).
731. Exclusion of the Press and Public.

To consider whether, in view of the business to be transacted or the nature of the proceedings, the press and public should be excluded from the remainder of the meeting on the grounds that, if the public and press were present, there would be disclosure to them of exempt information. **NOTE:** Any item appearing in the confidential part of the Agenda states in its heading the category under which the information disclosed in the report is confidential and therefore not available to the public. A list and description of the exempt categories are available for public inspection at East Sussex Fire & Rescue Service HQ, 20 Upperton Road, Eastbourne, and at Brighton and Hove Town Halls.

732. Business Continuity – Industrial Action Strategy – confidential report of the Chief Fire Officer & Chief Executive (copy attached). (Exempt category under paragraph 3 of the Local Government Act 1972).

**ABRAHAM GHEBRE-GHIORGHIS**  
**Monitoring Officer**  
**East Sussex Fire Authority**  
**c/o Brighton & Hove City Council**

**EAST SUSSEX FIRE AUTHORITY**

Date: **6 June 2013**

Title: **Election of Chairman**

By: **Monitoring Officer**

Purpose of Report: **To invite the Fire Authority to elect a Chairman and to request the Chairman, once elected, to advise on their preferred title.**

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**RECOMMENDATION:** The Fire Authority is asked to:

- i. appoint a Chairman; and
- ii. invite the Chairman to advise on his/her preferred title.

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**MAIN ISSUES**

1. The Report presented to the Fire Authority on 7 June 2012 set out the background information in relation to the procedures for the election of a Chairman and, if desired, a Vice-Chairman.
2. The Fire Authority duly elected a Chairman to serve for one year. This report seeks approval to appoint a Chairman to the Fire Authority.
3. The rules governing the election are set out overleaf.
4. The Fire Authority has agreed previously that it was appropriate to invite the Chairman, once elected, to advise on his/her preferred choice of title.

**Abraham Ghebre-Ghiorghis**  
**MONITORING OFFICER**  
17 May 2013

Previous Reports

Fire Brigade Joint Committee 9th September 1996  
Fire Authority December 1996; June 1997; May 1998; June 1999; June 2000; June 2001;  
June 2002; 5 June 2003; 3 June 2004; 9 June 2005; 8 June 2006; 7 June 2007; 5 June  
2008; 9 July 2009; 3 June 2010; 2 June 2011, 7 June 2012

Background Papers

East Sussex Combination Order

## 1. **BACKGROUND INFORMATION**

- 1.1 The report presented to the Fire Authority on 7 June 2012 set out the background information in relation to the procedures for the election of a Chairman and, if desired, a Vice-Chairman. The Fire Authority duly elected a Chairman on 7 June 2012 to serve for a period of one year, or until the date of the next AGM, when a new election would need to be considered. This report seeks approval to appoint a Chairman to the Fire Authority.
- 1.2 The Combination Order for the creation of the East Sussex Fire Authority sets down the following procedures:
- 17 (1) The Authority shall elect a Chairman, and may elect a Vice-Chairman, from amongst its members.
  - 17 (2) The Chairman, and if a Vice-Chairman is elected, the Vice-Chairman, shall, subject to paragraphs 13 – 16, hold office for a period of one year from the date of their election.
  - 17 (3) Sub-paragraph (2) shall not prevent a person who holds, or has held, office as Chairman, or Vice-Chairman, as the case may be, from being elected or re-elected to either of those offices.
  - 17 (4) On a casual vacancy occurring in the office of Chairman or, if a Vice-Chairman has been elected, the Vice-Chairman, the Authority shall elect from its members a person to replace the Chairman, and may so elect a person to replace the Vice-Chairman, as the case may be.
  - 17 (5) The election to replace the Chairman under sub paragraph (4) above shall take place not later than the next following ordinary meeting of the Authority.
- 1.3 The Standing Orders of the Fire Authority state:
- 9. Election of Chairman and Vice-Chairman
    - 9.1 The Authority shall at the annual meeting elect a Chairman and may elect a Vice-Chairman or Vice-Chairmen from among its members as the first business.
    - 9.2 On a casual vacancy occurring in the office of Chairman and Vice-Chairman, the Authority shall elect from its members a person to replace the Chairman and may so elect a person to replace the Vice-Chairman as the case may be.
    - 9.3 The Authority, when deciding to elect a Vice-Chairman, should consider an appropriate representative balance between the two constituent authorities such that the Vice-Chairman, unless the Fire Authority specifically determine otherwise, should be a Member from the other constituent authority to that of the newly elected Chairman.
- 1.4 Under Standing Order 23.1, if more than one person is nominated, there is a procedure for voting by roll call which applies unless otherwise agreed. Last year, the Authority agreed to appoint the Chairman and Vice-Chairman by a show of hands. A third alternative would be to hold a ballot.
- 1.5 When the Fire Authority was first constituted, it was agreed that its 'Chairman' would be formally called as such, as opposed to the title 'Chair' or alternatively, 'Chairman or Chairwoman.' The Fire Authority has previously agreed that it was appropriate to invite the Chairman, once elected, to advise on his/her preferred choice of title.

**EAST SUSSEX FIRE AUTHORITY**

Date: **6 June 2013**

Title: **Election of Vice-Chairman**

By: **Monitoring Officer**

Purpose of Report: **To invite the Fire Authority to elect a Vice-Chairman and once elected, to request the Vice-Chairman to advise on his/her preferred title.**

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**RECOMMENDATION:** The Fire Authority is asked to:

- i. consider whether it wishes to elect a Vice-Chairman; and
- ii. if appointed, to invite the Vice-Chairman to advise on his/her preferred title.

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**MAIN ISSUES**

1. Agenda Item 717 above sets out the adopted procedures for the appointment of a Chairman and Vice-Chairman.
2. Members' attention is drawn specifically to Standing Order 9.3 (see previous agenda item) and, unless the Fire Authority specifically determines otherwise, the Vice-Chairman should be a Member from the other constituent authority to that of the newly elected Chairman.
3. The Fire Authority is asked to consider whether to elect a Vice-Chairman to assist the Chairman in his or her role.
4. The Fire Authority has agreed previously that it was appropriate to invite the Vice-Chairman, once elected, to advise on his/her preferred choice of title.

**Abraham Ghebre-Ghiorghis**

**MONITORING OFFICER**

17 May 2013

**Previous Reports**

Fire Brigade Joint Committee 9th September 1996

Fire Authority December 1996; June 1997; May 1998; June 1999; June 2000; June 2001; June 2002; June 2003; June 2004; June 2005; June 2006; June 2007; June 2008; July 2009; 3 June 2010; 2 June 2011, 7 June 2012.

**Background Papers**

East Sussex Combination Order; Members' Handbook.



**EAST SUSSEX FIRE AUTHORITY**

**Minutes of the meeting of the East Sussex Fire Authority held at East Sussex Fire & Rescue Service Headquarters, 20 Upperton Road, Eastbourne, at 10.30 hours on Thursday 7 February 2013.**

**Present:** Councillors Carden, Duncan, Fawthrop, Healy, Heaps, Howson, Kenward, Livings (Chairman), Ost, Pidgeon, Powell, Rufus, Scott, Sparks, Theobald, Thomas, Tidy and Waite.

**Also present:**

Mr. D. Prichard (Chief Fire Officer & Chief Executive), Mr. G. Walsh (Deputy Chief Fire Officer), Mr. G. Ferrand (Assistant Chief Fire Officer), Mrs. D. Williams (Assistant Chief Officer – Corporate Services), Mrs. C. Rolph (Assistant Chief Officer – People & Organisational Development), Mr. A. Ghebre-Ghiorghis (Monitoring Officer), Mr. D. Savage (Treasurer), Mr. R. Charman (Director of Financial Services) and Mrs. A Bryen (Clerk).

**699. DISCLOSABLE PECUNIARY INTERESTS**

699.1 It was noted that, in relation to matters on the agenda, no participating Member had any disclosable pecuniary interest under Section 30 of the Localism Act 2011.

The Monitoring Officer advised Members that under the previous ethical standards regime, Members would have been granted an automatic dispensation to take part in the consideration of setting the precept, a decision which has to be taken by the full Fire Authority. Similarly, dispensations would have been granted to allow Members to consider and decide upon allowances paid to Members, a decision which was also reserved for the full Fire Authority.

The Localism Act 2011 introduced a new ethical standards regime and the automatic dispensations had been removed. Both the Standards Panel and the Monitoring Officer now had delegated authority to grant dispensations to Members. Nationally, there had been a divergence of opinion as to whether or not a dispensation was required to consider setting a budget or Members' allowances, but to avoid any risk of challenge, he advised that dispensations should be sought and given.

The Monitoring Officer confirmed that all Members of the Fire Authority had made written application to him requesting dispensations which he confirmed he had granted.

**700. APOLOGIES FOR ABSENCE**

700.1 There were none.

**701. URGENT ITEMS AND CHAIRMAN'S BUSINESS**

701.1 a. Members of the Fire Authority

The Chairman said that this was the last meeting of the full Fire Authority before the County Council elections, due to be held on 2 May 2013. He thanked all Members for their service on the Fire Authority and particularly those Members who were retiring.

701.2 b. Mrs Diana Williams M.B.E. - Assistant Chief Officer (Corporate Services)

The Chairman said that this would be the last full Fire Authority that Diana Williams, Assistant Chief Officer, would be attending before she retired at the end of March.

Diana had 39 years' service in local government, beginning with Brighton Borough Council in 1974 followed by East Sussex County Council in 1984. She had joined the Fire & Rescue Service on 1 October 1994 to assist the Organisation as it moved towards becoming a Combined Fire Authority.

The Chairman thanked Diana for her contributions to the Service, and for the support and guidance that she had given to him as Chairman and to all Members helping them in the performance of their roles. He wished her good health and happiness in her retirement, and presented her with a rose bowl in appreciation of her service.

Councillor Sparks, Vice-Chairman, on behalf the Liberal Democrat Group, echoed the sentiments expressed by the Chairman and thanked Diana for her diligent work for ESFA and ESFRS, both professionally and for the personal help and support that she had given to Members during the past years, and presented her with a bouquet.

Councillor Rufus, on behalf of the Green Group expressed Members' appreciation to Diana for the support she had given to Members, particularly the welcome and advice that she extended to those newly appointed to the Authority. He said that she would be greatly missed.

Councillor Scott, on behalf of the Labour Group, also thanked Diana for her guidance and support to the Fire Authority and personally to him over the many years that he had known her.

Councillor Thomas, on behalf of the Conservative Group, said that Diana had always demonstrated a high level of professional integrity in all that she had done in her role as a Principal Officer with the Service. She had given Members the support they needed to enable them to carry out their roles in an efficient and thorough manner, as well as helping many Members at a personal level. He wished Diana a long and healthy retirement.

701.3 Duncan Savage – Treasurer to the Fire Authority

The Chairman informed Members that Duncan Savage, Treasurer to the Fire Authority, was leaving the employment of East Sussex County Council and that this would be the last meeting that Duncan would be attending before he left on 8 February 2013. The Chairman and Members thanked Duncan for his support and advice that he had given to the Fire Authority and wished him well for the future.

The Chief Fire Officer & Chief Executive thanked Duncan for the professional advice and wise counsel that he had given him, and complimented him on helping to place the Fire Authority in a secure and healthy position from which to go forward. He wished him well for the future.

702. **TO CONSIDER PUBLIC QUESTIONS AND PETITIONS, IF ANY**

702.1 There were none.



703. **NON-CONFIDENTIAL AND CONFIDENTIAL MINUTES OF THE MEETING HELD ON 17 JANUARY 2013**
- 703.1 **RESOLVED** – That the non-confidential and confidential Minutes of the meeting held on 17 January 2013 be approved and signed by the Chairman. (Copy in Minute Book).
- 703.2 N.B. The Monitoring Officer confirmed that unless Members wished to raise questions on the accuracy of the confidential minutes, the approval of the minutes could be dealt with without the need to exclude members of the press and public.
704. **CALLOVER**
- 704.1 Members reserved the following items for debate:
- 705. Fire Authority service planning processes for 2013/14 and beyond – Draft Annual Plan 2013/14 and Draft Revenue Budget
  - 706. Sussex Control Centre – progress report
  - 707. Fire Authority Treasury Management Strategy for 2013/14
  - 710. Fire & Rescue Service Efficiencies Review
  - 711. Preparations For Future Delivery of Financial Services For ESFRS
  - 712. Quarterly Report (October to December 2012)
- 704.2 **RESOLVED** – That all other reports be resolved in accordance with the recommendations as detailed below.
705. **FIRE AUTHORITY SERVICE PLANNING PROCESSES FOR 2013/14 AND BEYOND – DRAFT ANNUAL PLAN 2013/14 AND DRAFT REVENUE BUDGET**
- 705.1 The Fire Authority considered a joint report of the Chief Fire Officer & Chief Executive and the Treasurer that presented the relevant reports on the Service Planning Processes for 2013/14 and beyond for approval for the purposes of setting the 2013/14 Council Tax precept and other relevant matters. (Copy in Minute Book).
- 705.2 Since the publication of the agenda and reports, Members were updated with the following information:
- i. two letters from the Fire Minister, Brandon Lewis MP, regarding Council Tax Levels in 2013-14:
    - a) encouraging all fire and rescue authorities to sign up in response to the Government's offer of Council Tax Freeze Grant; and
    - b) informing fire and rescue authorities that the Secretary of State proposed a council tax referendum principle of 2%, which was yet to be approved by the House of Commons.
  - ii. An analysis of reserves and balances from a number of authorities.
  - iii. A revised report 705.B following the final Local Government Finance Settlement announcement on 4 February 2013.
- 705.A **Draft Annual Plan 2013/14**
- 705.A.1 The Fire Authority considered a report of the Chief Fire Officer & Chief Executive that summarised the outstanding actions required to complete the Draft Annual Plan 2013/14 for approval and for final completion by the publication date of 30 June 2013. (Copy in Minute Book).

705.A.2 **RESOLVED** that:

- i) the roll forward of the draft Annual Plan for publication by 30 June 2013, subject to any final amendments once the Revenue Budget has been approved and other outstanding information set out in the report, be approved in principle; and
- ii) authority be delegated to the Chief Fire Officer & Chief Executive, following consultation with the Chairman, to approve the final version of the Annual Plan.

705.B **Draft Revenue Budget 2013/14**

705.B.1 The Fire Authority considered a revised joint report of the Chief Fire Officer & Chief Executive and the Treasurer that set out the final draft Fire Authority Revenue Budget for 2013/14. (Copy in Minute Book).

705.B.2 The Treasurer advised that due to the late announcement of the Local Government Finance Settlement (LGFS) on 4 February 2013, the report had been revised, but there were no material changes and this had resulted in only minor roundings. The settlement had been better than anticipated although the Authority would have to find savings in the order of £3.5m by 2017/18. He expected that the Authority would receive full transitional grant from the Government. There were adequate and proportionate balances to support transition. The LGFS had confirmed the level of Council tax rises that could trigger a referendum and the threshold was 2% for ESFA. The settlement was due to be debated in Parliament on 13 February, but based on past experience, the settlement was unlikely to change following that debate.

705.B.3 The Fire Authority had used figures provided by the Government in accordance with the Local Government Finance Settlement in formulating its proposed budget. However, it was evident from returns made by local billing authorities following other recent government guidance on calculations for business rates income, that the actual level of business rates baseline funding was likely to be lower. It was proposed that as the Fire Authority had already recognised this risk and made provision in Reserves and Balances, any adjustments to make up a deficit could be managed through these provisions without it affecting the detailed budget proposed.

705.B.4 The Treasurer reminded Members that there remained significant uncertainty about funding after 2014/15 which was unlikely to be resolved until after the completion of Comprehensive Spending Review (CSR) 2013. There was also a range of risks associated with the new funding regime which would need to be monitored and assessed during 2013/14. For these reasons, plans for 2014/15 onwards would need to be revisited later in the year.

705.B.5 The Treasurer had also circulated an analysis of balances and reserves from a number of authorities. He also referred to correspondence from Brandon Lewis MP Parliamentary Under Secretary of State encouraging local authorities to accept the Council Tax Freeze Grant.

- 705.B.6 In the view of the Treasurer, in line with the requirements set out in Section 25 of the Local Government Act 2003, the estimates used for the purposes of calculating the budget, revenue and capital, had been produced in a robust and transparent way and the proposed financial reserves were consistent with Fire Authority policy, and were prudent and necessary. In the nature of FRS business, Members were reminded of the need to recognise that risks, financial and otherwise, and their consequent impact on the budget and reserves, may change during the year and would need to be continually reviewed and managed in line with the Authority's policy.
- 705.B.7 At its meeting on 17 January 2013, the Fire Authority had approved the 2013/14 Committed Budget of £38.932m and related detailed provisions, fees and charges, etc. and the 2013/14 to 2017/18 Capital Programme.
- 705.B.8 Under the new funding arrangements, the provisional 2013/14 Finance Settlement included Revenue Support Grant of £10.195m; Retained Business rates (including top up) of £6.782m, Council Tax Transitional Support Grant of £0.092m and a further Council Tax Freeze Grant of £0.249m for two years if the Fire Authority accepted a nil increase in the precept for a further year.
- 705.B.9 Final figures on council tax base and council tax collection fund had enabled a Revenue Budget to be set at £39.079m, for council tax band D increases to be kept to £81.86 if this latest council tax freeze grant was accepted. Members considered other financial policy options set out in the report. Any additional surplus would be transferred into Reserves to be set aside to fund future spending pressures and proposals.
- 705.B.10 Members were advised that the collection fund was in surplus by £0.136m compared with the estimated net nil reported on 17 January 2013. It was proposed to transfer this one off collection fund surplus to Reserves to assist in funding future service pressures in 2013/14 or future years.
- 705.B.11 It was recommended that power should be delegated to the Chief Fire Officer and Chief Executive, in consultation with the Chairman and the Treasurer, to make any presentational changes to the budget that may be required. This would not impact on the agreed precept or level of Council Tax.
- 705.B.12 The Chief Fire Officer & Chief Executive drew Members' attention to Annex 6 which highlighted the shortfalls and levels of savings predicted to be required from 2013/14 to 2017/18 in the three options presented to Members, i.e. a council tax freeze, an increase of 1% and an increase of 1.94%. The level of savings required would present significant challenges to the Fire Authority, and a Members' Seminar had been arranged for 25 February 2013 which he urged all Members to attend to consider the way forward for the Authority to address the future budget shortfalls. He urged that the Fire Authority should give early consideration to preparing a strategic approach to the budgets from 2015/16 to 2017/18 and beyond when the financial pressures faced by the Authority would be greater.

- 705.B.13 The Chief Fire Officer & Chief Executive reminded Members that out of 24 Fire & Rescue Services across England, 15 were part of County Councils who set their budgets. The remaining Fire Authorities were either well placed larger authorities with greater opportunities to absorb budget pressures with possible increased income from a share of business rates, or smaller authorities who had been given greater flexibilities and grants. Representations had been made to the Minister to allow all Fire Authorities to raise their precepts by up to £5, but the Minister had allowed only those Authorities in the lower quartile to do this. East Sussex Fire Authority was middle-placed, was a coastal service with the majority of its population living in coastal towns, and had none of the advantages of a larger CFA or the financial grants provided to the smaller authorities.
- 705.B.14 He advised Members that there was a danger that ESFA could become isolated and asked Members to consider re-opening discussions with West Sussex County Council about a merger between East Sussex and West Sussex Fire & Rescue Services. The business case for this had demonstrated clear financial and service delivery benefits, but a successful future merger would require local political support and Ministerial support. He asked Members to consider seeking a formal meeting with Brandon Lewis MP and Eric Pickles MP to enable a deputation from the Authority to clearly explain the financial pressures on ESFA.
- 705.B.15 The Chief Fire Officer & Chief Executive referred to the letter from Brandon Lewis MP regarding the Council Tax freeze grant. He recognised that there was a potential risk to the future funding for the Fire Authority should Members decide not to accept the freeze grant. The Treasurer re-iterated that the freeze grant would be paid for two years across 2013/14 – 2014/15. All other authorities across East Sussex were accepting the freeze grant, except Brighton & Hove City Council and Chichester. There still remained a significant level of Government grant in the funding settlement for ESFA.
- 705.B.16 Members debated the budget proposals and the implications of accepting the freeze grant, or increasing the council tax by 1% or by 1.94%.
- 705.B.17 Councillor Thomas said that to refuse to accept a Council tax freeze grant would only delay making difficult decisions about the radical changes that would be needed in the delivery of the fire & rescue service in future years. ESFA should be seeking to influence the Government to instigate a total review of the Service. There were ambiguities in the Government's grant settlements which needed to be resolved. He considered that a rise in council tax, however small, would hit the most vulnerable in the community, and that the Authority should accept the Council Tax Freeze Grant.
- 705.B.18 Councillor Sparks said that this had been the most complex budget setting year that he had known. He referred to the response from UNISON, and wished to place on record that the service support staff were a vital and valued part of the organisation. He said that the Authority should embrace localism and take into account the results of the public consultation, in which local residents had supported a modest increase in council tax to secure sustainable fire and rescue services. The Authority would need to consider finding other ways to pay for services. He said that the Authority should consider accepting Option C in the report i.e. a council tax rise of 1.94% and reject the Council Tax Freeze Grant.

- 705.B.19 Councillor Rufus said that it was important to reject the Council Tax Freeze Grant and he supported Option C set out in the report – to accept a 1.94% rise in council tax. He said that it was uncertain what would be available in grants offered by the Government for the 2014/15 and beyond, and whether or not it would be possible to raise Council Tax by 2% in the following years. It was important to recognise that this was a single function emergency service, and that service reductions were more difficult to achieve than those faced by other local authorities dealing with a wide range of services and functions.
- 705.B.20 Councillor Scott said that raising Council Tax by 3p per week would give the Authority flexibility over time and would help to protect jobs and service delivery, and he supported building this increase into the base budget for 2013/14. He supported rejecting the Council Tax Freeze Grant and approval of Option C set out in the report – to raise Council Tax by 1.94%. He said that the Hastings Review had shown how much the public valued the Fire and Rescue Service.
- 705.B.21 Councillor Tidy supported accepting the Council Tax Freeze Grant. She said that many local residents were in low paid employment but came within the threshold required to pay Council Tax. She said that Members should give further consideration to the medium term at the next Members' Seminar.
- 705.B.22 Councillor Healy said that the Authority had been financially prudent during recent years, but a Sussex wide review of the Service was needed. She supported Option C – a 1.94% increase.
- 705.B.23 Councillor Theobald supported further consideration of a merger with West Sussex FRS, but supported accepting the Council Tax Freeze Grant to help local residents in 2013/14.
- 705.B.24 Councillor Duncan considered that the longer term was best served by increasing the Council Tax and he supported Option C. Recent research had shown that the most vulnerable residents were more likely to be at risk from injuries and death caused by fire, and the Service should be funded to a level which would enable continued support to these residents.
- 705.B.25 Councillor Powell said that accepting the Council Tax Freeze Grant would create the largest shortfall in funding over the long term. She supported rejecting the freeze grant.
- 705.B.26 Councillor Carden was concerned that the long term financial situation could worsen and may result in the closure of fire stations. He urged Members to reject the Council Tax Freeze Grant and support Option C.
- 705.B.27 **RESOLVED** – That
- i. the detailed recommendations set out in section 1.2 of the report be approved, i.e.
    - a. the final budget figures of £39.079m for 2013/14 a 2.38% reduction on the 2012/13 base budget of £40.030m before consideration of any further temporary spending options if the precept is increased by up to 2%;

| <b>Option A – Accept Council Tax Freeze Grant and do not increase Council Tax precept in 2013/14.</b> |   |                   |                   |
|---|---|-------------------|-------------------|
|   | <b>Revenue Budget Summary</b>           | <b>2012/13</b>    | <b>2013/14</b>    |
| Actual  |   | Original Estimate | Original Estimate |
| £'000   |   | £'000             | £'000             |
| (617)   | Council Tax Freeze Grant (11/12)        | (617)             | 0                 |
|   | Council Tax Freeze Grant (12/13)        | (743)             | 0                 |
|   | Council Tax Freeze Grant (13/14)        |                   | (249)             |
|   | Council Tax Support Grant Transitional  |                   | (92)              |
| (77)  | Collection Fund Surplus (Surplus)       | (21)              | (136)             |
| (24,674)  | Council Tax Requirement                 | (24,764)          | (21,625)          |
| <b>(25,368)</b>   | <b>TOTAL COUNCL TAX INCOME</b>          | <b>(26,145)</b>   | <b>(22,102)</b>   |
| <b>(39,203)</b>   | <b>TOTAL CONTRIBUTIONS AND PRECEPTS</b> | <b>(40,030)</b>   | <b>(39,079)</b>   |
|   | Surplus (147,000 added to balances)     |                   | 0                 |

- b. To note that the final Council Tax Base for 2013/14 and the confirmed Collection Fund Surplus, (detailed in Appendix 1 section 2 of the report), which deliver a positive movement in available resources of £0.147m compared to that previously estimated which will be transferred direct to Reserves as part of the committed budget;
  - c. To note the previously approved Capital Programme payments for 2013/14 totalling £4.150m which have no related revenue consequences;
  - d. To note that as the Council Tax Freeze Grant has not been rejected in favour of a precept increase of up to 2% it is not necessary to take decisions as to whether to support specific community safety initiatives for a limited period time; and
  - e. the Prudential Indicators set out in Appendix 2, be approved.
- ii. It be noted that the final tax base figures have been provided by the billing authorities and the Local Government Finance Settlement has been confirmed;
  - iii. It was moved by Councillor Thomas and seconded by Councillor Howson that East Sussex Fire Authority accepts the Council Tax Freeze grant in 2013/14 to achieve a nil change in precept.

In accordance with Standing Order 22.1, four Members having requested it, a recorded vote was taken on the motion to accept the government's Council Tax Freeze Grant, the result which was as follows:

For (9): Councillors Fawthrop, Howson, Kenward, Livings, Pidgeon, Theobald, Thomas, Tidy and Waite.

Against (9): Councillors Carden, Duncan, Healy, Heaps, Ost, Powell, Rufus, Scott and Sparks.

Abstentions (0).

There being an equality of votes, in accordance with Standing Order 22.3, the Chairman exercised his second casting vote. The motion was therefore carried.

- iv **RESOLVED** - That in accordance with the Local Government Finance Act 1992, the acceptance of the latest Council Tax Freeze Grant in 2013/14 to achieve a nil change in precept and the following be approved:
  - a the amount calculated by East Sussex Fire Authority as its net budget requirement for the year 2013/14 is £39.079m; a decrease of 2.38% on the 2012/13 base budget of £40.030m;
  - b the amount calculated by East Sussex Fire Authority as its Council Tax Requirement for the year 2013/14 is £21.625m and the basic amount of its council tax (i.e. for a Band D property) for the year 2013/14 is £81.86 (based on final tax base figures), a nil increase on the 2012/13 figure of £81.86 to accord with the Government's further support to council taxpayers in view of the economic situation and commensurate grant support for a national freeze on council tax in 2013/14; and
  - c Brighton & Hove City Council and the borough and district councils (the billing authorities) be advised by the Treasurer of the relevant amounts payable and the council tax in the other bands, in line with the regulations and table set out below and to issue precepts accordingly;
- v. The Chief Fire Officer & Chief Executive be authorised, after consultation with the Chairman and the Treasurer, to make adjustments to the presentation of the budget to reflect the final Local Government Finance Settlement, if required.

#### 705.C **Consultation Outcomes from Representative Bodies**

- 705.C.1 The Fire Authority considered a report of the Chief Fire Officer & Chief Executive that set out the responses received from the Representative Bodies in relation to this year's budget consultations for members' consideration.
- 705.C.2 **RESOLVED** – That the responses which were considered as part of the Fire Authority Service Planning Processes for 2013/14 and beyond, be noted.

**Council Tax Calculations**  
 East Sussex Fire and Rescue Service  
 Precept for 2013/14  
 ref S.43 Local Government Finance Act 1992

|  | £                 | £                    |
|--|-------------------|----------------------|
| <b>NET BUDGET REQUIREMENT</b>                              |                   | <b>39,078,800</b>    |
| Forecast Business Rates retained                           | 2,230,654         |                      |
| Top Up Grant   | 4,551,494         |                      |
| Total Base Line Funding                                    | 6,782,148         |                      |
| Add Revenue Support Grant                                  | <u>10,194,540</u> |                      |
| Total Grant funding ( excluding transitional/freeze grant) | 16,976,688        |                      |
| Council Tax Grant 13/14                                    | 249,029           |                      |
| Council Tax Support Grant Transitional                     | 91,867            |                      |
| Previous Year's Surpluses/(Deficits)                       | 135,809           |                      |
| Total Council Tax Required                                 |                   | 21,625,407           |
| Tax Base   | 264,175.60        |                      |
| Basic Council Tax (Band D equivalent)                      |                   | 81.86                |
| Basic council tax as calculated above                      |                   | £.p                  |
| Band A   | 6/9               | 54.57                |
| Band B   | 7/9               | 63.67                |
| Band C   | 8/9               | 72.76                |
| Band D   | 9/9               | 81.86                |
| Band E   | 11/9              | 100.05               |
| Band F   | 13/9              | 118.24               |
| Band G   | 15/9              | 136.43               |
| Band H   | 18/9              | 163.72               |
| Basic council tax as calculated above                      | Tax Base          | Precept (£)          |
| Brighton & Hove  | 79,781.90         | 6,530,946.33         |
| Eastbourne   | 32,476.60         | 2,658,534.48         |
| Hastings   | 23,319.00         | 1,908,893.34         |
| Lewes  | 34,436.00         | 2,818,930.96         |
| Rother   | 35,021.30         | 2,866,843.62         |
| Wealden  | 59,140.80         | 4,841,265.89         |
|  |                   | <b>21,625,414.62</b> |



706. **SUSSEX CONTROL CENTRE – PROGRESS REPORT**

- 706.1 The Fire Authority considered an oral report of the Chief Fire Officer & Chief Executive that provided an update on the progress of the Sussex Control Centre. (Copy in Minute Book).
- 706.2 ACO Rolph informed Members that there had been no major changes to the successful implementation of the project since this was last reported to Members. A planning application had been submitted seeking approval to the proposed works at Haywards Heath Fire station, and following a visit from a planning officer, no material concerns had been raised. Formal confirmation had been received of the need for a new electricity and transformer sub-station to meet the power requirements for the Sussex Control Centre.
- 706.3 As previously reported to Members, a contract had been awarded to Remsdaq and contract signing and sealing was imminent. Work was continuing with Remsdaq on an implementation plan. Work would be carried out to the building between March and October 2013, with facility and user tests being completed by the end of October. Following control room staff training and preparation, the 'Go-Live' date was on schedule for 31 March 2014.
- 706.4 On 22 January 2013, West Sussex County Council had begun the TUPE process to transfer staff and ACO Rolph had formally written to WSF&RS on measures for the TUPE process. She had met regularly with control room staff at West Sussex, and the Chief Fire Officer & Chief Executive and the Deputy Chief Fire Officer would be meeting with the relevant staff in May.
- 706.5 A list of Frequently Asked Questions, with responses, had been sent to the Chairman and Vice-Chairman and was available to all Members on request.
- 706.6 **RESOLVED** – That the oral report be noted.

707. **FIRE AUTHORITY TREASURY MANAGEMENT STRATEGY FOR 2013/14**

- 707.1 The Fire Authority considered a report of the Treasurer that set out the Treasury Management Strategy for 2013/14, which included the authorised borrowing limit, prudential indicators, treasury management indicators, the minimum revenue provision statement, and a review of 2012/13. (Copy in Minute Book).
- 707.2 It was not expected that any new external borrowing would be undertaken over the next 15 months. The Authorised Limit for Borrowing determined for 2013/14 would be the statutory limit determined under the Local Government Act 2003 (section 3(1)). For 2013/14 it was estimated that the authorised borrowing limit would be £13.987m.
- 707.3 Members were also advised in the report that the Fire Authority had a statutory duty to determine an amount of minimum revenue provision that it considered to be prudent. The Fire Authority was legally obliged to consider a statement on the Authority's policy for its annual MRP before the start of the financial year to which the provision will relate.

707.4 In response to a question from Councillor Howson, the Treasurer confirmed that the institutions listed in the strategy were continually reviewed taking into account the on-going global financial situation, the views of the ratings agencies and other sources.

707.5 Councillor Duncan asked for ethical considerations to be taken into account when considering where the Authority placed investments. It was agreed that the Scrutiny & Audit Panel be asked to consider the inclusion of an appropriate addition to the strategy regarding ethical consideration.

707.6 **RESOLVED** – That

- i) for 2013/14, the authorised limit for borrowing shall be £13,987,000;
- ii) the prudential indicators and treasury management indicators (set out in section 6 of the report), be adopted;
- iii) the following Minimum Revenue Provision Statement for 2013/14 (set out in section 7 of the report), be approved;

For capital expenditure incurred before 1 April 2008 or which in the future will be Supported Capital Expenditure, the MRP policy will be:

- Based on based on the non-housing CFR, i.e., the Fire Authority currently sets aside a Minimum Repayment Provision based on basic MRP of 4% each year to pay for past capital expenditure and to reduce its CFR.

From 1 April 2008, for all unsupported borrowing, the MRP policy has been:

- Asset Life Method – MRP will be based on the estimated life of the assets, in accordance with the proposed regulations (this option will be applied for any expenditure capitalised under a Capitalisation Direction).

- iv) the Treasury Management Strategy and the following Policy Statement for 2013/14 be agreed.

*East Sussex Fire Authority defines its treasury management activities as:*

*“The management of the organisation’s cash flows; its banking, money market and capital market transactions; the effective management of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”*

*The Fire Authority regards the successful identification, monitoring and management of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the organisation.*

*This Authority acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving best value in treasury management, and to employing suitable performance measurement techniques, within the context of effective risk management.*

- v) The Scrutiny & Audit Panel be asked to consider an appropriate addition to the Treasury Management Strategy regarding ethical consideration.

708. **APPROVAL OF PAY POLICY STATEMENT**

708.1 The Fire Authority considered a report of the Monitoring Officer that set out the legal requirements relating to the adoption of a pay policy statement, and the details of what that should contain. (Copy in Minute Book).

708.2 **RESOLVED** – That the Pay Policy Statement for 2013/14, appended to the report, be approved.

709. **MEMBER ALLOWANCES – ANNUAL REVIEW**

709.1 The Fire Authority considered a report of the Chief Fire Officer & Chief Executive that set out a review of the Member Allowances Scheme. (Copy in Minute Book).

709.2 **RESOLVED** – That a nil increase in rates for Members' Allowances for 2013/14 be approved.

710. **FIRE & RESCUE SERVICE EFFICIENCIES REVIEW**

710.1 The Fire Authority considered a report of the Chief Fire Officer & Chief Executive that advised Members that the Fire Minister had commissioned Sir Ken Knight to undertake a review of efficiencies and operational improvements in the delivery of fire & rescue services in England. (Copy in Minute Book).

710.2 Issues being considered in the review included firefighter training, flexible staffing and crewing arrangements, use of retained firefighters, procurement, shared services, collaboration with other organisations, sickness management, sharing senior staff, locally led mergers and operational collaborations, new fire-fighting technology, preventative approaches and working with local businesses. A draft response would be brought to Members at a later date. Members were informed that the report on the outcome of the review would be available in the Spring 2013.

710.3 **RESOLVED** – That the report be noted.

711. **PREPARATIONS FOR FUTURE DELIVERY OF FINANCIAL SERVICES FOR EAST SUSSEX FIRE AUTHORITY**

711.A **Future Arrangements**

711.A.1 The Fire Authority considered a report of the Chief Fire Officer & Chief Executive that set out the current position regarding the proposals to provide a range of financial services for the Fire Authority with effect from 1 April 2013, after the existing contracts expired on 31 March 2013. (Copy in Minute Book).

711.A.2 **RESOLVED** – That

- i. following any further legal advice and satisfactory completion of terms, responsibility be delegated to the Chief Fire Officer & Chief Executive, after consultation with the Chairman and the Treasurer, to approve the appropriate agreements for a range of financial services for East Sussex Fire Authority with effect from 1 April 2013; and
- ii. Contract Standing Orders 13 to 23 be waived to allow for inter-authority co-operation agreements and contracts to be progressed, as appropriate.

711.B **Role of the Treasurer**

711.B.1 The Chairman agreed to accept this report as a matter of urgency, as the Fire Authority had been formally notified on 1 February 2013 that Duncan Savage, the Treasurer and Section 151 Officer, would be leaving East Sussex County Council, (who currently provided this service), on 8 February 2013. This was after the agenda had been published. Since the Authority was legally required to have an appointed Treasurer in place and the Fire Authority would not meet again until June 2013, it was necessary for the Fire Authority to now consider arrangements for the appointment of a Treasurer.

7.11.B.2 The Fire Authority considered a joint report of the Chief Fire Officer & Chief Executive and the Monitoring Officer that set out proposals for interim arrangements for the appointment of a Treasurer to the Fire Authority. (Copy in Minute Book).

7.11.B.3 The East Sussex Fire Service's Combination Scheme required the Authority to appoint a Treasurer, and Section 151 of the Local Government Act 1972 required every local authority to secure that one of their officers is responsible for the proper administration of their financial affairs. It was proposed that in the near future, the Authority would make its own direct appointment to the role of Treasurer and Section 151 Officer for a fixed period not exceeding 18 months. However, it was necessary to put in place interim arrangements until such time as a Treasurer was formally appointed to East Sussex Fire Authority.

7.11.B.4 It was proposed that, as an interim measure, Mo Hemsley, East Sussex County Council's Assistant Director Service Finance, be appointed to the position of Treasurer to the Fire Authority and Section 151 Officer.

7.11.B.5 **RESOLVED** – That

- i. the appointment of Mo Hemsley to the role of Treasurer and Section 151 Officer to the Fire Authority until the Authority makes a direct appointment to both roles be approved; and
- ii. the Chief Fire Officer & Chief Executive, after consultation with the Chairman and Monitoring Officer, be authorised to appoint a Treasurer and Section 151 Officer for a period not exceeding 18 months.

712. **QUARTERLY REPORT (OCTOBER TO DECEMBER 2012)**

- 712.1 The Fire Authority considered a report of the Chief Fire Officer & Chief Executive that set out the quarterly activity results for the period October to December 2012. (Copy in Minute Book).
- 712.2 The Chief Fire Officer & Chief Executive advised Members that there had been one fatality in Kemp Town during the third quarter of 2012/13, rather than nil as stated in the report. Also, there had been no fatalities in the same quarter in 2010/11. He also drew Members' attention to long serving retirements of two members of staff who had served for 30 years and 43 years 7 months respectively.
- 712.3 Councillor Theobald asked what percentage of the whole number of retained duty firefighters had resigned. The Chief Fire Officer & Chief Executive informed Members that the numbers resigning represented a small percentage of the overall number of retained duty firefighters. Due to the nature of the retained posts, staff often left because of changes in their primary occupations or family commitments, and it was, therefore, important to continue to maintain the number of retained staff.
- 712.4 The Chief Fire Officer & Chief Executive informed Members that the external funding for 'Coaching For a Safer Community' had come to an end and consideration was now being given to how this project could continue. The project used sport as a medium to engage youngsters and raise awareness of the dangers of alcohol and drugs, and encourage citizenship. During the four years that the project had been running, approximately 80,000 school children had been seen through the project. There were currently 63 qualified coaches in ESFRS. Members congratulated Dave Amiet, the Project Manager, on winning the Barclays Community Sports Award for December 2012.
- 712.5 Councillor Theobald said that whilst the number of false alarm calls was reducing, the number remained high and asked if the Service could make a charge for this. The Chief Fire Officer & Chief Executive advised Members that a charge could not be made where the Service turned out in response to a call. However, there may be provisions to allow for charges to be levied in the future.
- 712.6 Councillor Duncan asked about the community safety work that ESFRS undertook to reduce vehicle speeds. The Chief Fire Officer & Chief Executive informed Members that a Road Safety Strategy had been launched. ESFRS continued to work with CFOA on national road safety initiatives, as well as with Sussex Police and the Safer Roads Partnership. He would welcome further collaborative work with Brighton & Hove City Council to resolve the issues of obstructive parking, particularly where there were possibilities of impeding the movements of emergency service vehicles.
- 712.7 **RESOLVED** – That the report be noted.

713. **FIRE AUTHORITY AND PANEL MEETINGS**

**RESOLVED** – That the following dates be approved:

**Fire Authority meetings** at 10.30 hours unless otherwise stated:

06 June 2013  
12 September 2013  
12 December 2013  
16 January 2014  
06 February 2014

**Panel Meetings**

|                   |   |
|-------------------|---|
| 11 April 2013     | Policy & Resources, Scrutiny & Audit            |
| 11 July 2013      | Policy & Resources, Scrutiny & Audit, Standards |
| 29 August 2013    | Policy & Resources                              |
| 19 September 2013 | Scrutiny & Audit                                |
| 14 November 2013  | Policy & Resources, Scrutiny & Audit            |
| 09 January 2014   | Policy & Resources, Scrutiny & Audit, Standards |

Commencement times for these Panels, to be notified in advance of the meetings, are generally likely to be: Policy & Resources 10.00; Scrutiny & Audit 11.00; and Standards 14.00 hours.

714. **EXCLUSION OF PRESS AND PUBLIC.**

714.1 **RESOLVED** – That whilst item 715 shall remain exempt, the press and public need not be excluded from the meeting unless any questions are raised by Members as to the accuracy of the minutes.

714.2 Item 715 shall remain exempt under paragraphs 1,3,4 & 5 of Schedule 12A to the Local Government Act 1972 as amended by the Local Government (Access to Information) (Variation) Order 2006 and accordingly is not open for public inspection on the grounds that it includes information relating to any individual, information relating to the financial or business affairs of any particular person, information relating to any consultations or negotiations, or contemplated consultations or negotiations, in connection with any labour relations matter arising between the authority or a Minister of the Crown and employees of, or office holders under the authority, and information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.

715. **CONFIDENTIAL MINUTES OF THE MEETING HELD ON 17 JANUARY 2013 (EXEMPT CATEGORIES 1,3,4 & 5)**

The confidential minutes of the meeting held on 17 January 2013 were dealt with at minute no. 703 above.

The meeting concluded at 13:25 hours.

Signed

Chairman

Dated this                      day of June 2013.

**EAST SUSSEX FIRE AUTHORITY**

Date: **6 June 2013**  
Title: **Political Representation on the Panels of the Fire Authority**  
By: **Monitoring Officer**  
Purpose of Report: **To secure political balance on Panels in accordance with the Local Government (Committees and Political Groups) Regulations 1990 and agree the resultant membership to the Panels of the Fire Authority.**

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**RECOMMENDATION:** The Fire Authority is asked to

- a) consider whether it wishes to:
  - i confirm the Panel arrangements and political representation; and
  - ii appoint the Chairman and Vice-Chairman of the Panels in accordance with Standing Order 41.13 or, as has been the practice in the past, leave it to the Panels to do this under Standing Order 41.14.  
as set out in the report; and
- b) note that a report will be submitted to the Scrutiny & Audit Panel on 11 July 2013, following a request to each Political Group to make any changes to current nominations to these posts; and
- c) approve that the Monitoring Officer be authorised to make consequential amendments to the Members' Handbook to reflect the revised panel structure

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**MAIN ISSUES**

1. Under the provisions of the Local Government and Housing Act 1989 and the Local Government (Committees and Political Groups) Regulations 1990, the Fire Authority must keep under review the allocation of seats on Committees and other bodies to ensure, so far as practicable, that they reflect the political groups on the Authority.
2. The rules governing representation on Panels are set out overleaf giving the pattern of membership agreed at the meeting of the Fire Authority on 7 June 2012.
3. The Fire Authority is invited to determine whether the Panels should be streamlined in accordance with the recommendations overleaf, as well as agreeing the membership of its Panels for the forthcoming year.
4. The Fire Authority is asked to note that a report will be submitted to the Scrutiny & Audit Panel on 11 July 2013, suggesting the new Member Leads after requesting each Political Group to make any changes to nominations to these posts.

**Abraham Ghebre-Ghiorghis**

**MONITORING OFFICER**

17 May 2013

Latest Previous Report: Fire Authority 7 June 2012  
Background Papers: East Sussex Combination Order

## 1. **BACKGROUND – CURRENT POSITION**

- 1.1 Under the provisions of the Local Government and Housing Act 1989 and the Local Government (Committees and Political Groups) Regulations 1990, authorities must keep under review the allocation of seats to political groups on their Committees/Panels to ensure, so far as practicable, that they reflect the numbers in the political groups on their authority. The guiding principles which can be drawn from the 1989 Act and which need to be borne in mind when conducting any review are that:
- (a) The majority party should have a majority on each committee/panel;
  - (b) The overall number of committee/panel places allocated to each group should be proportionate to the numbers of each group on the authority;
  - (c) Subject to (a) and (b), the number of seats on each committee/panel should be proportionate to the numbers of each group on the authority.
- 1.2 Currently, there are five political groups on the Fire Authority: Conservative, Green, Labour, Liberal Democrat and UKIP. There is also one Independent Member of the Fire Authority, but this one member does not constitute a political group.
- 1.3 The Panels are the Authority's committees set up in accordance with Standing Order 41 and their terms of reference are shown in the Members' Handbook. The Panels and their related membership were approved in June 2012, as shown in Appendix 1, along with the proposed political proportionality for 2013/14.
- 1.4 The Localism Act 2011 repealed the statutory requirement for local authorities to have a separate Standards Committee, and the Fire Authority's three independent Members subsequently resigned from the Panel on 1 July 2012. It is now recommended to the Fire Authority that this Panel be disbanded, and its terms of reference be taken on board by the Scrutiny & Audit Panel. It is further recommended that the Standards Hearing Panel, currently a sub-panel of the Standards Panel, comprising any three members of that Panel, becomes a sub-panel of the Scrutiny & Audit Panel on the same basis. It will be responsible for conducting determination hearings in relation to allegations of breaches of the Code of Conduct for Members.
- 1.5 It is also recommended that the Grievance and Discipline & Dismissal Panels be merged into a Human Resources Panel consisting of six Members, with a quorum of three.
- 1.6 The places for 2013/14 have been allocated to give each Group a proportionate number of places on each Panel (thus complying with the principle set out at paragraph 1.1(b) above).
- 1.7 Political proportionality rules need not apply to Panels of Authorities provided that due notice to adopt alternative arrangements is given to all Members and no Member votes against the proposals when they are considered and approved.
- 1.8 Group Leaders are requested to let the Clerk have the names of the Panel Members prior to the first meeting of the Panels on 11 July 2013.



## 2. MEMBER LEADS

- 2.1 A report will be submitted to the Scrutiny & Audit Panel on 11 July 2013, on the new Member Leads for 2013/14, after each Political Group has been asked to make any changes to the current nominations to these posts.

### Appendix 1

|   | Based upon political proportions for 2012/13 |                                  | Based upon political proportions for 2013/14 |  |
|---|--|----------------------------------|--|--|
|   | TOTAL  |                                  | TOTAL  |  |
| Appointments  | 6  | (3 Cons, 1 LDem, 1 Green, 1 Lab) | 6  | (2 Cons, 1Lab, 1 Green, 1 LDem, 1 UKIP)      |
| Scrutiny & Audit *<br>(informal protocol – up to 3 P&R Members to serve on S&A Panel) | 8  | (4 Cons, 2 LDem, 1 Green, 1 Lab) | 8  | (3 Cons, 1/2 Lab, 2/1 Green, 1 LDem, 1 UKIP) |
| Policy & Resources *  | 8  | (4 Cons, 2 LDem, 1 Green, 1 Lab) | 8  | (3 Cons, 2/1 Lab, 1/2 Green, 1 LDem, 1 UKIP) |
| Discipline & Dismissal Appeals  | 4  | (2 Cons, 1 LDem, 1 Green)        | -  | -  |
| Grievance   | 4  | (2 Cons, 1 LDem, 1 Green)        | -  | -  |
| Human Resources **  | -  | -                                | 6  | (3 Cons, 1Lab, 1 Green, 1 LDem or UKIP)      |
| Urgency **  | 6  | (3 Cons, 1 LDem, 1 Green, 1 Lab) | 6  | (3 Cons, 1Lab, 1 Green, 1 UKIP or LDem)      |
| Total requiring political proportionality   | 36   |                                  | 34   |  |
| Standards *   | 4  | (1 Cons, 1 LDem, 1 Green, 1 Lab) | -  | -  |

(The total number of seats = 34, divided 14:6:6:4:4 on the basis of the 2013/14 political balance)

\* Labour and Greens to 'share' 3 places each on S&A and P&R Panels – one to have 1 and 2 places on S&A and P&R and the other to have 2 and 1 place on S&A and P&R

\*\* Lib Dems and UKIP to share the 2 places available on Human Resources and Urgency Panels – 1 place available on each Panel – to be agreed between the 2 Groups



**EAST SUSSEX FIRE AUTHORITY**

Date: **6 June 2013**

Title: **Provisional Revenue and Capital Outturn 2012/13**

By: **Chief Fire Officer & Chief Executive and Treasurer**

Purpose of Report: **To advise the Authority on the provisional outturn position for 2012/13**

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**RECOMMENDATION:** The Fire Authority is asked to note the provisional revenue and capital outturn for 2012/13.

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**MAIN ISSUES**

1. This report contains the provisional revenue and capital budget outturn for 2012/13 along with an updated analysis of reserves and balances. Under the requirements of the Accounts and Audit Regulations 2011 the draft accounts must be certified by 30 June and passed to the external auditors and the audited accounts must then be approved and published by 30 September. The final accounts process is well underway and the figures presented in this report are expected to be close to the final outturn, however, it is possible that changes may be required before certification and final publication.
2. The provisional Revenue Budget outturn for 2012/13 is an underspend of £62,000 and this will be transferred to General Balances. During the year the Fire Authority has approved transfers from its Revenue Budget to its reserves and balances totalling £1.573m, in addition to the £1.200m provided for within the original budget.
3. The provisional Capital Budget outturn for 2012/13 is an underspend of £237,000 against the revised Capital Programme. The underspend is primarily due to net slippage on a number of projects from 2012/13 to 2013/14. The overall Capital Programme for 2012/13 is projected to underspend by £28,000 once all schemes are completed.
4. Appendix 1 details the provisional Revenue Budget outturn.
5. Appendices 2, 3 & 4 present the provisional outturn on the Capital Programme over all schemes, spend for the 2012/13 financial year and the level of Capital Resources held.
6. Appendix 5 details provisional year end position on Reserves and Balances.

**Des Prichard**  
**CHIEF EXECUTIVE & CHIEF FIRE OFFICER**

**Duncan Savage**  
**TREASURER**

22 May 2013

## 1. INTRODUCTION

- 1.1 The financial information contained in this Report is based upon the budget report enquiries at year end. This Report sets out the provisional outturn position of the Revenue Budget, Capital Programme and Balances for 2012/13. The accounts are subject to final entries of a technical nature and to External Audit and the revised position will be reported in due course.

## 2. BUDGET OUTTURN SUMMARY

- 2.1 The table below summarises the change from previously reported 2012/13 Revenue Budget and Capital spending positions.

### Outturn

|                           | Last P & R<br>Panel report<br>11/4/13<br>£,000 | This Report<br>£,000 | Movement<br>£,000 |
|---------------------------|--|----------------------|-------------------|
| Revenue (see paragraph 3) | (144)  | (62)                 | 82                |
| Capital (see paragraph 5) | (219)  | (237)                | (18)              |

- 2.2 The movement in the 2012/13 Revenue Budget outturn is detailed in paragraph 3 below.

## 3. REVENUE BUDGET PROVISIONAL OUTTURN – OBJECTIVE LEVEL

- 3.1 The table below represents the Revenue Budget at objective level:

| Directorate/Budget   | Current Budget | Provisional Outturn | Variance     | Variance (reported to P&R 11/4/13) |
|--|----------------|---------------------|--------------|------------------------------------|
|  | £,000          | £,000               | £,000        | £,000                              |
| Service Delivery Response  | 5,499          | 5,316               | (183)        | (140)                              |
| Service Delivery Prevention  | 802            | 794                 | (8)          | (4)                                |
| Operational Pay and Pensions   | 17,936         | 17,847              | (89)         | (72)                               |
| <b>Total service delivery/operational budget (60% of total budget)</b> | <b>24,237</b>  | <b>23,957</b>       | <b>(280)</b> | <b>(216)</b>                       |
| Service Support Estates  | 1,204          | 1,096               | (108)        | (34)                               |
| Service Support IMD  | 2,904          | 2,998               | 94           | (49)                               |
| Service Support Fleet  | 2,012          | 1,981               | (31)         | (35)                               |
| Service Support Health & Safety  | 140            | 127                 | (13)         | (9)                                |
| <b>Total Service Support budget (16% of total budget)</b>              | <b>6,260</b>   | <b>6,202</b>        | <b>(58)</b>  | <b>(127)</b>                       |
| POD HR   | 738            | 737                 | (1)          | 0                                  |
| POD L & O D  | 1,959          | 1,847               | (112)        | (94)                               |
| <b>Total People &amp; Org Development (7% of total budget)</b>         | <b>2,697</b>   | <b>2,584</b>        | <b>(113)</b> | <b>(94)</b>                        |
| <b>Corporate Services (6% of budget)</b>                               | <b>2,293</b>   | <b>2,235</b>        | <b>(58)</b>  | <b>(41)</b>                        |
| <b>PO's (2% of budget)</b>   | <b>713</b>     | <b>708</b>          | <b>(5)</b>   | <b>0</b>                           |
| <b>Central (9% of budget)</b>  | <b>3,830</b>   | <b>4,282</b>        | <b>452</b>   | <b>334</b>                         |
| <b>Total</b>   | <b>40,030</b>  | <b>39,968</b>       | <b>(62)</b>  | <b>(144)</b>                       |

- 3.2 **SERVICE DELIVERY:** The Service Delivery budget underspent by £280,000 compared with £216,000 previously reported to Policy & Resources Panel. The underspend comprises £191,000 in Response and Prevention, and £89,000 in Operational Pay and Pensions.
- 3.2.1 **Response and Prevention:** The budget underspent by £191,000 primarily due to an underspend of £183,000 on the retained pay budget, reflecting the declining number of operational calls experienced during the year. As the level of operational activity declines there is a need to increase training provision for Retained Duty Staff (RDS) in order to maintain their operational competence and the costs of this training will be met from within this budget from 2013/14.
- 3.2.2 **Operational Pay and Pensions:** The operational pay budget was under spent by £89,000 compared to the previously reported forecast of an underspend of £72,000. This is primarily due to the number of whole time firefighters being below the budgeted establishment during the year although the use of back filling and temporary promotions has meant that there has been no impact on service delivery. The whole-time operational strength at 31 March was 414, 7 under establishment. Numbers have been slightly under during the whole of 2012/13, however, there has been no impact on services delivery, with back filling and temporary promotions. There was also an underspend on the pensions budget of £23,000 relating to ill health retirements.
- 3.3 **SERVICE SUPPORT:** This budget underspent by £58,000, previously reported to Policy & Resources Panel as a forecast underspend of £127,000. Details are given in paragraphs 3.3.1 to 3.3.4 below.
- 3.3.1 **Estates:** The Estates budget has underspent by £108,000, previously reported as a projected underspend of £34,000. The underspend reflects slippage on property maintenance and lower than projected spend on utilities. The Estates Manager has commissioned a condition and asbestos survey which is currently underway and will feed into future budget setting processes. The utilities budget is subject to review in the current year 2013/14.
- 3.3.2 **Information Management Department:** The IMD budget has overspent by £94,000, previously reported as an underspend of £49,000. This unexpected movement close to the year end is a result of some un-forecasted spending and unexpected additional costs relating to FireLink, (the national wide area system which is part of the national fire resilience programme led by the Department for Communities and Local Government (DCLG)). Budget monitoring processes will be reviewed and strengthened in this area during the current year.
- 3.3.3 **Fleet:** This budget has underspent by £31,000 The primary reason for underspend remains a reduction in fuel costs and savings have been taken from this budget in 2013/14.
- 3.3.4 **Health & Safety:** The Health and Safety budget underspent by £13,000, on equipment and training.
- 3.4 **PEOPLE AND ORGANISATIONAL DEVELOPMENT (POD):** The POD budget has underspent by £113,000, previously reported to Policy & Resources Panel as a forecast underspend of £94,000. The underspend was almost entirely attributable to a £111,000 underspend in Learning & Organisational Development (L&OD), of which £96,000 related to training budgets allocated to the Borough Commanders.

3.5 **CORPORATE SERVICES:** This budget underspent by £58,000. The underspend relates to a number of areas including: provision of outsourced financial services (£19,000), External Audit (£15,000), Members allowances and travel (£16,000) and Uniforms (£7,000).

3.6 **CENTRAL:** The central budget was overspent by £452,000 against a previously reported figure of £334,000. This overspend is primarily due to two decisions taken in the light of the overall budget position, firstly to absorb the cost of redundancies (£274,000) during the year rather than to draw down provision from earmarked reserves as had been planned and secondly to defer drawing down grant funding allocated for backfilling posts seconded to the Sussex Control Centre (SCC) project. Drawdown of this latter amount (£198,000) will now take place in 2013/14.

#### 4. **RESERVES**

4.1 The table below sets out the opening Reserves at the start of the financial year and the movements during the course of the financial year, to closing Reserves as at 31 March 2013.

| <b>Earmarked Reserves</b> | <b>1 April<br/>2012</b> | <b>Transfers<br/>2012/13</b> | <b>31 March 2013</b> |
|---------------------------|-------------------------|------------------------------|----------------------|
|                           | £,000                   | £,000                        | £,000                |
| Earmarked Reserves        | 2,365                   | 1,081                        | 3,446                |
| Capital Programme Reserve | 1,152                   | 1,666                        | 2,818                |
| General Reserves          | 4,093                   | (542)                        | 3,551                |
| <b>Total</b>              | <b>7,610</b>            | <b>2,205</b>                 | <b>9,815</b>         |

4.2 These figures reflect decisions taken during the year by the Fire Authority as use of Reserves and Balances was reviewed to take account of changing circumstances. During the year the Fire Authority has approved transfers from its Revenue Budget to its reserves and balances totalling £1.573m in addition to the £1.200m provided for within the original budget. The additional transfers primarily relate to funding for the costs of adaptations to Hayward's Heath Fire Station as part of the SCC project (£0.666m) and provision within the existing Improvement and Efficiency Reserve to support the development of the Authority's collaborative approach to service delivery, changes to services that will deliver savings and respond to priority areas for service improvement. The closing position for General Reserves is £3.551m which is 8.87% of the 2012/13 Revenue Budget and, therefore, in line with the minimum level of 8% set out in the Reserves and Balances Policy. Appendix 5 sets out in more detail the individual earmarked reserves and movements during the year.

#### 5. **CAPITAL PROGRAMME PROJECTS**

5.1 Appendix 2 details the revised Capital Programme estimated payments schedule as approved by the Fire Authority at its meeting on 17 January 2013. The overall Capital Programme is projected to be under planned spending by £28,000.

5.2 Appendix 3 shows the 2012/13 provisional Capital Budget outturn which is an underspend of £237,000 of which £343,000 is slippage into 2013/14 and £117,000 is spend brought forward from 2013/14, The balance being a net underspend of £11,000 on completed schemes. Details of high profile schemes and those showing significant variations are set out below.

- 5.3 **Crowborough Refurbishment:** The Project Manager has advised that the scheme overall is on budget and is expected to be completed on time during 2013/14. The 2012/13 spend was £381,000 compared with a budget of £496,000 meaning £115,000 will slip into 2013/14.
- 5.4 **Aerial Rescue Pump:** Changes to the specifications have meant that a saving of £16,000 will be achieved over the whole scheme, but a stage payment has been made earlier than anticipated resulting in spend in 2012/13 exceeding the revised profile by £117,000.
- 5.5 **Refurbishment Lewes & Bexhill:** The Project Manager has advised that the Lewes & Bexhill scheme is complete and the final retention payments have been made to the contractors. The scheme has come in on budget against the in-year forecast.
- 5.6 **Purchase of land at Newhaven** - The final purchase cost for the site for the planned new fire station at Newhaven came to £724,000, against a budget of £715,000 once fees and other costs had been accounted for.
- 5.7 **BA Classroom:** The Project Manager has advised that construction has not yet started and that expenditure of £144,000 will slip into 2013/14. This is as a result of some internal design changes and the extension of the tender period to incorporate additional quality criteria into the process.
- 5.8 **Replacement Fuel Tanks** scheme of £25,000 has slipped into 2013/14 as a result of a review of the scheme requirements.
- 5.9 **Buy out of vehicle leases** - Successful negotiations resulted in the cost of the buyout being reduced from £650,000 to £630,000, an underspend of £20,000.
- 5.10 **Sussex Control Centre (SCC) – Information Management:** The Sussex Control Centre scheme spent £234,000, £46,000 less than was expected due to delays in the installation of some communications equipment. This scheme is funded from the CLG grant of £3.6m which is held by West Sussex County Council and the spend and funding will be carried forward to 2013/14.
- 5.11 **Sussex Control Centre (SCC) – Adaptations to Haywards Heath Fire Station:** The cost of adaptations to Haywards Heath Fire Station for the SCC estimated at £1.332m cannot be met from the £3.6m government grant and, therefore, costs are to be shared equally between the Fire Authority and West Sussex Fire and Rescue Service (WSFRS). The Fire Authority contribution of £666,000 which forms part of the revised Capital Programme will be funded via a contribution from the Capital Programme Reserve (CPR).
- 5.12 Appendix 4 shows resources available to finance the Capital Programme. The rate at which Service Houses are becoming vacant and suitable for disposal has slowed ahead of the 31 March 2015 deadline when all Service houses must be vacated (in line with the policy previously agreed by the Fire Authority). The Capital Asset Strategy has been updated to reflect this but, in the meantime, the level of other resources available means that the Capital Programme can continue to be supported at its current level.

## Objective Analysis

|                                | <b>Base<br/>Budget</b> | <b>Variations</b> | <b>Current<br/>Budget</b> | <b>Provisional<br/>Outturn</b> | <b>Variance</b> |
|--------------------------------|------------------------|-------------------|---------------------------|--------------------------------|-----------------|
|                                | £,000                  | £,000             | £,000                     | £,000                          | £,000           |
| Employees                      | 26,029                 | (261)             | 25,768                    | 25,877                         | 109             |
| Premises                       | 2,093                  | (79)              | 2,014                     | 1,936                          | (78)            |
| Transport                      | 1,396                  | (106)             | 1,290                     | 1,208                          | (82)            |
| Supplies & Services            | 6,034                  | (1,093)           | 4,941                     | 4,800                          | (141)           |
| Support Services               | 527                    | 0                 | 527                       | 500                            | (27)            |
| Capital Financing              | 2,428                  | 0                 | 2,428                     | 2,428                          | 0               |
| Less Income                    | (1,283)                | 197               | (1,086)                   | (912)                          | 174             |
| <b>Total</b>                   | <b>37,224</b>          | <b>(1,342)</b>    | <b>35,882</b>             | <b>35,837</b>                  | <b>(45)</b>     |
| Treasury Management            | (1,594)                | 4                 | (1,590)                   | (1,584)                        | 6               |
| Pensions                       | 3,200                  | (235)             | 2,965                     | 2,942                          | (23)            |
| <b>Total Expenditure</b>       | <b>38,830</b>          | <b>(1,573)</b>    | <b>37,257</b>             | <b>37,195</b>                  | <b>(62)</b>     |
| Transfer from Balances         |                        |                   |                           |                                |                 |
| Transfer to Balances           | 1,200                  | 1,573             | 2,773                     | 2,773                          |                 |
| <b>Total Gross Expenditure</b> | <b>40,030</b>          | <b>0</b>          | <b>40,030</b>             | <b>39,968</b>                  | <b>(62)</b>     |
| Financed by:                   |                        |                   |                           |                                |                 |
| Formula Grant                  | (15,245)               |                   | (15,245)                  | (15,245)                       | 0               |
| Council Tax                    | (24,764)               |                   | (24,764)                  | (24,764)                       | 0               |
| Council Tax Collection Fund    |                        |                   |                           |                                |                 |
| (Surplus)/Deficit              | (21)                   |                   | (21)                      | (21)                           | 0               |
|                                | <b>(40,030)</b>        |                   | <b>(40,030)</b>           | <b>(40,030)</b>                | <b>0</b>        |



## East Sussex Fire &amp; Rescue Service Capital Programme Monitoring April 2012 to March 2013

| Capital scheme                                       | Total approved payments | Spend previous years | Spend 2012/13 | Total Spent  | To be Processed future years | Forecast outturn | Variance on approved Budget |
|--|-------------------------|----------------------|---------------|--------------|------------------------------|------------------|-----------------------------|
|  | £,000                   | £,000                | £,000         | £,000        | £,000                        | £,000            | £,000                       |
| <b>Schemes starting in 2012/13</b>                   |                         |                      |               |              |                              |                  |                             |
| Replacement Cars & Vans                              | 23                      |                      | 23            | 23           |                              | 23               | 0                           |
| Purchase of Land for Service Requirements            | 715                     |                      | 724           | 724          |                              | 724              | 9                           |
| BA Classroom Maresfield                              | 220                     |                      | 16            | 16           | 204                          | 220              | 0                           |
| Property Strategy                                    | 656                     |                      | 16            | 16           | 640                          | 656              | 0                           |
| Operational Vehicles lease buy out                   | 650                     |                      | 630           | 630          |                              | 630              | (20)                        |
| Information Management Strategy; SCC                 | 1,120                   |                      | 234           | 234          | 886                          | 1,120            | 0                           |
| Adaptations to Haywards Heath Fire Station           | 666                     |                      | 0             | 0            | 666                          | 666              | 0                           |
| <b>Total Schemes starting 2012/13</b>                | <b>4,050</b>            |                      | <b>1,643</b>  | <b>1,643</b> | <b>2,396</b>                 | <b>4,039</b>     | <b>(11)</b>                 |
|  |                         |                      |               |              |                              |                  |                             |
| <b>Continuing schemes starting in previous years</b> |                         |                      |               |              |                              |                  |                             |
| Combined Aerial Rescue Pump                          | 769                     | 105                  | 449           | 554          | 199                          | 753              | (16)                        |
| Wadhurst Drill Tower                                 | 179                     | 179                  | 0             | 179          |                              | 179              | 0                           |
| Crowborough Refurbishment                            | 1,019                   | 12                   | 381           | 393          | 626                          | 1,019            | 0                           |
| Heathfield EA  | 112                     | 6                    | 93            | 99           | 12                           | 111              | (1)                         |
| Refurbishment Lewes & Bexhill                        | 713                     | 693                  | 20            | 713          |                              | 713              | 0                           |
| <b>Total schemes from previous years</b>             | <b>2,792</b>            | <b>995</b>           | <b>943</b>    | <b>1,938</b> | <b>837</b>                   | <b>2,775</b>     | <b>(17)</b>                 |
| <b>Total</b>   | <b>6,842</b>            | <b>995</b>           | <b>2,586</b>  | <b>3,581</b> | <b>3,233</b>                 | <b>6,814</b>     | <b>(28)</b>                 |

Provisional Capital Budget Outturn 2012/13

Appendix 3

| Capital scheme                                       | Budget 2012/13 | Actual Spent 2012/13 | Provisional Outturn | Variance     | Variance (Slippage) / Spend brought forward | Variance on 2012/13 Budget (Underspend) / Overspend |
|--|----------------|----------------------|---------------------|--------------|---|---|
| <b>Schemes starting in 2012/13</b>                   |                |                      |                     |              |   |   |
| Replacement Cars & Vans                              | 23             | 23                   | 23                  | 0            | 0   |   |
| Purchase of Land for Service Requirements            | 715            | 724                  | 724                 | 9            |   | 9   |
| BA Classroom Maresfield                              | 160            | 16                   | 16                  | (144)        | (144)                                       |   |
| Property Strategy Roedean Drill Tower                | 16             | 16                   | 16                  | 0            | 0   |   |
| Property Strategy Replacement of Fuel Tanks          | 25             | 0                    | 0                   | (25)         | (25)  |   |
| Operational Vehicles lease buy out                   | 650            | 630                  | 630                 | (20)         |   | (20)  |
| Information Management Strategy; SCC                 | 280            | 234                  | 234                 | (46)         | (46)  |   |
| <b>Total Schemes starting 2012/13</b>                | <b>1,869</b>   | <b>1,643</b>         | <b>1,643</b>        | <b>(226)</b> | <b>(215)</b>                                | <b>(11)</b>   |
|  |                |                      |                     |              |   |   |
| <b>Continuing schemes starting in previous years</b> |                |                      |                     |              |   |   |
| Combined Aerial Rescue Pump                          | 332            | 449                  | 449                 | 117          | 117   |   |
| Crowborough Refurbishment                            | 496            | 381                  | 381                 | (115)        | (115)                                       |   |
| Heathfield EA  | 106            | 93                   | 93                  | (13)         | (13)  |   |
| Refurbishment Lewes & Bexhill                        | 20             | 20                   | 20                  | 0            | 0   |   |
| <b>Total Schemes starting in previous years</b>      | <b>954</b>     | <b>943</b>           | <b>943</b>          | <b>(11)</b>  | <b>(11)</b>                                 | <b>0</b>  |
|  |                |                      |                     |              |   |   |
| <b>Total</b>   | <b>2,823</b>   | <b>2,586</b>         | <b>2,586</b>        | <b>(237)</b> | <b>(226)</b>                                | <b>(11)</b>   |

Capital Resources 2012/13

Appendix 4

|   | Current Budget | Income Received | Actual Resources | Variance     |
|---|----------------|-----------------|------------------|--------------|
|   | £,000          | £,000           | £,000            | £,000        |
| Specific Capital Grant - Sussex Control Centre    | 280            | 234             | 234              | (46)         |
| General Capital Grant                             | 1,203          | 1,203           | 1,203            | 0            |
| Capital Receipts                                  | 400            |                 | 0                | (400)        |
| Revenue Transfer to Capital Programme Reserve     | 1,666          |                 | 1,666            | 0            |
|   | <b>3,549</b>   | <b>1,437</b>    | <b>3,103</b>     | <b>(446)</b> |
| Contribution from General Reserves (lease buyout) | 630            |                 | 630              | 0            |
| <b>Total Resources</b>                            | <b>4,179</b>   | <b>1,437</b>    | <b>3,733</b>     | <b>(446)</b> |

## Appendix 5

| PROVISIONAL RESERVES POSITION AS AT 31 MARCH 2013 |                 |                   |                     |                       |                                    |                 |
|---|-----------------|-------------------|---------------------|-----------------------|------------------------------------|-----------------|
|   | 2012/13         | 2012/13           | 2012/13             | 2012/13               | 2012/13                            | 2012/13         |
|   | Opening Balance | Provisional Spend | Transfer To General | Transfer To earmarked | Transfer To Earmarked from Rev Bud | Closing Balance |
|   | £,000           | £,000             | £,000               | £,000                 | £,000                              | £,000           |
| <b>Earmarked Reserves</b>                         |                 |                   |                     |                       |                                    |                 |
| Improvement & Efficiency                          | 1,000           | 0                 | (282)               | 0                     | 471                                | 1,189           |
| Wide Area Network                                 | 400             | 0                 | (400)               | 0                     | 0                                  | 0               |
| San H Communication Equipment                     | 178             | 0                 | (178)               | 0                     | 0                                  | 0               |
| Maritime Incident Response Group                  | 150             | 0                 | 0                   | 0                     | 0                                  | 150             |
| Estates Condition Surveys                         |                 |                   |                     |                       | 38                                 | 38              |
| Community Safety Smoke detectors                  |                 |                   |                     |                       | 50                                 | 50              |
| Insurance Reserve                                 | 106             | 0                 | 0                   | 0                     | 143                                | 249             |
| Technical Fire Safety                             | 95              | 0                 | (40)                | 0                     | 0                                  | 55              |
| Community Fire Safety 2014/15                     | 0               | 0                 | 0                   | 0                     | 150                                | 150             |
| Breathing Apparatus 2014/15                       | 0               | 0                 | 0                   | 750                   | 0                                  | 750             |
| SCC Desktop Provision                             |                 |                   |                     | 85                    |                                    | 85              |
| SCC Connectivity                                  |                 |                   |                     | 106                   |                                    | 106             |
| Mapping Solution                                  |                 |                   |                     | 120                   |                                    | 120             |
| Coaching for Safer Communities                    | 91              | 0                 | (41)                | 0                     | 0                                  | 50              |
| Relocation Expenses for staff vacating Houses     | 85              | 0                 | 0                   | 0                     | 55                                 | 140             |
| RDS Training                                      | 70              | 0                 | 0                   | 0                     | 0                                  | 70              |
| IMD Strategy                                      | 55              | 0                 | (55)                | 0                     | 0                                  | 0               |
| Outstanding Minor Commitments relating to 2011/12 | 46              | 0                 | (46)                | 0                     | 0                                  | 0               |
| Volunteers Scheme (3 years)                       | 36              | 0                 | 0                   | 200                   | 0                                  | 236             |
| IMD HR system Replacement                         | 30              | 0                 | (22)                | 0                     | 0                                  | 8               |
| Community Safety CF                               | 12              | 0                 | (12)                | 0                     | 0                                  | 0               |
| Safe Drive  | 11              | 0                 | (11)                | 0                     | 0                                  | 0               |
| <b>Total Earmarked Reserves</b>                   | <b>2,365</b>    | <b>0</b>          | <b>(1,087)</b>      | <b>1,261</b>          | <b>907</b>                         | <b>3,446</b>    |
| <b>General Fund</b>                               | <b>4,093</b>    |                   | <b>1,087</b>        | <b>(1,261)</b>        | <b>200</b>                         | <b>4,119</b>    |
| <b>Current year underspend</b>                    |                 |                   |                     |                       | <b>62</b>                          | <b>62</b>       |
| <b>Operational lease buy-out</b>                  |                 | <b>(630)</b>      |                     |                       |                                    | <b>(630)</b>    |
|   |                 |                   |                     |                       |                                    | <b>3,551</b>    |
| <b>Capital Programme Reserve</b>                  | <b>1,152</b>    |                   | <b>0</b>            | <b>0</b>              | <b>1,666</b>                       | <b>2,818</b>    |
| <b>TOTAL ALL RESERVES</b>                         | <b>7,610</b>    | <b>(630)</b>      | <b>0</b>            | <b>0</b>              | <b>2,835</b>                       | <b>9,815</b>    |

**EAST SUSSEX FIRE AUTHORITY**

Date: **6 June 2013**

Title: **Treasury Management – stewardship report for 2012/13**

By: **Treasurer**

Purpose of Report: **The annual treasury management stewardship report is a requirement of the Fire Authority’s reporting procedures and covers the treasury activity for 2012/13. The report also includes the Prudential Indicators which relate to the treasury activity.**

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**RECOMMENDATION:** The Fire Authority is asked to note the treasury management performance for 2012/13.

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**MAIN ISSUE**

1. The Fire Authority has complied with its approved Treasury Management Strategy and Prudential Indicators for the year.
2. In difficult economic conditions the average rate of interest received through Treasury Management activity was 0.61%, below the original target of base rate plus 0.4% (i.e. 0.9%). This reflected the Fire Authority’s continuing prioritisation of security and liquidity over yield.
3. No new borrowing was undertaken in 2012/13 with total loan debt outstanding remaining at £11.123m at an average interest rate of 4.6%. There were no opportunities to reschedule debt during the year. The likely outturn of the Fire Authority’s Capital Financing Requirement (CFR), a measure of the underlying need to borrow, is £11.208m.
4. The Authority took the opportunity to terminate its remaining finance leases. The cost of terminating was £630,000 and funded from General Balances. This is a revenue budget saving of approximately £160,000 over the remaining life of the leases.

**Duncan Savage**

**TREASURER**

28 May 2013

**Background Papers**

Prudential Code for Capital Finance 2004

Local Government Act 2003

Local Government Investments – Guidance

CIPFA Prudential Code

CIPFA Treasury Management in the Public Services- Code of Practice

Local Government and Public Involvement in Health Act 2007

Communities and Local Government-Changes to the Capital Finance System

East Sussex Fire Authority: 2 February 2012 – Agenda Item 624: Treasury Management Strategy for 2012/13; 7 June 2012 – Agenda Item 644 Treasury Management – Stewardship report for 2011/12

Policy and Resources Panel: 15 November 2012 – Agenda Item No 849: Half yearly report for 2012/13

## TREASURY MANAGEMENT – STEWARDSHIP REPORT FOR 2012/13

### 1. Introduction

- 1.1 The Fire Authority's treasury management activities are regulated by a variety of professional codes and statutes and guidance:
- a) The Local Government Act 2003 (the Act), which provides the powers to borrow and invest as well as providing controls and limits on this activity;
  - b) Statutory Instrument (SI) 3146 2003 develops the controls and powers within the Act;
  - c) The SI requires the Fire Authority to undertake any borrowing activity with regard to the Chartered Institute of Public Finance and Accountancy (CIPFA) Prudential Code for Capital Finance in Local Authorities;
  - d) Under the Act the former Office of the Deputy Prime Minister has issued Investment Guidance to structure and regulate the Authority's investment activities.
- 1.2 The Fire Authority has adopted the CIPFA Code of Practice for Treasury Management in the Public Sector and operates its treasury management service in compliance with this Code and the above requirements. These require that the prime objective of the treasury management activity is the effective management of risk, and that its borrowing activities are undertaken on a prudent, affordable and sustainable basis and its treasury management practices demonstrate a low risk approach.
- 1.3 The Code requires the regular reporting of treasury management activities to:
- a) Forecast the likely activity for the forthcoming year (in the Annual Treasury Strategy Report);
  - b) Review actual activity for the proceeding year (this report),
  - c) A mid year review and
  - d) A change in our Strategy (if and when required).
- 1.4 This report sets out:
- a) A summary of the strategy agreed for 2012/13 and the economic factors affecting the strategy in the year;
  - b) The Fire Authority's treasury activity during the year on borrowing and short term investments;
  - c) The Prudential Indicators which relate to the Treasury function and compliance with limits

## 2. **2012/13**

### 2.1 **Strategy for 2012/13**

2.1.1 At its meeting on 2 February 2012, the Fire Authority agreed its treasury management strategy for 2012/13, taking into account the economic scene including forecast levels of interest rates. At the same time, the Treasury Management Policy Statement was agreed for 2012/13 as set out below.

2.1.2 East Sussex Fire Authority defines its treasury management activities as:  
“The management of the organisation’s cash flows, its banking, money market and capital market transactions, the effective management of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”

The Fire Authority regards the successful identification, monitoring and management of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the organisation.

This Authority acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving best value in treasury management, and to employing suitable performance measurement techniques, within the context of effective risk management.

### **Borrowing**

2.1.3 The Fire Authority has had a strategy to borrow to support the Capital Programme and lend out other cash (rather than using internal borrowing). Historically this had meant that the interest rate earned on cash balances was higher than the interest rate paid on loans from the Public Works Loans Board (PWLB). In the financial climate when the Strategy was adopted, this interest rate differential had been removed. In the short term, therefore, it was agreed that although the limits would allow new borrowing, external borrowing would only take place if the rates available were so low that the long-term benefits significantly exceeded the short term cost. In practice, no new PWLB borrowing had taken place since January 2008.

2.1.4 Opportunities to reschedule debt had been monitored but have not arisen as yet. The PWLB increased all of its lending rates in October 2010 by 1% on all rates. However, it did not increase the rate of interest used for repaying debt so that not only had the cost of our future borrowing increased but the opportunity to restructure our debt when market conditions allow has been significantly reduced.

## **Investment**

- 2.1.5 When the strategy was agreed in February 2012, it emphasised the continued importance of taking account of the current and predicted future state of the financial sector. Our Treasury Management advisors (Sector) commented on short term interest rates, the UK economy, inflation, the outlook for long term interest rates and these factors were taken into account when setting the strategy.
- 2.1.6 The strategy going forward was to continue with the policy of ensuring minimum risk but was also intended to deliver secure investment income of at least bank rate on the Fire Authority's cash balances. (The actual target is bank rate plus 0.4%).
- 2.1.7 As will be clear from the events globally and nationally since 2008, it is impossible in practical terms to eliminate all credit risk. The Fire Authority seeks to be as prudent as possible.

### **Strategy for 2012/13**

- 2.1.8 The strategy aimed to ensure that in the economic climate a prudent approach was maintained. This would be achieved through investing with selected banks and funds which met the Authority's rating criteria. The emphasis would continue on security (protection of the capital sum invested) and liquidity (keeping money readily available for expenditure when needed) rather than yield. The strategy continued with this prudent approach.
- 2.1.9 It was also recognised that movements within the money markets happen with no notice and the Treasurer may have to amend this strategy in order to safeguard Fire Authority funds. As in the past any such actions would be reported to the next Fire Authority meeting.
- 2.1.10 It was not expected that any new external borrowing would be undertaken in 2012/13, however the limits set out in the report allowed such borrowing. External borrowing would only take place if the rates available were so low that the long term benefits would have significantly exceed the short term cost.
- 2.1.11 Opportunities for cost effective repayment of existing debt and restructuring opportunities would be constantly monitored and would have been taken if and when they emerged.
- 2.1.12 The Fire Authority balances were to be invested in line with the following specific policy:-

#### **(A) UK Investment Without Government Equity Holding**

Up to a maximum of £3m deposited up to a period of up to one year with any of the following: -

The current policy stance is overnight but the policy allows changes to reflect market conditions if and when they improve.



| <b>Bank / Fund / Local Authority</b>   |
|--|
| Barclays<br>Santander UK<br>HSBC<br>Nationwide<br>Individual Treasury Type Money Market Funds (AAA rated) which invest in Government Securities only<br>Individual Cash Type Money Market Funds (AAA rated)<br>Another Local Authority (Equivalent to the low risk of investing with the Government but not formally rated ) |

Only banks which meet the following minimum rating criteria for at least two of the designated agencies to be used.

| Ratings Agency      | Long Term | Short Term |
|---------------------|-----------|------------|
| Fitch               | AA-       | F1+        |
| Moody               | AA3       | P-1        |
| Standards and Poors | AA-       | A-1+       |

### **(B) UK Investment With Government Equity Holding of minimum of 30%**

We are taking 30% as a minimum level of significant associated company influence. In practice it serves as a trigger to formally review our position.

Up to a maximum of £3m deposited up to a period of up to three months with the following: -

The current policy stance is overnight but the policy allows changes to reflect market conditions if and when they improve.

| <b>Bank</b>                 |
|-----------------------------|
| Lloyds/HBOS<br>Nat West/RBS |

Only banks which meet the following minimum rating criteria for at least two of the designated agencies are to be used. The banks will not be used if the UK Sovereign rating falls below AAA

| <b>Ratings Agency</b> | <b>Long Term</b> | <b>Short Term</b> |
|-----------------------|------------------|-------------------|
| Fitch                 | A                | F1                |
| Moody                 | A2               | P-1               |
| Standards and Poors   | A                | A-1               |

The policy retains the ability to revert to some, or even extensive use of the Government's Debt Management Account Deposit Facility (DMADF) if market risk conditions tighten.

2.1.13 The strategy going forward was to continue with the policy of ensuring minimum risk but was also intended to deliver secure investment income of at least bank rate on the Fire Authority's cash balances (the actual target is bank rate plus 0.4%).

2.1.14 Additional requirements under the Code of Practice require the Fire Authority to supplement credit rating information. Whilst the above criteria relies primarily on the application of credit ratings to provide a pool of appropriate counterparties for officers to use, additional operational market information has been and will continue to be applied before making any specific investment decision from the agreed pool of counterparties. This additional market information (for example Sovereign ratings, Credit Default Swaps, equity prices, the Sector security and liquidity model and the CIPFA National treasury risk model as well as media updates etc.) will be assessed when comparing the relative security of differing investment counterparties.

2.1.15 All of the investments will be classified as Specified Investments. These investments are sterling investments of not more than one-year maturity with institutions we deem to be high credit quality or with the UK Government (Debt Management Account Deposit Facility). These are considered low risk assets where the possibility of loss of principal or investment income is small. The Fire Authority does not have any Non Specified Investments which are ones of more than one-year maturity or with institutions which have a lesser credit quality.

## **2.2 The economy in 2012/13 – Commentary from Sector (Treasury Management Advisors) in May 2013.**

2.2.1 The financial year 2012/13 continued the challenging investment environment of previous years, namely low investment returns and continuing heightened levels of counterparty risk. The original expectation for 2012/13 was that Bank Rate would start gently rising from quarter 4 2014. However, economic growth in the UK was disappointing during the year due to the austerity programme, weak consumer confidence and spending, a lack of rebalancing of the economy to exporting and weak growth in our biggest export market - the European Union (EU). The coalition Government maintained its tight fiscal policy stance against a background of warnings from two credit rating agencies that the UK could lose its AAA credit rating. The key to retaining this rating will be a return to strong economic growth in order to reduce the national debt burden to a sustainable level, within the austerity plan timeframe. Weak UK growth resulted in the Monetary Policy Committee increasing quantitative easing (QE) by £50bn in July to a total of £375bn. Bank Rate therefore ended the year unchanged at 0.5% while CPI inflation fell from 3% at the start of the year to end at 2.8% in March, with a fall back to below 2% pushed back to quarter 1 2016.

2.2.2. The EU sovereign debt crisis was an ongoing saga during the year with first Greece and then Cyprus experiencing crises which were met with bailouts after difficult and fraught negotiations.

2.2.3. Gilt yields oscillated during the year as events in the on-going Eurozone debt crisis ebbed and flowed, causing corresponding fluctuations in safe haven flows into / out of UK gilts. This, together with a further £50bn of QE in July and widely expected further QE still to come, combined to keep PWLB rates depressed for much of the year at historically very low levels.

2.2.4. The Funding for Lending Scheme, announced in July, resulted in a flood of cheap credit being made available to banks and this has resulted in money market investment rates falling sharply in the second half of the year. However, perceptions of counterparty risk have improved after the ECB statement in July that it would do “whatever it takes” to support struggling Eurozone countries. This has resulted in some return of confidence to move away from only very short term investing.

### **2.3 Interest on short term balances**

2.3.1. The total amount received in short term interest for the 2012/13 was £90,715 at an average rate of 0.61%.

2.3.2. Full detail of the interest received has been set out in paragraph 3.6.

### **2.4 Long term borrowing**

2.4.1 No borrowing was undertaken in 2012/13. The total outstanding loan debt at 31 March 2013 was £11,123,000 which did not change from 31 March 2012. The interest rate remained at 4.6%.

2.4.2. In 2012/13, although the interest rates were monitored proactively to look for savings from early repayment of some loans and their replacement by new borrowing at a lower interest rate, no opportunities arose. Monitoring of opportunities for the rescheduling of loans will continue in the remainder of this and future years and the debt will be restructured when and if market conditions are favourable. In view of the relatively new debt outstanding and the existing interest rates close to those currently in the market, as well as the penalties for early repayment of loans, the opportunities for restructuring of debt for the Fire Authority may be limited. The decision to increase the PWLB lending rates without increasing the rate used for repaying debt has significantly reduced the opportunity to restructure debt.

### **2.5 Short term borrowing**

2.4.3. No borrowing was undertaken on a short-term basis during 2012/13 to date to cover temporary overdraft situations.

### 3. Prudential Indicators and limits relating to Treasury Management activities

#### 3.1 The limits set for 2012/13

The Strategy Report for 2012/13 set self-imposed prudential indicators and limits. There are on an annual basis and monitored. They comprise:

- Authorised limit for borrowing (see 3.2 below)
- Interest rate exposure (see 3.3 below)
- Maturity structure of debt (see 3.4 below)
- Compliance with the treasury management code of practice (see 3.5 below)
- Maturity structure of investments (see 3.7 below)
- Interest on our investments (see 3.6 below)
- Capital Financing Requirement and Minimum Revenue Provision Statement (see 3.8 below)

None of the limits has been exceeded in 2012/13.

#### 3.2 Authorised limit for borrowing

3.2.1 The table below sets out the actual 2011/12, original estimate and likely outturn in 2012/13 for borrowing.

|   | <b>2011/12<br/>Actual</b> | <b>2012/13<br/>Original<br/>Estimate</b> | <b>2012/13<br/>Likely<br/>Outturn</b> |
|---|---------------------------|--|---------------------------------------|
|   | <b>£000</b>               | <b>£000</b>                              | <b>£000</b>                           |
| <b>Opening CFR</b>                      | 11,449                    | 11,177                                   | 11,059                                |
| Capital Investment                      | 1,483                     | 4,808                                    | 2,586                                 |
| Sources of Finance                      | (1,203)                   | (3,853)                                  | (2,067)                               |
| MRP                                     | (458)                     | (447)                                    | (420)                                 |
| MRP - Finance Leases                    | (212)                     | (186)                                    | (580)                                 |
| <b>Movement in year</b>                 | <b>(390)</b>              | <b>322</b>                               | <b>(481)</b>                          |
| <b>Closing CFR</b>                      | <b>11,059</b>             | <b>11,499</b>                            | <b>10,578</b>                         |
| less Finance Lease Liability            | (580)                     | (394)                                    | -                                     |
| <b>Underlying Borrowing Requirement</b> | <b>10,479</b>             | <b>11,105</b>                            | <b>10,578</b>                         |
| <b>Actual Long Term Borrowing</b>       | <b>11,123</b>             | <b>11,123</b>                            | <b>11,123</b>                         |
| Over / (Under) Borrowing                | 644                       | 18                                       | 545                                   |
| <b>Operational Boundary</b>             | <b>10,170</b>             | <b>11,550</b>                            | <b>11,550</b>                         |
| <b>Authorised Limit</b>                 | <b>12,590</b>             | <b>13,982</b>                            | <b>13,982</b>                         |

- 3.2.2 The likely outturn for 2012/13 shows an over borrowing of £545,000. The reasons for historic borrowing in advance of need have been set out in previous Strategy, Stewardship and Half Year reports and the position has also been influenced this year by the decision to terminate our remaining finance leases (see following paragraphs).
- 3.2.3 The borrowing limits set in each year include capacity to borrow in advance of need.
- 3.2.4 In the Statement of Accounts for 2010/11, the liability for operational leasing was included for the first time in the Capital Financing Requirement. This complies with the International Financial Computing Standards (IFRS) Code of Practice. The Capital Financing Requirement less the liability for operational leasing gives the Underlying Borrowing Requirement and this can be used as a comparison to the Long Term Borrowing. All of the operational leases were terminated in 2012/13, so the Finance Lease Liability at the end of 2012/13 was nil.
- 3.2.5 As part of the drive to close the budget funding gap Policy and Resources Panel were advised in February 2013 that discussions had been initiated to buy out the remaining operational vehicles that are currently leased. The Authority paid a lease charge for 18 vehicles costing around £214,000 per annum which will be the annual revenue saving in 2013/14 reducing to £169,000 in 2015/16. The cost of purchasing the leases was initially estimated as in the region of £670,000, to be funded from General Balances however the negotiations resulted in a final fee of £630,000. This is a revenue budget saving of approximately £160,000 over the remaining life of the leases and excludes the asset value that comes to the Fire Authority at the end of the lease.
- 3.2.6 The Operational boundary for borrowing was based on the same estimates as the Authorised limit. It reflected directly the authorised borrowing limit estimate without the additional amount for short term borrowing included to allow, for example, for unusual cash movements. The Operational boundary represents a key management tool for in year monitoring and long term borrowing control.
- 3.2.7 The Authorised limit was consistent with the Fire Authority's current commitments, existing plans and the proposals for capital expenditure and financing, and with its approved treasury management policy statement and practices. It was based on the estimate of most likely, prudent but not worst case scenario, with in addition sufficient headroom (short term borrowing) over and above this to allow for day to day operational management, for example unusual cash movements or late receipt of income. Risk analysis and risk management strategies were taken into account as were plans for capital expenditure, estimates of the capital financing requirement and estimates of cash flow requirements for all purposes.
- 3.2.8 The Authorised limit is the "Affordable Borrowing Limit" required by S3 of the Local Government Act 2003 and must not be breached. The estimated long term borrowing at 31 March 2013 of £11,123,000 is under the Authorised limit set for 2012/13 of £13,982,000.

### 3.3 Interest rate exposure

The Fire Authority's Prudential Indicator continued the practice of seeking competitive fixed interest rate exposure for borrowing, lending and a combined figure of borrowing and lending.

| <u>Borrowing</u>       | 2012/13<br>Estimate | 2012/13<br>Actual |
|------------------------|---------------------|-------------------|
| Fixed Rate Exposure    |                     |                   |
| Upper Limit            | 100%                | 100%              |
| Lower Limit            | 100%                |                   |
| Variable Rate Exposure |                     |                   |
| Upper Limit            | 0%                  | 0%                |
| Lower Limit            | 0%                  |                   |

No new borrowing undertaken in 2012/13 and unlikely for the rest of the year.

| <u>Lending</u>         | 2012/13<br>Estimate | 2012/13<br>Actual |
|------------------------|---------------------|-------------------|
| Fixed Rate Exposure    |                     |                   |
| Upper Limit            | 100%                | 68%               |
| Lower Limit            | 0%                  |                   |
| Variable Rate Exposure |                     |                   |
| Upper Limit            | 100%                | 32%               |
| Lower Limit            | 0%                  |                   |

All lending at fixed rates

| <u>Borrowing and Lending combined</u> | 2012/13<br>Estimate | 2012/13<br>Actual |
|---------------------------------------|---------------------|-------------------|
| Fixed Rate Exposure                   |                     |                   |
| Upper Limit                           | 100%                | 82%               |
| Lower Limit                           | 49%                 |                   |
| Variable Rate Exposure                |                     |                   |
| Upper Limit                           | 51%                 | 18%               |
| Lower Limit                           | 0%                  |                   |

No new borrowing was undertaken in 2012/13

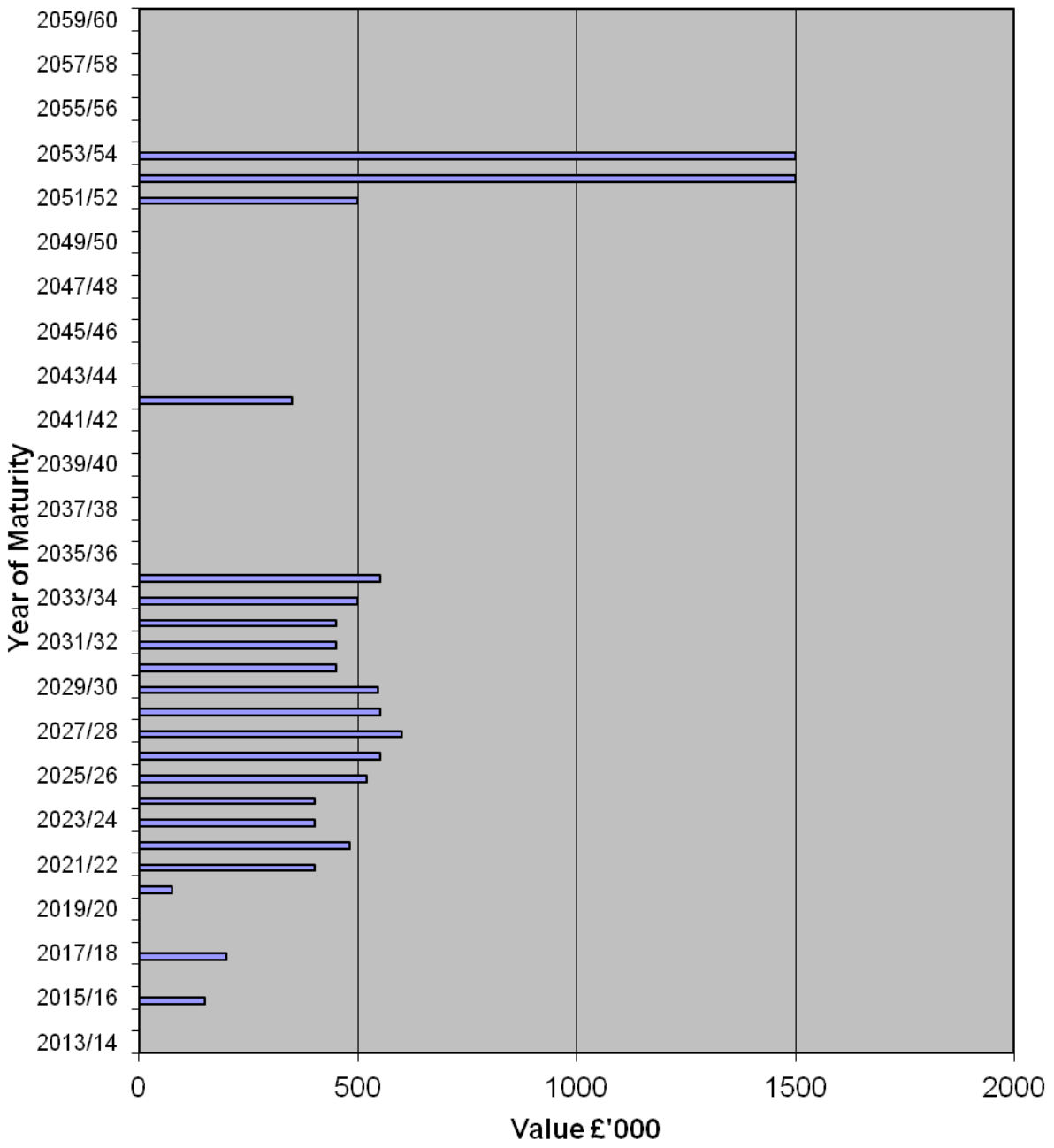
### 3.4 Maturity structure of debt

The Fire Authority set upper and lower limits for the maturity structure of its borrowings as follows.

|                                | <u>Estimated</u><br><u>Lower Limit</u> | <u>Estimated</u><br><u>Upper Limit</u> | <u>At 31 March</u><br><u>2013</u> |
|--------------------------------|--|--|-----------------------------------|
| Under 12 months                | 0%                                     | 25%                                    | 0%                                |
| 12 months and within 24 months | 0%                                     | 40%                                    | 0%                                |
| 24 months and within 5 years   | 0%                                     | 60%                                    | 3%                                |
| 5 years and within 10 years    | 0%                                     | 80%                                    | 4%                                |
| 10 years and within 20 years   | 0%                                     | 80%                                    | 44%                               |
| 20 years and within 30 years   | 0%                                     | 80%                                    | 17%                               |
| 30 years and within 40 years   | 0%                                     | 80%                                    | 18%                               |
| Over 40 years                  | 0%                                     | 80%                                    | 14%                               |

Any new borrowing undertaken would give due consideration to the debt maturity profile, ensuring that an acceptable amount of debt is due to mature in any one financial year. This helps to minimise the authority's exposure to the risk of having to replace a large amount of debt in any future years when interest rates may be unfavourable. No new borrowing was undertaken in 2012/13. The following graph shows when the debt will mature.

### PWLB Loans Maturity Profile at 31st March 2013



### 3.5 Compliance with the treasury management code of practice

East Sussex Fire Authority has adopted the CIPFA Code of Practice for Treasury Management in the Public Services.



### 3.6 Interest on our investments

3.6.1. Base interest rate has stayed at 0.5% in 2012/13. The rate is the lowest ever rate and the rate has remained unchanged for the longest period on record. The last change was on 5 March 2009.

3.6.2. There have been continued uncertainties in the markets during the year to date as set out in the previous paragraphs of this report.

3.6.3. Our strategy for 2012/13 continued the prudent approach and ensured that all investments were only to the highest quality rated banks and only up to a period of one year. A more prudent approach has been adopted with all investments being on call (overnight only).

3.6.4. Additional market information including Sovereign ratings, Credit Default Swaps, equity prices, the Sector security and liquidity model and the CIPFA National treasury risk model as well as media updates etc have been used to assess the relative security of differing investment counterparties.

3.6.5. The table below sets out the average monthly rate received on our investments and compares it to the Bank of England Base rate to reflect the interest rates available in the market, the reduced term of the investment to an overnight (on call) policy and limitation in the use of counterparties.

| Month                       | Amount<br>£   | Monthly<br>rate | Margin<br>over<br>Base rate | Margin<br>against<br>Base plus<br>0.4% | Average<br>balance<br>in month<br>£m |
|-----------------------------|---------------|-----------------|-----------------------------|--|--------------------------------------|
| April                       | 9,518         | 0.88%           | 0.38%                       | -0.02%                                 | 13.117                               |
| May                         | 9,758         | 0.86%           | 0.36%                       | -0.04%                                 | 13.411                               |
| June                        | 7,789         | 0.72%           | 0.22%                       | -0.18%                                 | 13.139                               |
| July                        | 7,431         | 0.58%           | 0.08%                       | -0.32%                                 | 15.131                               |
| August                      | 7,485         | 0.54%           | 0.04%                       | -0.36%                                 | 16.403                               |
| September                   | 7,338         | 0.54%           | 0.04%                       | -0.36%                                 | 16.511                               |
| October                     | 7,450         | 0.53%           | 0.03%                       | -0.37%                                 | 16.583                               |
| November                    | 7,111         | 0.53%           | 0.03%                       | -0.37%                                 | 16.270                               |
| December                    | 7,434         | 0.58%           | 0.08%                       | -0.32%                                 | 15.212                               |
| January                     | 7,455         | 0.57%           | 0.07%                       | -0.33%                                 | 15.312                               |
| February                    | 5,730         | 0.52%           | 0.02%                       | -0.38%                                 | 14.277                               |
| March                       | 6,216         | 0.54%           | 0.06%                       | -0.36%                                 | 13.678                               |
| <b>Total in<br/>2012/13</b> | <b>90,715</b> | <b>0.61%</b>    | <b>0.11%</b>                | <b>-0.29%</b>                          | <b>14.927</b>                        |

3.6.5. The total amount received in short term interest for the year was £90,715 at an average rate of 0.61%. This was above the average of base rates in the same period (0.5%) but below the aim to secure investment income of at least base rate plus 0.4% on the Fire Authority's cash balances whilst ensuring, so far as possible in the financial climate, the security of principal and the minimisation of risk.

3.6.6. Although Santander UK and Barclays are listed as Banks which could be used for investments, their ratings fell for two out of the three Credit Rating Agencies below the criteria set in the last two months of 2011 and now do not meet the criteria set for any of the three Rating Agencies. Nationwide is also listed but their ratings also do not meet the requirements of our Strategy for any of the three Rating Agencies. HSBC does meet our criteria but show little interest in the short term market. All of these Banks were not used for investment in 2012/13.

3.6.7. The reason for the reduction in return from June was because of the transfer of our investment in Money Market Funds (MMFs) from “Cash Type” to “Treasury Type” which has funds in Government Securities only and into the safe haven of the Government’s Debt Management Account Deposit Facility (DMADF). The interest rates received on all MMFs have reduced during the year and the “Treasury Type” MMFs and the DMADF rates received are less than those received on “Cash Type” MMFs. The reason for these changes was the continued major concerns in the market due to the problems with European countries and the Euro. The changes to the investments held comply with our Treasury Management Strategy and the Fire Authority has continued to follow an extremely prudent approach with security and liquidity as the main criteria before yield.

### **3.7 Maturity structure of investments**

The authority has continued the current policy and not invested any sums for more than 364 days and the investments were of high credit quality. Therefore, all of the investments were classified as Specified Investments.

### **3.8 Capital Financing Requirement and Minimum Revenue Provision Statement**

#### The Fire Authority’s Borrowing Need (the Capital Financing Requirement)

3.8.1 The prudential indicator is the Authority’s Capital Financing Requirement (CFR). The CFR is simply the total outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the underlying borrowing need.

3.8.2 The Fire Authority approved the CFR projections for 2012/13 in its Strategy approved in February 2012. These are in the original estimate below.

|  | <b>2011/12<br/>Actual</b> | <b>2012/13<br/>Original<br/>Estimate</b> | <b>2012/13<br/>Likely<br/>Outturn</b> |
|--|---------------------------|--|---------------------------------------|
|  | <b>£000</b>               | <b>£000</b>                              | <b>£000</b>                           |
| Opening CFR                            | 11,449                    | 11,177                                   | 11,059                                |
| Closing CFR                            | 11,059                    | 11,499                                   | 10,578                                |
| <b>Movement in CFR</b>                 | <b>(390)</b>              | <b>322</b>                               | <b>(481)</b>                          |
| <b>Movement in CFR represented by:</b> |                           |  |                                       |
| Net financing                          | 280                       | 955                                      | 519                                   |
| MRP                                    | (458)                     | (447)                                    | (420)                                 |
| Reduction in Finance Lease Liability   | (212)                     | (186)                                    | (580)                                 |
| <b>Movement in year</b>                | <b>(390)</b>              | <b>322</b>                               | <b>(481)</b>                          |

3.8.3 The Fire Authority is required to pay off an element of the accumulated General Fund capital spend each year through a revenue charge called the Minimum Revenue Provision (MRP), although it is also allowed to undertake additional voluntary payments.

3.8.4 The Fire Authority has implemented MRP guidance and has assessed the MRP for 2012/13 in accordance with the main Department for Communities and Local Government (CLG) Regulations contained within the guidance issued by the Secretary of State under section 21 (1A) of the Act. A variety of options were provided to authorities, so long as there was a prudent provision. The major proportion of the MRP for 2012/13 related to the more historic debt liability for capital expenditure incurred before 1 April 2008 or which in the future will be Supported Capital Expenditure, the MRP policy will be:

- Based on based on the non-housing CFR, i.e., The Authority currently set aside a Minimum Repayment Provision based on basic MRP of 4% each year to pay for past capital expenditure and to reduce its CFR.

3.8.5 From 1 April 2008 for all unsupported borrowing the MRP policy will be:

Asset Life Method – MRP will be based on the estimated life of the assets, in accordance with the regulations (this option will be applied for any expenditure capitalised under a Capitalisation Direction).

#### **4 Treasury Management Advisors**

4.1 The Strategy for 2012/13 explained that the Fire Authority uses Sector as its treasury management consultant through the contract that exists with East Sussex County Council. The company has provided a range of services which have included:

- a) Technical support on treasury matters, capital finance issues and advice on reporting;
- b) Economic and interest rate analysis;

- c) Debt services which includes advice on the timing of borrowing;
- d) Debt rescheduling advice surrounding the existing portfolio;
- e) Generic investment advice on interest rates, timing and investment instruments;
- f) Credit ratings from the three main credit rating agencies and other market information;
- g) Assistance with training on treasury matters.

4.2 Whilst the advisers provide support to the internal treasury function, under current market rules and the CIPFA Code of Practice the final decision on treasury matters remained with the Authority. This service remains subject to regular review.

4.3 Sector is the largest provider of Treasury Management advice services to local authorities in the UK and they claim to be the market-leading treasury management service to their clients and better those offered by competitors. The advice will continue to be monitored regularly to ensure an excellent level of service provided to our authority.

## **5 Conclusion**

5.1 The prime objective of Treasury Management is the effective management of risk and that its activities are undertaken in a prudent affordable and sustainable basis. This report confirms the Authority has continued to follow an extremely prudent approach with the main criteria of security and liquidity before yield. The current emphasis must be to continue to be able to react quickly if market conditions worsen.

**EAST SUSSEX FIRE AUTHORITY**

Date: **6 June 2013**

By: **Chief Fire Officer and Chief Executive and Treasurer**

Title: **Authorised Banking Arrangements**

Purpose of Report: **To agree the change in arrangements relating to the Authority's principal bank accounts**

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**RECOMMENDATION:** The Fire Authority is recommended to amend the list of officers authorised to sign cheques on behalf of the Fire Authority.

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**MAIN ISSUE**

The Authority's banking arrangements require amendment to provide adequate cover for day to day operational purposes as set out in the Background Information.

**Des Prichard**  
**CHIEF FIRE OFFICER & CHIEF EXECUTIVE**

**Duncan Savage**  
**TREASURER**

24 May 2013

## 1. **BACKGROUND INFORMATION**

1.1 The Fire Authority currently has the following main accounts with NatWest Bank plc:

Authority Fund Account  
Payments Account  
Salaries Account

1.2 The Authority's financial regulations prescribe that cheques drawn on the Authority's main banking accounts are to bear the pre-printed signature of the Treasurer, or be signed by him/her or other authorised officers.

The other officers currently authorised are:

|   |                 |
|---|-----------------|
| Treasurer                                   | (Duncan Savage) |
| Chief Fire Officer & Chief Executive        | (Des Prichard)  |
| Deputy Director of Finance                  | (Amanda Walker) |
| Head of Corporate Finance                   | (Ola Owolabi)   |
| Financial Planning Manager                  | (Steve Potts)   |
| Group Manager (Financial Services)          | (Rachel Jarvis) |
| Financial Development Manager               | (Neil Foley)    |
| Assistant Group Manager (Corporate Finance) | (Ross Sutton)   |

Currently, apart from the Chief Fire Officer & Chief Executive and the Treasurer, the cheque signatories are all employees of East Sussex County Council and are located at County Hall, Lewes. This is because financial services are provided to the Authority through the County Council, and the cheque signatories need to be on hand.

1.3 The Deputy Chief Fire Officer (Gary Walsh) is added to the list and other changes reflect the management changes in East Sussex County Council. The list below sets out the proposed officers along with their post titles.

|  |                 |
|--|-----------------|
| Chief Fire Officer & Chief Executive   | (Des Prichard)  |
| Deputy Chief Fire Officer              | (Gary Walsh)    |
| Treasurer                              | (Duncan Savage) |
| Head of Accounts and Pensions          | (Ola Owolabi)   |
| Head of Financial Planning             | (Rachel Jarvis) |
| Finance Manager (Systems and Accounts) | (Ross Sutton)   |

**EAST SUSSEX FIRE AUTHORITY**

Date: **6 June 2013**

Title: **Facing the Future: Findings from the Review of Efficiencies and Operations in Fire and Rescue Authorities in England**

By: **Chief Fire Officer & Chief Executive**

Purpose: **To present Members with the findings of the review of efficiencies and operations in Fire and Rescue Authorities in England and the proposed way forward.**

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**RECOMMENDATION:** The Fire Authority is asked to note the publication and key review findings, the implications of which will be considered further by Officers as to the impact on the Medium Term Financial Plan.

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**MAIN ISSUES**

1. In December 2012, the Fire Minister, Brandon Lewis MP, commissioned Sir Ken Knight to undertake a review of efficiencies and operations in fire and rescue authorities in England. The Service presented a paper to Sir Ken Knight to consider within his review.
2. Although commissioned by the Fire Minister, the Department for Communities and Local Government have indicated that the findings and conclusions of the report are those of the author and do not necessarily represent the views or proposed policies of the Department.
3. The author considered the previous reviews of the fire and rescue service conducted over the last ten years and statistics based on publicly available data, in most cases from 2011/12.

**Des Prichard**  
**CHIEF FIRE OFFICER & CHIEF EXECUTIVE**  
24 May 2013

## 1. **INTRODUCTION**

- 1.1 In December 2012, the Fire Minister, Brandon Lewis MP, commissioned Sir Ken Knight to undertake a review of efficiencies and operations in fire and rescue authorities in England. The Service presented a paper to Sir Ken Knight to consider within his review.
- 1.2 Although commissioned by the Fire Minister, the Department for Communities and Local Government have indicated that the findings and conclusions of the report are those of the author and do not necessarily represent the views or proposed policies of the Department.
- 1.3 The author considered the previous reviews of the fire and rescue service conducted over the last ten years and statistics based on publicly available data, in most cases from 2011/12.

## 2. **EXECUTIVE SUMMARY AND FINDINGS**

### 2.1 **Chapter one: What is efficiency and how efficient is the delivery of fire and rescue services in England?**

- Deaths from fires in the home are at an all-time low; incidents have reduced by 40 per cent in the last decade but expenditure and firefighter numbers remain broadly the same. This suggests that there is room for reconfiguration and efficiencies to better match the service to the current risk and response context.
- Some fire and rescue authorities spend almost twice as much per person per year in some areas than others but there seems to be little relationship between expenditure and outcomes.
- If all authorities spending more than the average reduced their expenditure to the average, savings could amount to £196 million a year.

### 2.2 **Chapter two: Deploying resources**

- Fire and rescue authorities have transformed themselves from organisations that dealt with fire response to organisations also covering preventative and wider rescue work and they have succeeded in reducing incidents. They now need to transform themselves again to reflect the completely different era of risk and demand.
- The focus for the future must be on protecting front-line services; this does not mean a protectionist approach to jobs. Avoiding redundancies, station closures or reductions in fire engines is often the focus for elected members and officers, and there is anecdotal evidence of some self-censorship by Chief Fire Officers.
- Innovative crewing and staffing models are being pursued, and there is some evidence that these are being shared – but there is little evidence of areas implementing learning from others.



- Increasing the total 'on-call' firefighters nationally by just 10 per cent (to 40 per cent) could provide annual savings of up to £123 million. All fire and rescue authorities must consider whether 'on-call' firefighters could meet their risk – it is an invaluable cost-effective service.
- £17 million could be saved if authorities adopted the leanest structure in their governance types.
- The Grey Book can lead to some self-limitation by leaders not to introduce change that would require lengthy negotiation. It should be reviewed.

Authorities are right to capitalise on their reputation to help deliver other services to hard-to-reach communities but this should only be where they are commissioned to do it, or have identified a clear cost benefit to their own aims.

### 2.3 Chapter three: Collaborating for efficiency

- The 46 fire and rescue authorities, each with different governance structures, senior leaders, and organisational and operational quirks, does not make for a sensible delivery model. Mergers can be a solution but there is a lack of local political appetite and incentive to combine.
- There is widespread duplication of effort in the design, commissioning and evaluation of fire-specific products. A greater level of trust between authorities is needed to ensure the rapid spread of good ideas and proven technology.
- The challenge for fire and rescue authorities is to accept that to achieve interoperability, we all need to forgo an element of customisation. What I have seen throughout this review is that fire and rescue authorities are not yet prepared to take this step – but I hope that the future holds greater pragmatism.
- Collaboration, co-responding and co-location with other blue-light services does happen and can deliver efficiency through consolidating public sector assets as well as closer working. Progress is, however, patchy and driven or hindered by local relationships.

### 2.4 Chapter four: Driving efficiency

- Fire and rescue authority reserves increased from just over £200 million to more than £400 million in 2008-2012. These levels are well above the average for local authorities (including police). Prudent reserves should be held but funding reductions were back-loaded to enable authorities to invest in service transformation – reserves should be used to invest in spend-to-save projects.
- Authority Members need greater support and knowledge to be able to provide the strong leadership necessary to drive efficiency. Scrutiny of authorities and services varies considerably, some more robust than others. Elected Members must ensure that local people understand their service and encourage an informed debate about change.
- Greater sector leadership is needed to drive through a culture of learning from good practice and challenging services to rise to the level of the best.

## 2.5 Chapter five: What is the future for fire and rescue?

- Where fire and rescue authorities can provide business cases for local merger, showing clear, achievable efficiencies, Central Government should step forward to provide financial support for transition.
- The potential savings identified in this review are unlikely to be sufficient for some fire and rescue authorities to be able to live within their reducing budgets.
- The scale of change needed to fully transform the fire and rescue service is unlikely to be achieved through local action alone but authorities should not wait for national action before fully exploiting the large number of opportunities already within their grasp.
- National level changes to enable greater collaboration with other blue-light services including, through shared governance, co-working and co-location, would unlock further savings.

## 3. **CONCLUSION**

- 3.1 Sir Ken Knight's report presents the proposition that the fire and rescue service across England needs to adapt to operate in a very different economic and political context and highlights a number of options for the future of the fire and rescue service.
- 3.2 The report also recognises the excellent prevention work that fire and rescue services undertake, which has led to a 40% reduction in incidents in the last ten years. These national results are consistent with the service's own performance, which shows dramatic reductions in deliberate fires by 80%, meanwhile serious fires have diminished by 50%. These impressive statistics have been achieved through targeted community safety work, including 76,000 home safety visits carried out by the Service since 2004. During the last year alone, more than 10,200 home safety visits were delivered, of which 86% were to the most vulnerable in the community.
- 3.3 This is as a result of the commitment of the Fire Authority in their support for community safety and fire prevention work which has resulted in safer and more sustainable communities across East Sussex and the City of Brighton and Hove.
- 3.4 Further significant progress has been made in the service in a number of areas since the data referenced in this report, which is over a year old, through the Facing the Challenge and Service Prioritisation projects.
- 3.5 The Report will now need a more in depth analysis and consideration alongside the Service planning and budget setting process now in progress to understand whether any of the proposals have merit in light of the Authority's need to save a minimum of £3.4m by 2017/18 provided the Fire Authority raises council tax by a minimum of 2% in each year up to 2017/18.

- 3.6 When the Medium Term Financial Plan is updated this will be in the light of the results of the current Comprehensive Spending Review (CSR13) being conducted by central government and therefore Members should note that dependent on the outcome of the CSR13, the savings needed may be considerably more.
- 3.7 Officers will now consider the report and options for efficiency savings against the IRMP Review of Response, Protection and Prevention and report to Members at a later meeting of the Fire Authority.



**EAST SUSSEX FIRE AUTHORITY**

Date: **6 June 2013**  
 Title: **Quarterly Report for January to March 2013**  
 By: **Chief Fire Officer & Chief Executive**  
 Purpose of Report: **To consider the quarterly results for the period January to March 2013**

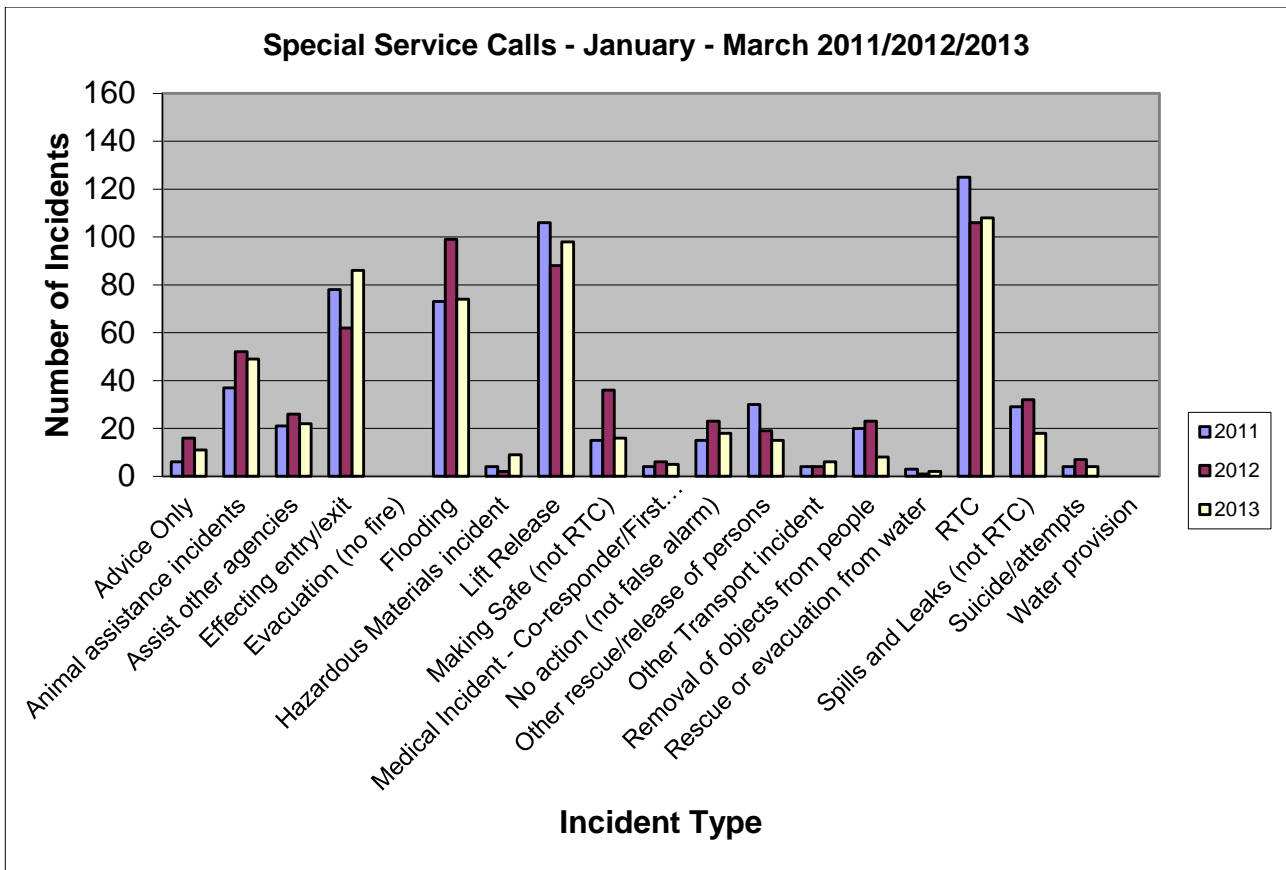
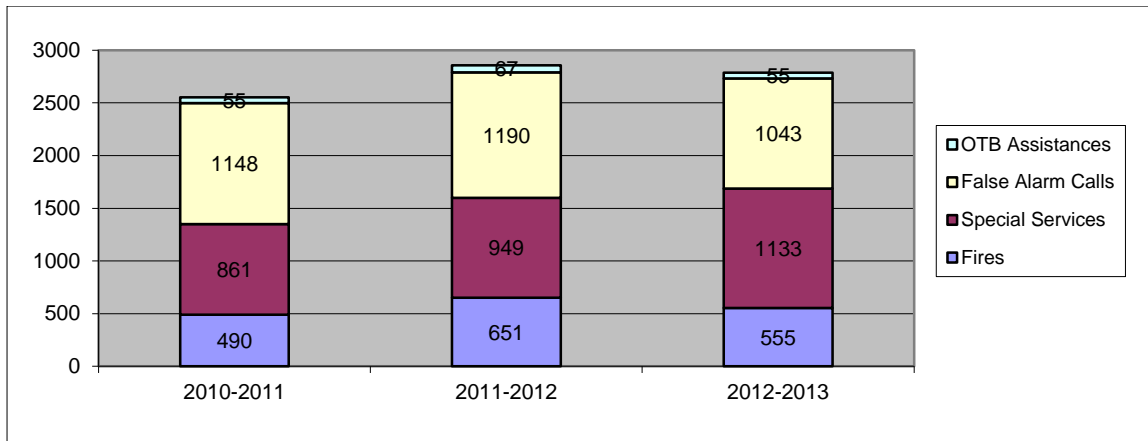
**RECOMMENDATION:** The Fire Authority is asked to note the report.

**1 FIRES AND OTHER OCCURRENCES**

**1.1 Number of Calls**

1.1.1 During the period 1 January to 31 March 2013, East Sussex Fire & Rescue Service responded to 2,148 calls, compared with 2,437 in the same period for 2011/12 and 2,207 for the same period in 2010/11.

|  | <b>2010/11</b> | <b>2011/12</b> | <b>2012/13</b> |
|--|----------------|----------------|----------------|
| <u>Incidents attended</u>  |                |                |                |
| Fires including small fires and chimney fires  | 490            | 651            | 555            |
| Special Services including road traffic accidents  | 569            | 596            | 550            |
| False Alarm calls including malicious, good intent, accidental operation and mechanical/electrical | 1,148          | 1,190          | 1,043          |
|  | <b>2,207</b>   | <b>2,437</b>   | <b>2,148</b>   |
| <u>Over the Border Calls assistance</u>  |                |                |                |
| to West Sussex   | 13             | 19             | 18             |
| to Kent  | 21             | 24             | 8              |
|  | <b>2,241</b>   | <b>2,480</b>   | <b>2,174</b>   |
| In addition, the following assistance was received from neighbouring Fire & Rescue Services:       |                |                |                |
| from West Sussex   | 16             | 21             | 26             |
| from Kent  | 5              | 3              | 3              |
|  | <b>2,262</b>   | <b>2,504</b>   | <b>2,203</b>   |



**Fires and other occurrences – Fourth Quarter**

**1.2 Fatalities in Fire 2012/13**

1.2.1 There was one person who lost their life in fire during this period 2012/13

There were three fatalities in fires during this quarter in 2011/12.

There was one fatality in fires during the same period in 2010/11.

### 1.3 Persons Rescued – 2012/13

|                     | FIRE    |         |         | NON FIRE INCIDENTS |         |         | TOTAL   |         |         |
|---------------------|---------|---------|---------|--------------------|---------|---------|---------|---------|---------|
|                     | 2010/11 | 2011/12 | 2012/13 | 2010/11            | 2011/12 | 2012/13 | 2010/11 | 2011/12 | 2012/13 |
| 1 <sup>st</sup> QTR | 33      | 40      | 24      | 275                | 228     | 225     | 308     | 268     | 249     |
| 2 <sup>nd</sup> QTR | 24      | 26      | 23      | 222                | 199     | 236     | 246     | 225     | 259     |
| 3 <sup>rd</sup> QTR | 51      | 39      | 40      | 273                | 213     | 213     | 324     | 252     | 253     |
| 4 <sup>th</sup> QTR | 59      | 35      | 25      | 229                | 189     | 207     | 288     | 224     | 232     |
| Annual              | 167     | 140     | 112     | 999                | 829     | 881     | 1,166   | 969     | 993     |

Figures for the latest quarter are provisional as all incidents may not have been completed  
 \*Rescues and deaths for the fourth quarter are provisional

## 2. PERSONNEL MATTERS

2.1 The Service's strength and financial provision at 31 March 2013, against the previously approved Establishment Scheme, were as follows:

|   | Establishment | Financial Provision<br>2012/13 | Actual Strength |
|---|---------------|--------------------------------|-----------------|
| <b><u>Wholetime Members</u></b>   |               |                                |                 |
| Specialist and Supervisory Staff,<br>(including Station Managers)   | 74            | 74                             | 64              |
| Operational Staff on Stations   | 347           | 347                            | 350             |
| <b>Total:</b>   | <b>421</b>    | <b>421</b>                     | <b>414</b>      |
| includes previously approved 4 Station Managers on the Operational Improvement Scheme, added to the Establishment |               |                                |                 |
| Add:  |               |                                |                 |
| Mobilising and Communications Staff   | 26            | 26                             | 32              |
| <b>Total Wholetime</b>  | <b>447</b>    | <b>447</b>                     | <b>446</b>      |
| <b><u>Part-time Members</u></b>   |               |                                |                 |
| Whole Unit equivalent   | 294           | 242                            | 236             |
| <b>TOTAL</b>  | <b>741</b>    | <b>689</b>                     | <b>682</b>      |

## 2.2 **Medals and Other Awards**

2.2.1 There were three Long Service and Good Conduct medals awarded during this quarter, to two Firefighters and one Crew Manager.

## 2.3 **Appointments, Examination Results, Promotions, Resignations and Retirements**

### 2.3.1 **Appointments**

#### 2.3.1.1 Wholetime

There were four Wholetime appointments during the quarter: two at Bohemia Road, Hastings; one at The Ridge, Hastings; and one at Hove.

#### 2.3.1.2 Retained

There were 17 Retained Duty System (RDS) appointments during this quarter: two at Barcombe; three at Battle; two at Heathfield; two at Lewes; one at Mayfield; three at Seaford; one at Rye; two at Uckfield; and one at the Training Centre, who is awaiting appointment to a station.

#### 2.3.1.3 Support Staff

There were three Support Staff appointed at Headquarters during this quarter.

### 2.3.2 **Promotions**

There was one promotion during this quarter, from RDS Crew Manager to RDS Watch Manager at Herstmonceux.

### 2.3.3 **Resignations**

#### 2.3.3.1 Wholetime

There were two Wholetime leavers during this quarter: a Watch Manager from HQ and a Firefighter from M&CC.

#### 2.3.3.2 Retained

There were 14 RDS Firefighter leavers during this quarter: one from Battle; one from Broad Oak; one from Burwash; two from Crowborough; two from Forest Row; one from Heathfield; one from Lewes; two from Rye; two from Seaford; and one from the Training Centre, who did not pass out from his training. There was also one RDS Crew Manager leaver from Lewes.

#### 2.3.3.3 Support Staff

There were 15 Support Staff leavers during this quarter: three from Eastbourne; two from Bohemia Road, Hastings; one from Brighton; one from Roedean; and eight from HQ.



## 2.3.4 **Retirements**

2.3.4.1 There were four operational personnel who retired in the last quarter: one RDS Crew Manager from Battle; one firefighter from Bohemia Road, Hastings; one RDS Watch Manager from Herstmonceux; and one firefighter from Hove.

### 2.3.4.2 Support Staff

There was one member of the Support Staff who retired in the last quarter.

## 3. **AUTHORITY EVENTS**

3.1 Members of the Fire Authority have attended a number of Fire & Rescue events during this quarter.

3.2 Councillors Healy, Livings, Powell, Theobald and Thomas attended a Service to Remember the 70th Anniversary for those firefighters who lost their lives when the Central Fire Station, Grove Road, Eastbourne was destroyed by a bomb on 7 February 1943.

3.3 Councillors Livings attended the RDS Pass Out Parade on 22 February and Councillor Thomas attended an All Party Fire Safety & Rescue Group Seminar on 28 February.

3.4 Councillor Livings also visited the Training Centre on 22 January and 6 March to observe BA training and Compartment Fire training.

3.5 Councillors Livings, Rufus, Sparks, Theobald and Tidy attended the LGA Annual Fire Conference in Brighton from 12-13 March.

3.6 Members are encouraged to complete and return feedback forms whenever possible to help monitor the events organised by East Sussex Fire & Rescue Service.

## 4. **SERVICE DELIVERY – PREVENTION AND PROTECTION**

### 4.1 **Technical Fire Safety**

#### 4.1.1 Enforcement Activity

During the last quarter, ESFRS completed 109 fire safety audits as part of its enforcement activity under the Regulatory Reform (Fire Safety) Order 2005. Of these, 33 were broadly compliant with only minimal enforcement action required. The remaining 76 required either informal or formal enforcement action by the Service to address significant inadequate fire safety standards within the premises.

A number of formal Notices were issued in the last quarter. These were:

1 Alterations Notice:

This was issued on the Brighton Aldridge Community Academy due to the fact that an engineered fire safety solution was used in the design of the building. An Alterations Notice is used to ensure that the Fire Authority is advised of any changes to the building that are proposed so that care can be taken not to compromise the fire safety arrangements.

1 Prohibition Notice:

This was issued on the Anchor Inn in the Hastings Borough due to hazardous conditions affecting the means of escape. The Notice prevents the upper floors from being used as sleeping accommodation until improvements have been made to the fire safety arrangements.

2 Enforcement Notices:

Pumpkin Patch Nursery in New Church Road, Hove

Following an audit in May 2012 when an informal notice was issued on the premises, it was found to be necessary to issue a formal Enforcement Notice as the responsible person had failed to remedy the adverse fire safety matters. This included work to upgrade the fire protection to the escape route and the provision of emergency lighting.

Super Pizza Chicken in White Rock, Hastings

Following a joint audit between Fire Safety Inspectors and Environmental Health Officers from Hastings Borough Council, it was necessary to serve a formal Enforcement Notice as the responsible person had failed to carry out a fire risk assessment.

4.1.2 Prosecutions

Sayidhum & Khalil, 17 Palmeira Square/Western Road, Hove – Article 27 Convictions Appeal

Following a trial in September 2012, when a conviction was secured against the responsible persons, both defendants appealed against their convictions. The appellants in the case subsequently withdrew their appeal to the Crown Court and, therefore, their original convictions for failing to provide information requested under Article 27 of the Regulatory Reform (Fire Safety) Order 2005 stand.

Hotel Nineteen, Brighton

On 24 January 2013, Hotel Nineteen Ltd. of 19 Broad Street, Brighton, was convicted for breaches of fire safety legislation relating to their premises, located at the same address. Magistrates awarded a two year conditional discharge and ordered costs of £1,000 to be paid to the Fire Authority. Offences included matters relating to general fire precautions, means of escape and failure to comply with a formal Notice.

#### 4.1.3 Informal Cautions

##### Choice Vehicle Rentals, Eastbourne

Following a request from Sussex Police, Fire Safety Inspectors visited the premises in January and identified serious and imminent danger to the occupants relating to a variety of adverse fire safety matters. The responsible person responded positively and thus avoided any formal enforcement. An informal caution was issued on 30 January 2013.

#### 4.1.4 Other Legislation and Enforcement Matters

A number of legal case investigations are on-going and it is likely that further cases will be taken to court in the near future, including matters relating to holiday accommodation in Rother and managing agents for residential accommodation in Rother and the City of Brighton & Hove.

A fire safety seminar is currently being arranged in the City of Brighton & Hove, targeted at fast food outlets with sleeping accommodation above, in order to better educate and inform responsible persons of their fire safety duties.

#### 4.1.5 Fire Engineering Projects

##### Housing

There have been several consultations recently utilising sprinklers as a compensatory fire safety feature in housing. Two proposals planned to remove the protected escape route in the ground floor of shared housing to allow a more open plan design, and sprinklers played a part in providing an equivalent package of fire safety measures. There were also two projects to build new housing with excessive access distances for the Fire & Rescue Service. Sprinklers were introduced to control the fire growth should a fire occur, therefore assisting in property damage reduction and in protecting occupants awaiting the attendance of fire crews.

##### Hotels

There are a number of hotel premises across the county where a standard arrangement for means of escape could not be provided. This was either because there was no room to provide 2-door protection to each room and/or no room to provide a secondary escape stair. The Fire Engineer has supported the local Fire Safety Inspectors in finding alternative solutions that would provide adequate levels of fire safety. Some of these solutions incorporated the use of sprinkler systems to control fire growth.

##### Other On-going Fire Engineering Projects

These include new occupants in a number of units in Churchill Square Shopping Centre in Brighton, the development of the Rathfinny Estate (Winery) near Alfriston and the expansion of a care home in Bexhill.

#### 4.1.6 Supporting Regional and National Projects

Officers in the HQ Protection team are currently involved in a variety of projects to support regional and national work, including representation on a British Standards committee relating to fire sprinkler standards and work to support the HSE in improving electrical safety.

Officers are currently supporting work with CFOA to develop a non-statutory Primary Authority scheme and are actively involved in a national pilot project. It is hoped that this project will serve to demonstrate to Central Government that a non-statutory scheme can be at least as effective as the present statutory scheme that exists for other areas of regulation.

Officers have attended Pan-Sussex meetings with Housing and Licensing Officers and regional meetings of Petroleum enforcement agencies. These work streams support greater collaborative working and improved consistency of enforcement activities between agencies in neighbouring authority areas.

#### 4.1.7 Fire Investigation

The fire investigation team undertook 18 full investigations into the cause of fire in the quarter, including one fatal fire in a private dwelling in Rye. Inquiries regarding this fire are continuing and a full report is being prepared for the Coroner.

#### 4.1.8 Inquests

##### Cathedral Walk, Deanland Wood Park

The inquest took place during January 2013 into the fire fatality which occurred in a static caravan at Deanland Wood Park in April 2012. The Fire Investigation Officer gave evidence to the inquest and the Coroner subsequently found that the fire was most likely to have been started by a cigarette. The Coroner recorded a verdict of accidental death.

##### Fitzherbert Centre, Upper Bedford Street, Brighton

The inquest took place during February into the fire death which occurred at the Fitzherbert Centre in Brighton in November 2012. The Fire Investigation Officer gave evidence to the inquest. The Coroner was satisfied that the casualty had set the fire himself and that nobody else was in the building at the time. A verdict of accidental death was recorded.

##### 22 Crowmere Avenue, Bexhill

The inquest took place during March 2013 into the fire death which occurred in Crowmere Avenue, Bexhill in March 2012. The Fire Investigation Officer gave evidence to the inquest. The fire investigation had concluded that the fire was most likely caused by the occupier accidentally setting fire to her clothing and/or the blanket around her with smoking materials. A verdict of accidental death was recorded by the Coroner.

As a result of this and other similar fatal fires, the Service has developed and subsequently purchased a number of fire retardant lap blankets that are now being issued by Home Safety Advisors to people considered to be at risk from fires of this nature.

#### 4.1.9 Wider Outcomes of Fire Investigations

##### Serial Arsonist Jailed

A man was jailed for 8 years in January 2013, following conviction on 3 counts of arson with intent to endanger life, two of these in Kent hospitals. The man had also set 3 fires in the City of Brighton & Hove on 26 and 27 August 2012, which resulted in level 2 fire investigations being carried out. These were among 8 other offences being taken into consideration.

##### Northumberland Court, Eastbourne

Following three deliberate fires and subsequent level 2 fire investigations in June, July and October 2012, a woman has pleaded not guilty to arson. A trial in the Crown Court is scheduled for July 2013.

##### High Street, Uckfield

Following a fire in Uckfield High Street in September 2012 and a subsequent level 2 fire investigation, 3 suspects have pleaded not guilty to arson. The case is due to go to trial in June 2013.

##### Wickhurst Road, Mile Oak, Portslade

The initial call in March 2013 was to a fire in rubbish against the outside of a residential property. The fire was quickly extinguished and a level 2 Fire Investigator attended. Police subsequently arrested a male youth; the police investigation is on-going.

##### Regent Street, Brighton

In March 2013, one person was arrested by the police following a deliberate fire set in the doorway of premises.

##### Deliberate Fires in Hove, January 2013

A joint investigation between the Service and Sussex Police is on-going in relation to a number of deliberate fires and incidents of criminal damage which it is thought could be linked. A suspect has been arrested and the Fire Investigation Officer is currently producing a report in relation to the incidents.

#### 4.1.10 Fire Investigation Dog Team

##### Fire in Hampshire

The fire investigation search dog (FISD) team attended a fire investigation in Hampshire during January 2013. The fire had occurred in a residential property in Southampton. The dog was able to eliminate the use of accelerants in the area where the fire occurred.

##### Wickhurst Road, Mile Oak, Portslade

The FISD team attended following a fire outside a residential property where a naked flame had been applied to waste materials near the back door. The dog was able to eliminate the use of accelerants in the area where the fire occurred.

### Cowley Drive, Woodingdean, Brighton

The FISD team attended following a deliberate fire to a wheelie bin and an adjacent table at the front of the property. The dog made a positive indication on two plant pots and the remains of the wheelie bin. The police were able to seize these items for further laboratory testing.

## 4.2 **Prevention – Community Risk Management**

### 4.2.1 **Community Risk Analysis**

The Community Risk Analysts have been updating data and systems, including the Fire Service Emergency Cover tool and the 'CUBE'. These important updates are vital to inform review work and impact assessments that fall out of the Integrated Risk Management Plan.

### 4.2.2 **Arson & Incident Reduction Team (A&IRT)**

#### Overview

#### Road Safety

The Fire Bike strategy for East and West Sussex Fire & Rescue Service delivery was progressed on 17 December 2012 and 15 January 2013 in Arundel. The Service is finalising a joint strategy for delivery and a sustainable future funding process through the Sussex Safer Roads Partnership (SSRP).

If the bid is successful we hope to have 4 riders in place delivering interventions such as Bike Safe, Biker Down and Rider Education days.

Current and future bids being considered are Safer programmes (on-line schools learning resource) for transition period for young people in year 6/7 and 11/12, Driver Coaching through ADIs (Advanced Driving Instructors), Sussex Biker and First Car magazines going to all those that pass their theory test and tailored pages by the SSRP partners.

The National Driver Offender Retraining Scheme (NDORS) expansion by the Police will be providing education programmes as an alternative to enforcement activities and will impact on our Roadside Education and Enforcement work. These are currently an excellent form of joint working and the Service is represented on a review panel to, hopefully, ensure we continue our role in the future around these types of event.

New Driver Awareness training has now been completed with a number of personnel trained in delivery of this package. This will facilitate the delivery of this SSRP package for new drivers. Referrals will be generated by police, and Fire & Rescue Service staff will deliver the intervention messages in Community Fire Station premises.

### Safe Drive Stay Alive

This intervention was successfully delivered to approximately 3,000 year 11 students in the first two weeks of October. The revised format has received extremely positive feedback to date. (ESFRS Brief 42-12 w/c 15/10/12 and 42-12 w/c 22/10/12 and report submitted to Corporate Management Team). We will be looking to move the Safe Drive Stay Alive to a slightly higher age range next year for established drivers and use the Theatre in Education delivered through the SSRP for the year 10 and 11 age groups from now on. This will fit better with the Association of Chief Police Officers' (ACPO) strategy for Children and Young People and be more age appropriate. Targeted interventions will be prioritised through the Community Risk Management department and Road Safety contacts in East Sussex and the City of Brighton & Hove.

### Additional information

A comprehensive Road Safety calendar has been produced through Sussex Safer Roads Partnership (SSRP) partners and links to the SSRP website will be notified to Borough Commanders to enable them to support partnership work around road safety in their areas, to support strategic priorities of the Partnership.

#### 4.2.3 **Children's Services & Education Team**

##### Overview

The Children's Services & Education Team is now linked into the SSRP road safety aspects of Safer Programmes (on-line resources). Delivery at Key Stage (KS) 3/4 level is on-going, as is the on-line 'Fearless' resources from Crimestoppers.

Future areas of work will focus around on-line resources available to schools. This includes developing 'tool boxes' for delivery over a wider range of personnel and evolving current delivery methods and resources

#### 4.2.4 **Primary School Education**

- Number of schools visited: KS1 and KS2, 38 settings ESCC and B&H 10
- KS1 – 1,777 Pupils Seen
- KS2 – 2,183 Pupils Seen
- KS3 – 635 Pupils Seen
- SEN nil return this month

#### 4.2.5 **Secondary School Education**

- Number of schools visited: KS5, ESCC 1 and B&H 0
- KS4 – 0 Pupils Seen
- KS5 – 6 Pupils Seen
- SEN 1 return this month

## 4.2.6 **Fire Safety Team**

### Overview

The Care Providers' Scheme continues to attract new partners with another seven organisations signing up to the Scheme during this quarter. Eight awareness training sessions were provided to practitioners to raise awareness of fire safety in the homes of their vulnerable clients.

In 2011/12 there were 98 incidents of accidental dwelling fires with a smoking related source. Of these, five involved a fire-related fatality and there were three injuries. In 2012/13, to 28 February 2012, there were 71 incidents of accidental dwelling fires with a smoking related source: of these, one involved a fire related fatality and there were three injuries. The Community Risk Management Department has now issued a number of Fire Resistant Lap Blankets.

The blankets will be gifted to vulnerable individuals identified during a HSV who are chair/bed bound smokers. We hope that the blankets, which are easy to use, will reduce the number of cigarette/pipe related incidents.

To assist in reducing the number of electrical fires in dwellings, a supply of stickers and fliers has been sourced via the Electrical Safety Council. These warn occupants of the dangers of storing combustible materials near to electrical equipment.

The Electrical Safety Council has recently produced an overloaded sockets calculator. The calculator is designed to assist and educate people on the dangers of overloading sockets: it shows in a very simple form, the power used by a variety of electrical appliances and provides information to the user on safe practices. The calculator is now on our website.

The second trial of the Stove Guard safety device took place on 27 February 2013 at Winchester House, Hampden Park. We are pleased to report that our work with the Stove Guard has attracted interest from other Fire & Rescue Services; this resulted in representatives from Kent, London and Strathclyde attending the demonstration. The trial proved to be a great success and demonstrated not only how the system can detect a sudden rise in temperature when cooking and provide an audible alarm, but also how the intelligent monitor identifies a possible dangerous situation and shuts down the power supply to prevent a fire situation occurring.

The trial also showed us that the Stove Guard can be connected to a Life Line system which, in the case of the growing number of Alzheimer sufferers, will raise the alarm directly with the Life Line operator.

### Campaigns

The Department for Communities & Local Government (DCLG) monthly Campaign for January was Smoke Alarm Purchasing: in particular the message to home owners of the need to have a working smoke alarm on every level of their home.

The DCLG monthly Campaign for February was Cooking Fire Safety: this initiative incorporates Valentine's Day, National Chip Week and Shrove Tuesday and emphasises all safety messages associated with cooking safety.



The DCLG monthly Campaign for March was Smoke Alarm Ownership and the importance of regularly testing them. The main emphasis of the Campaign is to encourage people to test their alarms when they change their clocks.

The full Briefing packs and the press release were sent to all Boroughs and Stations to encourage full support for the Campaign.

#### Home Safety Visits

|                                | <b>Oct</b> | <b>Nov</b> | <b>Dec</b> | <b>Jan</b> | <b>Feb</b> | <b>Mar</b> |
|--------------------------------|------------|------------|------------|------------|------------|------------|
| Community Protection referrals | 195        | 170        | 107        | 153        | 323        | 231        |
| Cube referrals                 | 155        | 58         | 114        | 78         | 75         | 2          |
| After Incident referrals       | 57         | 56         | 31         | 97         | 72         | 66         |
| Sensory E/Sussex               | 13         | 9          | 7          | 14         | 7          | 11         |
| Sensory City                   | 6          | 4          | 0          | 3          | 4          | 2          |
| Total visits                   | 1,092      | 1,090      | 728        | 1,076      | 951        | 799        |
| Outstanding                    |            | 796        | 329        | 771        | 741        | n/a        |
| Over 8 weeks                   |            | 216        | 266        | 280        | 272        | 208        |

Monthly target: 826

Annual target: 10,000

Total Visit YTD: 10,213

#### Faulty Alarms

|                                | <b>Oct</b> | <b>Nov</b> | <b>Dec</b> | <b>Jan</b> | <b>Feb</b> | <b>Mar</b>      |
|--------------------------------|------------|------------|------------|------------|------------|-----------------|
| Referrals to F/A               | 33         | 94         | 45         | 84         | 52         | Awaiting report |
| Faulty before fitting          | 13         | 7          | 6          | 3          | 9          | 1               |
| Contacted fire Angel directly  | 33         | 94         | 45         | 84         | 52         | 0               |
| No paperwork with faulty alarm | 10         | 0          | 0          | 3          | 0          | 0               |
| Faulty before fitting          | 13         | 7          | 6          | 4          | 9          | 1               |
| Brighton returns               | 15         | 18         | 8          | 21         | 10         | 14              |
| Wealden returns                | 21         | 13         | 10         | 15         | 5          | 4               |
| Lewes returns                  | 15         | 25         | 16         | 19         | 12         | 14              |
| E/bourne returns               | 5          | 12         | 10         | 10         | 12         | 13              |
| Hastings returns               | 3          | 9          | 7          | 6          | 9          | 4               |
| Rother returns                 | 9          | 6          | 9          | 7          | 7          | 4               |
| Total defective                | 283        | 281        | 173        | 247        | 179        | 120             |

#### Vulnerable Persons

|                                     | <b>Oct</b> | <b>Nov</b> | <b>Dec</b> | <b>Jan</b> | <b>Feb</b> | <b>Mar</b> |
|-------------------------------------|------------|------------|------------|------------|------------|------------|
| New schemes                         | 3          | 1          | 0          | 5          | 3          | 2          |
| Referrals from Community Protection | 195        | 170        | 107        | 153        | 323        | 231        |
| Training Sessions                   | 6          | 10         | 1          | 5          | 2          | 1          |
| Community Protection - No referrals |            |            | 28         | 20         | 19         | 19         |
| Reminder letters                    |            |            | 0          | 15         | 0          | 0          |

86% of vulnerable people have been visited.

#### 4.2.7 Youth Intervention Team

##### Local Intervention Fire Education Course (LIFE)

Forthcoming Courses:

- Eastbourne 25-28 June 2012
- Hove 22-26 July 2013

Next Year's calendar to follow. There are currently 7 courses planned for the year 2013-14.

The current LIFE courses have been temporarily suspended until June, while a financial review of how the courses are funded is undertaken, including how the courses are to be run and provided.

Borough Commanders are further encouraged to approach their local Joint Action Groups for funding for each course to be held in their areas.

We are working in partnership with the Institute of Management to run a 'Cut It Out' two-day pilot at Eastbourne for the 18-24 age range. A further scoping meeting with potential contributors and partners was conducted in early March and progression towards a final program is now well on the way to completion, with further meetings confirmed between now and the pilot.

The Egg Tooth Project in Hastings is progressing well with project and timetables drawn up and costing delivered. This will be a three-day course for 14 young people held at Bohemia Road Fire Station, funded by the project, and held on 3, 4 and 5 of July 2013.

##### Fire Setter Advisers Scheme

- Number of referrals for this quarter was Juvenile = 19; Adult = 1
- Number of outstanding cases: Juvenile = 23; Adult = 5

##### Coaching For a Safer Community (C4SC)

During this quarter, the C4SC coaches delivered coaching sessions over all the Boroughs and the total number of pupils seen for the quarter was 5,161.

Dave Amiet received the Barclays Sports for All Award, which was presented to him at Carlton Primary School in Brighton. The press release has been sent to local newspapers, football league publications and various websites including our own. A cheque for £1,000 will be presented to Albion in the Community, the charity arm of Brighton & Hove Albion FC, to be used on courses and equipment.

Feedback is very positive and the coaching is set continue over the Boroughs. The day to day running of the coaching will be led at Borough level with themes and messages held centrally so that we can keep them consistent across the board. Requests for C4SC resources (inflatable goals) will be allocated as a Community Risk Management resource and booked through the Community Risk Management administrative team.

## Volunteering

### Policies and Procedures

The Community Volunteer Scheme co-ordinators have been involved in setting up the first South East Emergency Services Volunteer Coordinators' Forum. The first meeting took place this month, providing an opportunity for all staff with a responsibility for volunteers to receive peer support, look at joint projects and common themes, and ensure we are all working to best practice in volunteer management across the South East. There have been meetings with the PCC office to consider closer working between our volunteer schemes and ESFRS will be hosting the meeting in February 2014.

## 5. **SERVICE DELIVERY – RESPONSE & RESILIENCE**

### 5.1 **Mobilising and Communications Centre (M&CC)**

- 5.1.1 Work continues on planning and the procedures for the new Sussex Control Centre with M&CC Staff participating on the Ways of Working group.
- 5.1.2 Training days are programmed in for 2013/14, with an emphasis on both Services (East and West Sussex Fire & Rescue) working in preparation for the new Sussex Control Centre. Integrated Ways of Working will form a significant part of Control training, delivering early implementation of many procedures.

**Des Prichard**  
**CHIEF FIRE OFFICER & CHIEF EXECUTIVE**  
14 May 2013