



EAST SUSSEX FIRE AUTHORITY

THURSDAY 5 JUNE 2014 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.

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

AGENDA

Item No.	Page No.	
779.	1	In relation to matters on the agenda, seek declarations of any disclosable pecuniary interests under Section 30 of the Localism Act 2011.
780.	3	Election of Chairman – report of the Monitoring Officer (copy attached).
781.	5	Election of Vice-Chairman – report of the Monitoring Officer (copy attached).
782.	1	Apologies for absence.
783.	1	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).
784.	1	To consider any public questions.

785. 2 To receive any petitions.
786. 7 Non-confidential minutes of the meeting held on 14 February 2014 (copy attached).
787. 2 Callover.
The Chairman will call the item numbers of the remaining items on the open agenda. Each item which is called by any Member shall be reserved for debate. The Chairman will then ask the Fire Authority to adopt without debate the recommendations and resolutions contained in the relevant reports for those items which have not been called.
788. 25 Political Representation on the Panels of the Fire Authority – report of the Monitoring Officer (copy attached).
789. 29 Fire Authority and Panel meetings 2014/15 – report of the Monitoring Officer (copy attached).
790. 31 2013/14 Treasury Management – Stewardship Report – report of the Treasurer (copy attached).
791. 47 IRMP Review of Prevention, Protection and Response – consultation outcomes and way forward – report of the Chief Fire Officer & Chief Executive (copy attached).
792. 2 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.
793. 67 Confidential minutes of the meeting held on 14 February 2014 (copy attached). (Exempt category under paragraphs 3 and 4 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: **5 June 2014**

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.**

RECOMMENDATION: The Fire Authority is asked to:

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

MAIN ISSUES

1. The Report presented to the Fire Authority on 6 June 2013 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
16 May 2014

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, 6 June 2013

Background Papers

East Sussex Combination Order

1. **BACKGROUND INFORMATION**

- 1.1 The report presented to the Fire Authority on 6 June 2013 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 6 June 2013 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 item of 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: **5 June 2014**

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.**

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.

MAIN ISSUES

1. Agenda Item 780 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

16 May 2014

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, 6 June 2013.

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 Friday 14 February 2014.

Present: Councillors Barnes, Butler, Carden, Earl, Galley, Hawtree, Howson (Chairman), Lambert, Peltzer Dunn, Pragnell, Powell, Rufus (Vice-Chair), Scott, Sheppard, Taylor, Theobald and Wincott.

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. C. Rolph (Assistant Chief Officer), Mr. D. Savage (Treasurer), Mr. A. Ghebre-Ghiorghis (Monitoring Officer), Miss. E Woodley (Deputy Monitoring Officer), Mr. R. Charman (Director of Financial Services), and Mrs. A. Bryen (Clerk).

762. **DISCLOSABLE PECUNIARY INTERESTS**

762.1 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.

763. **APOLOGIES FOR ABSENCE**

763.1 An apology for absence was received from Councillor Buchanan. Members wished him a speedy return to good health.

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

764.1 Richard Charman, Director of Financial Services

764.1.1 The Chairman said that this would be the last Fire Authority meeting that Richard Charman would be attending before he retired at the end of March 2014.

764.1.2 Richard had been a long standing public servant since he joined East Sussex County Council in 1970 where he served for 14 years. He started work with the Fire & Rescue Service in October 1984 and had a track record of promotion and achievement culminating in being appointed as Director of Financial Services in 2006. In 1995 Richard completed 25 years local government service and received the East Sussex Fire & Rescue Service Medal & Certificate.

764.1.3 Colleagues had commented that Richard had a friendly, outgoing personality, and he was popular amongst his colleagues, where he displayed a caring, conscientious and common sense approach. He possessed qualities of unselfish loyalty and integrity and displayed leadership, initiative, intuitive thought and perceptiveness.

764.1.4 On behalf of the Fire Authority, the Chairman thanked Richard for his support and advice to Members over the years that had been much appreciated, and wished him a happy and healthy retirement.

- 764.1.5 Councillor Scott, Leader of the Labour Group, echoed the sentiments expressed by the Chairman, and thanked Richard for his valuable advice and contribution to the work of the Authority.
- 764.1.6 Councillor Theobald, Leader of the Conservative Group, congratulated Richard on a long and successful career and wished him well in his retirement.
- 764.1.7 Councillor Lambert, Leader of the Liberal Democrat Group, thanked Richard for the excellent advice he had given to Members, particularly at the beginning of their term of office with the Fire Authority, and wished him a long and happy retirement.
- 764.1.8 Councillor Rufus, Leader of the Green Group, wished Richard well, and thanked him for his care and consideration, as well as his good company.
- 764.1.9 Richard responded that he had enjoyed his public service career and working at East Sussex Fire & Rescue Service, and thanked Members for their good wishes.

764.2 Sprinkler Systems

- 764.2.1 The Chairman informed Members that East Sussex County Council (ESCC), at its meeting on 11 February 2014, had unanimously agreed that ESCC will commit to installing fire sprinklers in all new build council owned buildings should finances allow, ESCC would consider installing domestic sprinkler systems in any buildings owned by the County Council; and that the Council will also actively promote the use of fire sprinklers and encourage others to install them into any building where they are not otherwise required to by Building Regulations or Council Planning rules.

He hoped that District and Borough Councils would follow suit and urged Members to promote this across local authorities in the County and the City.

765. **TO CONSIDER PUBLIC QUESTIONS, IF ANY**

- 765.1 The following question was received, to which the Chairman replied as indicated in Appendix A to the minutes.

765.2 Question from Mr L Cacciatore

“When considering the impact of the proposals on response and resilience, what evidence is there to support that the proposals will have no effect on attendance times and numbers of resources to incidents, and also resilience during busy or spate conditions?”

Mr Cacciatore asked the following supplementary question:

“Is the Fire Authority happy with the service standards set and is the Fire Authority aware that changes will have a detrimental effect on attendance times?”

The Chairman replied on behalf of the Fire Authority. There were no longer any national standards of fire cover. He was content with the current local standards which had been set some while ago with advice from the Chief Fire Officer & Chief Executive.

766. **TO CONSIDER PUBLIC PETITIONS, IF ANY**

766.1 There were none.

767. **NON-CONFIDENTIAL MINUTES OF THE MEETING HELD ON 12 DECEMBER 2013**

767.1 **RESOLVED** – That the non-confidential Minutes of the meeting held on 12 December 2013 be approved and signed by the Chairman. (Copy in Minute Book).

768. **CALLOVER**

768.1 Members reserved the following items for debate:

769. Role of Treasurer

770. Fire Authority Service Planning Processes for 2014/15 and beyond

Part A Draft Annual Plan 2014/15

Part B Fire Authority Service Planning processes for 2014/15 and beyond
– Revenue Budget 2014/15 and Interim Capital Programme
2014/15- 2018/19

771. Integrated Risk Management Plan (IRMP) Review of Prevention, Protection and Response

773. Pay Policy Statement for 2014/15

774. Procurement Strategy 2014/15

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

769 **ROLE OF THE TREASURER**

769.1 Duncan Savage, the Treasurer, left the room during discussion of this item.

769.2 The Fire Authority considered a joint report of the Chief Fire Officer & Chief Executive and the Monitoring Officer seeking authority to formally appoint a Treasurer and approval of the arrangements for this. (Copy in Minute Book).

- 769.3 Legislation required the Authority to appoint a Treasurer and an officer responsible for the proper administration of its financial affairs under section 151 of the Local Government Act 1972. In February 2013, the Fire Authority had authorised the Chief Fire Officer & Chief Executive to appoint a Treasurer for up to 18 months, and Mr Duncan Savage had been appointed to the role on a part-time basis to end no later than 30 September 2014. It was recommended that a competitive process to appoint a permanent part-time Treasurer should now be undertaken. It was also recommended that, for this appointment, the Chief Fire Officer & Chief Executive be appointed as a professional adviser to the Appointments Panel and be afforded the usual protocol, including posing questions and marking the interview process.
- 769.4 Councillor Theobald asked what salary range would be assigned to the post and what would be included in the job description and specification. The Chief Fire Officer & Chief Executive confirmed that he would be advised by the Head of Human Resources about the job role and content, and that funding for the post would be met from the budget previously set aside to meet the costs when the role had been provided by East Sussex County Council.
- 769.5 Councillor Barnes suggested that the Treasurer should be considered as one of the Principal Officers of the Authority.
- 769.6 **RESOLVED – That**
- (i) the appointment of a Treasurer and Section 151 Officer to the Fire Authority be formally approved;
 - (ii) an amendment to the Chief Fire Officer & Chief Executive’s delegated powers, D2 (Employees), as set out below shown in bold, be approved;

‘To shortlist candidates for the positions of Deputy Chief Fire Officer, Assistant Chief Fire Officer, Assistant Chief Officers **and the Treasurer.**’
 - (iii) an amendment to the terms of reference of paragraph 3 of the Principal Officer Appointments Panel, as set out below shown in bold, be approved;

‘To conduct final interviews and make appointments to the positions of Chief Fire Officer & Chief Executive, Deputy Chief Fire Officer, Assistant Chief Fire Officer, Assistant Chief Officers **and Treasurer to the Fire Authority.**’
 - (iv) delegated responsibility be granted to the Chief Fire Officer & Chief Executive to make the necessary arrangements through a competitive recruitment process to appoint a Treasurer; and
 - (v) for this appointment, the Chief Fire Officer & Chief Executive be appointed as a professional adviser to the Principal Officers Appointments Panel and be afforded the usual protocol, i.e. the ability to pose questions and mark the candidates at the interview process.

770. **FIRE AUTHORITY SERVICE PLANNING PROCESSES FOR 2014/15 AND BEYOND**

770.1 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 2014/15 and beyond for approval for the purposes of setting the 2014/15 Council Tax precept and other relevant matters. (Copy in Minute Book).

770.A **Draft Annual Plan 2014/15**

770.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 2014/15 for approval and for final completion by the publication date of 30 June 2014. The current 2013/14 Annual Plan contained key information on the Fire Authority's Service priorities for the year ahead including summary performance information and available resources. The draft 2014/15 Annual Plan had been prepared alongside the decisions being made by the Fire Authority and its Panels on similar issues for 2014/15 and beyond. (Copy in Minute Book).

770.A.2 The final version of the draft 2014/15 Annual Plan would be adapted to take into consideration the outcomes of all of the 2014/15 Service Planning preparations including current Community Risk Management review activities, the latest Revenue Budget and Capital Programme as well as the outcome of the corporate performance results 2013/14. Approval was sought for the Chief Fire Officer & Chief Executive, in consultation with the Chairman, to approve the final version of the Annual Plan prior to publication.

770.A.3 **RESOLVED** that:

- i) the roll forward of the draft Annual Plan for publication by 30 June 2014, subject to any final amendments once the Revenue Budget had been approved at this meeting and other outstanding information set out in the report, be approved in principle; and
- ii) approval of the final version of the Annual Plan be delegated to the Chief Fire Officer & Chief Executive in consultation with the Chairman.

770.B **Fire Authority Service Planning processes for 2014/15 and beyond – Revenue Budget 2014/15 and Interim Capital Programme 2014/15 to 2018/19**

770.B.1 The Fire Authority considered a joint report of the Chief Fire Officer & Chief Executive and the Treasurer that set out the final draft 2014/15 Fire Authority Revenue Budget and Interim Capital Programme. (Copy in Minute Book).

- 770.B.2 The Treasurer provided a brief overview of the national economic situation. Despite recent improvements in UK economic performance, there was no consensus about the sustainability of the economic recovery and it was expected that the national debt will continue to grow until 2018. Indications were that deficit reduction plans would be in place until at least 2020, and that the cuts in funding for public services, including fire and rescue services, would continue whatever the outcome of the next general election. The Fire Authority's Medium Term Plan had been updated in July 2013 and identified that £7.1m savings had to be found over the next 5 years. The Authority had developed a range of savings options as part of its Changing the Service, Shaping the Future programme and phase 1 operational savings and a range of non-operational savings approved by the Fire Authority in December 2013 had been built into the 2014/15 Revenue Budget proposals and the revised MTFP. Despite this good progress, based on current assumptions, further savings of up to £2.6m would still need to be identified to meet the £7.1m target overall by 2018/19.
- 770.B.3 The Treasurer said that in drawing up the Medium Term Financial Plan, assumptions had been made that funding from government would reduce by 10% per annum. The MTFP also assumed that the Authority would raise council tax by 1.94% each year from 2015/16 – 2018/19.
- 770.B.4 The Treasurer said that the report provided two options for the Fire Authority to consider in setting its precept. Option A was to accept the Council Tax Freeze grant in 2014/15 which would involve setting a net budget requirement of £38.602m, a Council Tax requirement of £21.881m and freezing Band D Council Tax at £81.86 i.e. 0% increase on 2013/14. Option B was to increase Council Tax by 1.94% i.e. just below the Council Tax Referendum threshold, which would involve setting a net budget requirement of up to £38.775m, a Council Tax Requirement of £22.306m and increasing Band D Council Tax to £83.45.
- 770.B.5 The Treasurer confirmed that he was satisfied that the financial planning assumptions were robust in the medium term, and that the reserves and balances were proportionate and appropriate.
- 770.B.6 It was moved by Councillor Wincott, and seconded by Councillor Scott, that the Fire Authority approves an increase in Council Tax of 1.94% (Option B) and the consequent recommendations set out in the report relating to the adoption of Option B.
- 770.B.7 The Chief Fire Officer & Chief Executive drew Members' attention to the Medium Term Financial Plan 2014/15 – 2018/19 predictions based on a 1.94% Council Tax rise going forward each year, (set out on pages 33-35 of the report). As indicated by the Treasurer, if the Authority approved a 1.94% rise in Council Tax there still remained £2.4m of savings to be found, but if the Authority decided to accept the Government's freeze grant then it would need to review the current planning assumption of a 1.94% increase in Council Tax each year for 2015/16 – 2018/19. If this was reduced to a 1% increase each year this could increase the remaining savings gap to in excess of £3m. There was no indication from the Government of future years' Council Tax Referendum Thresholds but it did not seem likely to rise above the current level of 2% and could be lower.

- 770.B.8 Councillor Rufus supported a 1.94% rise in Council Tax.
- 770.B.9 Councillor Scott said that a rise of 1.94% would give some flexibility in the budget. The public had indicated in previous consultations that a small increase would be acceptable to protect front-line services.
- 770.B.10 Councillor Barnes agreed that the Authority had the confidence of the public to increase the council tax by a small percentage to protect services, and whilst he was a reluctant taxpayer, he agreed that a rise in council tax would be a permanent improvement to the Authority's base budget.
- 770.B.11 Councillor Theobald supported a council tax freeze and felt that acceptance of the Government's freeze grant would help to keep costs down for local residents. Councillor Peltzer Dunn also supported a council tax freeze.
- 770.B.12 Councillor Galley, whilst wishing to support a council tax freeze, said that this could have a detrimental cumulative effect on the Fire Authority's future budget and services and, therefore, supported an increase of 1.94%. He felt that a reserve of 8% of the net revenue budget would be sufficient to give adequate protection and asked for clarification on what was included in the reserve of 13%. He also asked if the budget proposals would have an impact on staff earning a minimum wage or living wage.
- 770.B.13 The Chief Fire Officer & Chief Executive responded that the Fire Authority had always sought to be prudent with regard to the level of reserves it held. Historically, several major events had impacted upon the Authority's level of reserves, such as the floods in 2000 and the explosions at Marlie Farm in 2006 where not all losses were covered by insurance. The level of reserves was prudent for a single service authority.
- 770.B.14 The Treasurer added that there was no rule or formula about the level of reserves to be held. The Treasurer reminded Members that reserves were held for two broad purposes, firstly general or unallocated reserves to manage financial risk and to provide a buffer against the need to make in year savings which was particularly important for a single service authority, and secondly, reserves earmarked for specific purposes to smooth the impact of one off or cyclical spending on the revenue budget. These were set out in detail in the Reserves and Balances Policy in Appendix F to the report. The overall level of reserves currently held reflected the prevailing circumstances i.e. a period of significant change within the service and included provision for the costs of transforming the service for example, subject to the outcomes of the public consultation on phases 2 and 3, capital investment in up to four day crewed plus facilities, without the need to borrow. Members were reminded that the level of reserves held by this Authority was around the average for all fire authorities.
- 770.B.15 ACO Cheryl Rolph advised that the lowest paid staff on the national minimum wage were apprentices.

- 770.B.16 Councillor Lambert said that she was concerned that small increases in council tax from local authorities across the county added up to significant sums, particularly for those on fixed incomes. However, the Fire Authority had a responsibility to respond to requests for service, and as the public had previously indicated support for a small increase to protect services, she would support a rise in Council Tax of 1.94%.
- 770.B.17 Councillor Powell said that she was in favour of this small modest increase. Councillor Butler also supported a rise of 1.94%
- 770.B.18 The Monitoring Officer advised Members that deciding upon the Authority's budget was not a quasi-judicial function. The Authority's Code of Conduct for Councillors expected Members to exercise their personal judgement in decision-making and that this may take into account the views of the Political Party that they represented.
- 770.B.19 Councillor Barnes referred to fees and charges and suggested that a more detailed review be carried out at a future date, particularly for false alarm charges for high offenders, and animal rescues. Further consideration was given to charges for false alarms in the Phase 3 savings proposals and this would consider the impact of charging on demand and also the administrative costs on the net amount of income that could be generated.
- 770.B.20 Councillor Pragnell supported an increase in Council Tax of 1.94% which would offset some of the negative effects of savings reductions on the fire service.
- 770.B.21 Councillor Earl supported a rise of 1.94%, which he felt was paramount in enabling the Service to look after vulnerable members of the community. He asked that future consideration be given to recovering costs from incidents such as diesel spillages and road traffic accidents.
- 770.B.22 The Chief Fire Officer & Chief Executive said that no charges were levied for diesel spillages as this work was considered as an emergency special service. Only a small number of these incidents occurred and the Authority could only recover costs, not make any profit.
- 770.B.23 Councillor Lambert said that she supported Councillor Barnes in that the Fire Authority should take an entrepreneurial approach to providing services, and proposed that the Policy & Resources Panel be asked to consider a review of full cost recovery for a range of services ESFRS provided.
- 770.B.24 Councillor Carden supported an increase of 1.94% to enable the Authority to continue to meet its statutory duties.
- 770.B.25 The motion from Councillor Wincott and seconded by Councillor Scott that the Fire Authority approves an increase in Council Tax of 1.94% (Option B) and the consequent recommendations set out in the report relating to the adoption of Option B, was put.

770.B.26 In accordance with Standing Order 22.1, four Members having requested it, a recorded vote was taken, the result was as follows:

For (15): Councillors Barnes, Butler, Carden, Earl, Galley, Hawtree, Howson, Lambert, Powell, Pragnell, Rufus, Scott, Sheppard, Taylor and Wincott.

Against (2): Councillors Peltzer Dunn and Theobald.

Abstention (nil)

The motion was carried.

770.B.27 **RESOLVED** – That

- (1) An increase in Council Tax of 1.94% be approved and the following also be approved:
 - (i) the budget proposals set out in the report and the net budget requirement of £38.775m for 2014/15;
 - (ii) the Council Tax requirement of £22.306m;
 - (iii) the Council Tax and precepts as set out in Appendix G, part 2;
 - (iv) the interim capital programme for the next five years and the capital budget of £4.141m for 2014/15 and the plans to use capital grant, capital receipts and revenue contributions to finance that expenditure;
 - (v) the maintenance of the General Reserve at a minimum of 8% of the net revenue budget over the medium term;
 - (vi) the transfer £121,000 from Earmarked Reserves no longer required into the Improvement & Efficiency Reserve;
 - (vii) the transfer of any revenue underspend, currently projected to be £0.349m for 2013/14 to the Capital Programme Reserve; and
 - (viii) the fees and charges set out in Appendix D;
- (2) the Chief Fire Officer & Chief Executive, in consultation with the Chairman and Treasurer, be authorised to make adjustments to the presentation of the budget to reflect the final Local Government Finance Settlement; and
- (3) the Policy & Resources Panel be asked to review options for charges with officers to bring forward a report for further discussion.

Council Tax Calculations

**EAST SUSSEX FIRE AUTHORITY
PRECEPT FOR 2014/15
REF: S43 LOCAL GOVERNMENT FINANCE ACT 1992**

	£	£
NET BUDGET REQUIREMENT		38,775,000.00
Forecast Business Rates retained	2,272,000.00	
Top Up grant	4,640,000.00	
Total Base Line funding	6,912,000.00	
Add Revenue Support Grant	9,051,000.00	
Total Grant funding (excluding transitional/freeze grant)	15,963,000.00	
Section 31 Grant Business Rates adjustment	230,000.00	
Previous Year's Surpluses/(Deficits)	276,000.00	
Total Council Tax required		22,306,000.00
Tax base	267,300.78	
Basic Council Tax (Band D equivalent)		83.45
Basic Council Tax from above calculation		<u>Council Tax</u>
Band A	6/9	55.63
Band B	7/9	64.91
Band C	8/9	74.18
Band D	9/9	83.45
Band E	11/9	101.99
Band F	13/9	120.54
Band G	15/9	139.08
Band H	18/9	166.90
	<u>Tax Base</u>	<u>Precept</u>
Brighton and Hove	81,359.20	6,789,425
Eastbourne	32,126.50	2,680,956
Hastings	23,733.00	1,980,519
Lewes	34,670.70	2,893,270
Rother	35,377.08	2,952,217
Wealden	60,034.30	5,009,862
	267,300.78	22,306,250

771. **INTEGRATED RISK MANAGEMENT PLAN (IRMP) REVIEW OF PREVENTION, PROTECTION AND RESPONSE**

- 771.1 The Fire Authority considered a report of the Chief Fire Officer & Chief Executive that sought approval to commence public consultation on the outcomes of the IRMP Review of Prevention, Protection and Response. This formed part of the Phase 2 and 3 proposals necessary to meet the funding gap and consequential savings target of £7.1m, as identified within the Medium Term Financial Plan (MTFP) for the period 2014/15 – 2018/19. (Copy in Minute Book).
- 771.2 The Chief Fire Officer & Chief Executive reminded Members that Government funding had been cut substantially over time and the Fire Authority was restricted in the amount it could raise through Council Tax. There was a need to deliver savings of approximately £7.1m, or 18.2% of the current revenue budget, over the next five years (in addition to £1.3m of savings already agreed for 2014/15).
- 771.3 Over the last decade, the Fire & Rescue Service nationally and locally had seen a significant reduction in the number of incidents that it had been required to attend, and it was now opportune to change the way in which operational services were delivered, whilst maintaining performance standards and significant investments in firefighter safety.
- 771.4 The Fire Authority, at its meeting on 12 December 2013, had approved phasing in of changes to Prevention, Protection and Response functions over the term of the MTFP.
- 771.5 The three phases presented proposals which would lead to a reduction in posts across the Authority, with fewer staff working on fire stations and in prevention and protection services. Current estimates were that the necessary reduction in staff to meet the savings required would be between 50-80 posts. The Authority would continue to seek to minimise the risk of compulsory redundancies through natural turnover, holding vacancies, and its redeployment policy, but compulsory redundancies would not be ruled out.
- 771.6 Further work was underway to understand how the savings proposals in Phase 2 and 3 would be implemented, especially where they are reliant on reductions in posts to achieve the savings.
- 771.7 A number of Equality Impact Assessments (EIAs) had been drafted which assessed the impacts of decisions as a result of proposals for future provision of Prevention, Protection and Response services, which would result in a reduction in the operational establishment and changes in the way the Service delivered prevention and protection services to the public of East Sussex and the City of Brighton & Hove. The Deputy Chief Fire Officer advised that the EIAs would be refined further for the Fire Authority to consider at a future meeting.
- 771.8 The Deputy Chief Fire Officer informed Members that on predictive analysis of the proposals, the Service would be able to maintain its service standards.

- 771.9 Members suggested minor drafting amendments to the draft consultation document, and were informed that these would be made before the document was released for public consultation on 17 February 2014. Councillor Lambert thanked officers for the amount of work which had been done in a short period of time to produce the proposals.
- 771.10 Councillor Theobald commented about the proposed reduction in the number of firefighter posts for the City of Brighton and Hove, specifically at Roedean.
- 771.11 Councillor Scott commented about the potential loss of firefighter posts and appliances, as well as the potential redesignation of fire stations at Battle and the Ridge, and the impact this could have on Bexhill. He asked about the Service's resilience and suggested that the Government should be lobbied for more funding. He said that he would have found it more helpful to see individual proposals considered by the Fire Authority some of which he could support. As there were some proposals he was more concerned about he did not feel he was able to consider the proposals as a package and, therefore, he would not be able to support the proposal in its current form.
- 771.12 The Chief Fire Officer & Chief Executive said that he had previously approached the Fire Minister about the financial predicament of the Fire Authority, but no increase in funding would be made available. The proposals in the Plan had been drafted to ensure that the Fire & Rescue Service met its standards of fire cover, delivered good cover for the County and Brighton & Hove and delivered the savings required.
- 771.13 Councillor Wincott suggested that the Fire Authority should not discount the possibility that more funding may become available in the future. He suggested that savings proposals could have been considered individually he was of the view that some of the proposals could increase response times. He did not support all of the proposals.
- 771.14 Councillor Barnes said that the public needed to be aware of the financial situation facing the Fire Authority, and that there were no easy options. Any alternative proposals coming forward from the public consultation exercise could be considered. It was important for all Members to remember that the Fire Authority had already approved draft proposals at its meeting in December 2013 and it was agreed that Members had considered the proposals several times at different meetings culminating in the draft consultation document now under consideration.
- 771.15 Councillor Rufus concurred that Members did not wish to see cuts in services but that there was little choice given the financial circumstances. Members had been involved in the draft Plan throughout. He asked for assurance about the robustness of the consultation process and presentation of the proposals.

- 771.16 The Monitoring officer advised that the Fire Authority was not being asked to make a decision on the proposals in the Plan at this meeting, but to approve the draft for public consultation. Comments from the Fire Brigades Union would be factored into the final report for consideration by the Fire Authority at its meeting in June 2014. In his opinion, the consultation document was comprehensive and would withstand a challenge.
- 771.17 Councillor Powell said that whilst this was a lengthy document, it was entirely right that the public should be given comprehensive information. She further suggested that information about Principal Officers' remuneration could be included. Councillor Barnes suggested that the cuts that had already been made should be included in the consultation document.
- 771.18 Councillor Wincott suggested that more should be done to effect mergers with neighbouring authorities, and MPs be asked to press for more funding from central Government.
- 771.19 The Chief Fire Officer & Chief Executive said that he met regularly with local MPs and had discussed the budget pressures. The view of the Fire Minister, Brandon Lewis, was that Fire Authorities should deal with these issues locally. He had also met with other public bodies about shared services, including the Police and East Sussex County Council about opportunities for co-locating.
- 771.20 The Deputy Chief Fire Officer said that the draft consultation document would now be amended to reflect the impact of the earlier decisions taken to increase the Council Tax by 1.94% as well as Members comments, including providing simple methods for responses to be received.
- 771.21 On the motion to approve the recommendations set out in the report, in accordance with Standing Order 22.1, four Members having requested it, a recorded vote was taken, and the result was as follows:
- For (13): Councillors Barnes, Butler, Earl, Galley, Hawtree, Howson, Lambert, Peltzer Dunn, Pragnell, Rufus, Sheppard, Taylor and Theobald.
- Against (3): Councillors Carden, Scott and Wincott.
- Abstention (1) Councillor Powell
- The motion was carried.
- 771.22 **RESOLVED** – That
- (i) the commencement of formal consultation on the proposals contained in Phase 2 and Phase 3, as approved by the Authority at its meeting on 12 December 2013, and as detailed in Appendices to this report, be approved;
 - (ii) the formal consultation and communication plans, as set out in the report be noted;

- (iii) the rationale for the term of consultation be noted, and the recommendation for 10 weeks consultation, for officers to report outcomes to the full Fire Authority at its meeting on 5 June 2014 be approved; and
- (iv) the outcomes of the Equality Impact Assessments for the savings proposals included in the Medium Term Financial Plan, as set out in the report, be noted.

772. FIRE AUTHORITY TREASURY MANAGEMENT STRATEGY FOR 2014/15

- 772.1 The Fire Authority considered a report of the Treasurer that recommended borrowing limits, the prudential indicators and limits, the investment strategy and policy as required by Section 3 (1) of the Local Government Act 2003 and the Prudential Code for Capital Finance 2004. (Copy in Minute Book).
- 772.2 The emphasis continued to be on security and liquidity. The strategy and limits were consistent with the proposed capital programme and revenue budget. However, due to global events, it was impossible in practical terms to eliminate all credit risk. The Capital Financing Requirement (CFR) and Minimum Revenue Provision (MRP) statement was set out in Appendices 2 and 3 to the report to comply with best practice. The 2014/15 strategy 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.
- 772.3 The Authority was recommended to approve borrowing limits to give flexibility for any future consideration in undertaking new external long-term/replacement borrowing should the need arise or market conditions prove favourable.
- 772.4 The Treasury Management policy statement for 2014/15 remained unchanged from the current year.
- 772.5 **RESOLVED** – That
- i) the treasury management strategy and policy statement for 2014/15 be approved (and adopted for the remainder of 2013/14);
 - ii) for 2014/15 the Authorised Limit for borrowing shall be determined at £13.982m;
 - iii) the prudential indicators as set out in the attached Appendix 2 to the report be adopted; and
 - iv) the Minimum Revenue Provision (MRP) Statement for 2014/15 as set out in the attached Appendix 3 to the report be approved.

The meeting adjourned at 13:10 and resumed at 13:25 hours

773. **APPROVAL OF PAY POLICY STATEMENT 2014/15**

773.1 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).

773.2 Members were informed that Principal Officers had had a pay freeze since 2009, did not claim overtime for the additional hours of work during the strike by members of the Fire Brigades Union, nor had they taken their full leave entitlement. Furthermore, there had been a reduction in the number of Principal Officers from 5 to 4. Any review of conditions of service would need to be considered by the Principal Officers Appointments Panel.

773.3 **RESOLVED** – That the Pay Policy Statement for 2014/15, appended to the report, be approved.

774. **PROCUREMENT STRATEGY 2014/15**

774.1 The Fire Authority considered a report of the Chief Fire Officer & Chief Executive that set out a revised procurement strategy. (Copy in Minute Book).

774.2 A strategic review of procurement and an Internal Audit report had identified a range of issues in compliance as well as opportunities for improvement, which the updated Strategy was designed to address. The strategy also identified the resources required to address the changes needed and ensured that the Service had a compliant procurement function that was fit for purpose. It was also designed to identify and enable efficient and effective ways of working that supported the delivery of key corporate outcomes and enabled Managers to manage their resources effectively.

774.3 A number of the recommendations within the new Procurement Strategy had financial implications, in the main related to the introduction of e-tendering (a statutory requirement) and additional administrative support. Early indications were that the costs would be in the region of £25,000 and would not exceed £50,000. These costs could be met from the Improvement and Efficiency Reserve.

774.4 Councillor Butler suggested where paragraph 6.1 stated that ‘the Act allows that evaluation criteria *may* include social considerations etc.’ this should be strengthened to ensure that it is a requirement. The Monitoring Officer advised against making this a mandatory requirement as this would have other implications, and recommended that it remain as an expectation. It was agreed that the wording be amended to ‘where appropriate’.

774.5 Councillor Butler asked that the Authority should continue to provide opportunities for apprentices. The Chief Fire Officer & Chief Executive gave an assurance that this would continue, wherever possible.

774.6 Councillor Lambert asked that the Authority should undertake joint procurement with other local government bodies and to recoup costs through joint tendering, procurement, collaboration and shared services. The Treasurer informed Members that collaboration was already a key part of the Authority's work, both at local and national level through various frameworks and joint contracts. Consideration was also being given to opportunities to achieve a more sustainable procurement function through sharing resources. The Chief Fire Officer & Chief Executive said that discussions continued to take place with West Sussex Fire & Rescue Service about what services could be run jointly and that joint procurement provided an opportunity to reduce costs.

774.7 **RESOLVED** – That

- (i) Subject to the amendment to paragraph 6.1, the new Procurement Strategy for 2014/15 be approved; and
- (ii) the use, in principle, of the Improvement and Efficiency Reserve to fund the estimated cost implications of the new Strategy be noted.

775. **EXCLUSION OF PRESS AND PUBLIC**

775.1 **RESOLVED** – That the following items be exempt under the paragraphs indicated of Schedule 12A to the Local Government Act 1972 as amended by the Local Government (Access to Information) (Variation) Order 2006 and accordingly are not open for public inspection on the grounds that they include information relating to the financial or business affairs of any particular person (including the authority holding that information), and 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:

Item 776 Paragraphs 3 & 4
Item 777 Paragraph 3
Item 778 Paragraph 4

The meeting concluded at 14:10 hours.

Signed

Chairman

Dated this 5th day of June 2014.

Question: When considering the impact of the proposals on response and resilience, what evidence is there to support that the proposals will have no effect on attendance times and numbers of resources to incidents, and also resilience during busy or spate conditions?

Answer: Much work has been undertaken by ESFRS since the introduction of the Integrated Risk Management Planning process to accurately understand and profile the community risks across our Service area. When considering the impact of the proposals on response and resilience, both historic analysis in the form of incident data, and predictive modelling i.e. travel time predictions, have been used alongside professional judgement to give a holistic view of the proposal being considered and the impact it will have on response times and resilience.

ESFRS has provided a wide range of evidence through previous reviews including:

- the demand placed on each fire appliance in terms of the number of incidents that occur within a fire station area, including the types of incident and the times of day they occur
- the availability of each fire appliance
- the overall impact on the Service's ability to attend life risk incidents
- the potential impact on the level of life risk within the locality
- the proximity of other appliances able to provide appropriate cover in an area
- the number of firefighters affected, including their crewing systems
- the savings associated with the removal of an appliance
- the need to ensure that strategically located fire stations are not adversely affected by the removal of an appliance
- the potential impact on any strategically located specialist vehicles at fire stations affected
- the potential impact on fire stations over the border, i.e. within other Fire and Rescue Authority areas
- distribution of our vulnerable communities across the service area, including other geographical risk factors such as rurality risk

The analysis in respect of this review of prevention, protection and response has not stated that there will be no effect on attendance times but rather, there would be no significant impact on attendance and we would still continue to meet our attendance standards set by the Fire Authority for our life-threatening incidents.

With respect to resilience during busy or spate conditions, fire cover will continue to be managed professionally by our M&CC staff and the Service can access additional support from our neighbouring fire and rescue services under Section 13 and 16 agreements which has been the standard procedure in place for a number of years.

The number of fire stations and fire appliances across the Service has broadly stayed the same over the last 10 years and yet we attend several thousand fewer incidents today than we did a decade ago, so we believe that resilience during busy or spate conditions can be maintained with the additional support from local regional and national fire and rescue service resources.

All of this analysis is in a consultation document which will be publicly available from Monday 17 February.

EAST SUSSEX FIRE AUTHORITY

Date: **5 June 2014**

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.**

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 2014, following a request to each Political Group to make any changes to current nominations to these posts.

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 6 June 2013.
3. The Fire Authority is invited to agree 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 2014, suggesting the new Member Leads after requesting each Political Group to make any changes to nominations to these posts.

Abraham Ghebre-Ghiorghis

MONITORING OFFICER

16 May 2014

<u>Latest Previous Report:</u>	Fire Authority 6 June 2013
<u>Background Papers:</u>	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 2013, as shown in Appendix 1, along with the proposed political proportionality for 2014/15.
- 1.4 The places for 2014/15 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).
- 1.5 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.
- 1.6 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 2014.

2. **MEMBER LEADS**

- 2.1 A report will be submitted to the Scrutiny & Audit Panel on 11 July 2014, on the new Member Leads for 2014/15, 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 2013/14		Based upon political proportions for 2014/15	
	TOTAL		TOTAL	
Appointments	6	(2 Cons, 1Lab, 1 Green, 1 LDem, 1 UKIP)	6	(2 Cons, 1Lab, 1 Green, 1 LDem, 1 UKIP)
Scrutiny & Audit * (informal protocol – up to 3 P&R Members to serve on S&A Panel)	8	(3 Cons, 2 Lab, 1 Green, 1 LDem, 1 UKIP)	8	(3 Cons, 2 Lab, 1 Green, 1 LDem, 1 UKIP)
Policy & Resources *	8	(3 Cons, 1 Lab, 2 Green, 1 LDem, 1 UKIP)	8	(3 Cons, 1 Lab, 2 Green, 1 LDem, 1 UKIP)
Human Resources **	6	(3 Cons, 1Lab, 1 Green, 1 UKIP)	6	(3 Cons, 1Lab, 1 Green, 1 LDem)
Urgency **	6	(3 Cons, 1Lab, 1 Green, 1 LDem)	6	(3 Cons, 1Lab, 1 Green, 1 UKIP)
Total requiring political proportionality	34		34	

(The total number of seats = 34, divided 14:6:6:4:4 on the basis of the 2014/15 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 before the meeting of the Fire Authority.

EAST SUSSEX FIRE AUTHORITY

Date: **5 June 2014**

Title: **Fire Authority and Panel meetings 2014/15**

By: **Monitoring Officer**

Purpose of Report: **To inform Members of the dates of meetings of the Fire Authority and Panels for the next 12 months.**

RECOMMENDATION: The Fire Authority is asked to note the dates of meetings of the Fire Authority and Panels for the next 12 months.

MAIN ISSUES

1. Paragraph 3.1 of Part 1(a) of East Sussex Fire Authority’s Standing Orders requires meetings of the Fire Authority to be notified annually in advance. Dates of meetings of the Fire Authority and Panels for the next 12 months are, therefore, detailed below.
2. Constituent authorities are consulted when arranging meetings of the Fire Authority in order to avoid clashes wherever possible. Details of meetings are also posted on ESFRS web-site on a continual rolling basis <http://www.esfrs.org/whatson/>

Abraham Ghebre-Ghiorghis
MONITORING OFFICER
 16 May 2014

Date:	Meeting:
11 th July 2014	Scrutiny & Audit and Policy & Resources Panels
11 th September 2014	Fire Authority
18 th September 2014	Scrutiny & Audit Panel
13 th November 2014	Scrutiny & Audit and Policy & Resources Panels
11 th December 2014	Fire Authority
15 th January 2015	Scrutiny & Audit and Policy & Resources Panels
12 th February 2015	Fire Authority
28 th May 2015	Scrutiny & Audit and Policy & Resources Panels
4 th June 2015	Fire Authority
Meetings of the Fire Authority to commence at 10.30 hours Meetings of the Panels to commence at 10.00 hours All meetings to take place at Headquarters, 20 Upperton Road, Eastbourne BN21 1EU	

EAST SUSSEX FIRE AUTHORITY

Date: **5 June 2014**
Title: **2013/14 Treasury Management – Stewardship Report**
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 2013/14. The report also includes the Prudential Indicators which relate to the treasury activity.**

RECOMMENDATION: The Fire Authority is asked to note the treasury management performance for 2013/14.

MAIN ISSUE

1. The Fire Authority has complied with its approved Treasury Management Strategy and Prudential Indicators for the year.
2. In challenging economic conditions the average rate of interest received through Treasury Management activity was 0.37%. This reflected the Fire Authority’s continuing prioritisation of security and liquidity over yield.
3. No new borrowing was undertaken in 2013/14 with total loan debt outstanding remaining at £11.123m at an average interest rate of 4.62%. There were no beneficial opportunities to reschedule debt during the year. The outturn of the Fire Authority’s Capital Financing Requirement (CFR), a measure of the underlying need to borrow, is £11.123m.

Duncan Savage
TREASURER
22 May 2014

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
7 February 2013 – Agenda Item 707: Treasury Management Strategy for 2013/14
6 June 2013 – Agenda Item 727 Treasury Management – Stewardship report for 2012/13
Policy and Resources Panel
14 November 2013 – Agenda Item No 918: Half yearly report for 2013/14

TREASURY MANAGEMENT – STEWARDSHIP REPORT FOR 2013/14

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 preceding year (this report),
- c) A mid year review and
- d) A change in the Strategy (if and when required).

1.4 This report sets out:

- a) A summary of the strategy agreed for 2013/14 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 **2013/14**

2.1 **Strategy for 2013/14**

2.1.1 At its meeting on 7 February 2013, the Fire Authority agreed its treasury management strategy for 2013/14, taking into account the economic scene including forecast levels of interest rates. At the same time, the Treasury Management Policy Statement was agreed for 2013/14 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 at the beginning of 2013/14 did not expect to undertake any additional external borrowing in the financial year 2013/14.

2.1.4 Opportunities to reschedule debt had been monitored but have not arisen as yet. The Public Works Loans Board (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 2013, it emphasised the continued importance of taking account of the current and predicted future state of the financial sector. The Treasury Management advisors (Capita) 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.
- 2.1.7 As was 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 2013/14

- 2.1.8 The strategy aimed to ensure that in the economic climate it was essential that 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 2013/14.
- 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.

Bank / Fund / Local Authority
Barclays
Santander UK
HSBC
Nationwide
Individual Treasury Type Money Market Funds (AAA rated) which invest in Government Securities only
Individual Cash Type Money Market Funds (AAA rated)
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%

30% was taken 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.

Bank
Lloyds/HBOS Nat West/RBS

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

Ratings Agency	Long Term	Short Term
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 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.) will be assessed when comparing the relative security of differing investment counterparties.

2.1.14 All Money Market Funds used will be monitored and chosen by the size of the fund, rating agency recommendation, exposure to other Countries (Sovereign debt), weighted average maturity and weighted average life of fund investment and counterparty quality.

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 2013/14 – Commentary from Capita (Treasury Management Advisors) in May 2014.**

2.2.1. The financial year 2013/14 continued the challenging investment environment of previous years, namely low investment returns, although levels of counterparty risk had subsided somewhat. The original expectation for 2013/14 was that Bank Rate would not rise during the year and for it only to start gently rising from quarter 1 2015. This forecast rise has now been pushed back to a start in quarter 3 2015. Economic growth (GDP) in the UK was virtually flat during 2012/13 but surged strongly during the year. Consequently there was no additional quantitative easing during 2013/14 and Bank Rate ended the year unchanged at 0.5% for the fifth successive year. While CPI inflation had remained stubbornly high and substantially above the 2% target during 2012, by January 2014 it had, at last, fallen below the target rate to 1.9% and then fell further to 1.7% in February. It is also expected to remain slightly below the target rate for most of the two years ahead.

2.2.2. Gilt yields were on a sharply rising trend during 2013 but volatility returned in the first quarter of 2014 as various fears sparked a flight to quality (see paragraph 4.) The Funding for Lending Scheme, announced in July 2012, resulted in a flood of cheap credit being made available to banks which then resulted in money market investment rates falling drastically in the second half of that year and continuing into 2013/14. That part of the Scheme which supported the provision of credit for mortgages was terminated in the first quarter of 2014 as concerns rose over resurging house prices.

2.2.3. The UK coalition Government maintained its tight fiscal policy stance but recent strong economic growth has led to a cumulative, (in the Autumn Statement and the March Budget), reduction in the forecasts for total borrowing, of £97bn over the next five years, culminating in a £5bn surplus in 2018-19.

2.2.4. The EU sovereign debt crisis subsided during the year and confidence in the ability of the Eurozone to remain intact increased substantially. Perceptions of counterparty risk improved after the ECB statement in July 2012 that it would do “whatever it takes” to support struggling Eurozone countries; this led to a return of confidence in its banking system which has continued into 2013/14 and led to a move away from only very short term investing. However, this is not to say that the problems of the Eurozone, or its banks, have ended as the zone faces the likelihood of weak growth over the next few years at a time when the total size of government debt for some nations is likely to continue rising. Upcoming stress tests of Eurozone banks could also reveal some areas of concern.

2.3 Interest on short term balances

2.3.1. The total amount received in short term interest for the 2013/14 was £65,599 at an average rate of 0.37%.

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 2013/14. The total outstanding loan debt at 31 March 2014 was £11.123m which did not change from 31 March 2013. The average interest rate on these loans remained at 4.62%.

2.4.2. In 2013/14, 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

2.5.1 No borrowing was undertaken on a short-term basis during 2013/14 to date to cover temporary overdraft situations.

3 **Prudential Indicators and limits relating to Treasury Management activities**

3.1 **The limits set for 2013/14**

The Strategy Report for 2013/14 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 3.6 below)
- Interest on our investments (see 3.7 below)
- Capital Financing Requirement and Minimum Revenue Provision Statement (see 3.8 below)

None of the limits were exceeded in 2013/14.

3.2 **Authorised limit for borrowing**

3.2.1 The table below sets out the actual 2012/13, original estimate and likely outturn in 2013/14 for borrowing.

	2012/13 Actual	2013/14 Original Estimate	2013/14 Actual
	£,000	£,000	£,000
Opening CFR	11,059	10,734	10,578
Capital Investment	2,585	4,699	3,281
Sources of Finance	(2,067)	(4,086)	(2,313)
MRP	(419)	(429)	(423)
MRP – Finance Leases	(580)	-	-
Movement in year	(481)	184	545
Closing CFR	10,578	10,918	11,123
less Finance Lease Liability	(394)	-	-
Underlying Borrowing Requirement	10,184	10,918	11,123
Actual Long Term Borrowing	11,123	11,123	11,123
Over / (Under) Borrowing	(939)	(205)	-
Operational Boundary	11,550	11,543	11,590
Authorised Limit	13,982	13,987	13,982

- 3.2.2 The outturn for 2013/14 shows no under or over borrowing.
- 3.2.3 The borrowing limits set in each year include capacity to borrow in advance of need.
- 3.2.4 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.
- 3.2.5 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 2014 of £11.123m is under the Authorised limit set for 2013/14 of £13.982m.

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>	2013/14 Estimate	2013/14 Actual
Fixed Rate Exposure		
Upper Limit	100%	100%
Lower Limit	100%	-
Variable Rate Exposure		
Upper Limit	0%	0%
Lower Limit	0%	-

<u>Lending</u>	2013/14 Estimate	2013/14 Actual
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Fixed Rate Exposure

Upper Limit	100%	75%
Lower Limit	0%	-

Variable Rate Exposure

Upper Limit	100%	25%
Lower Limit	0%	-

All lending at fixed rates

<u>Borrowing and Lending combined</u>	2013/14 Estimate	2013/14 Actual
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Fixed Rate Exposure

Upper Limit	100%	85%
Lower Limit	49%	-

Variable Rate Exposure

Upper Limit	51%	15%
Lower Limit	0%	-

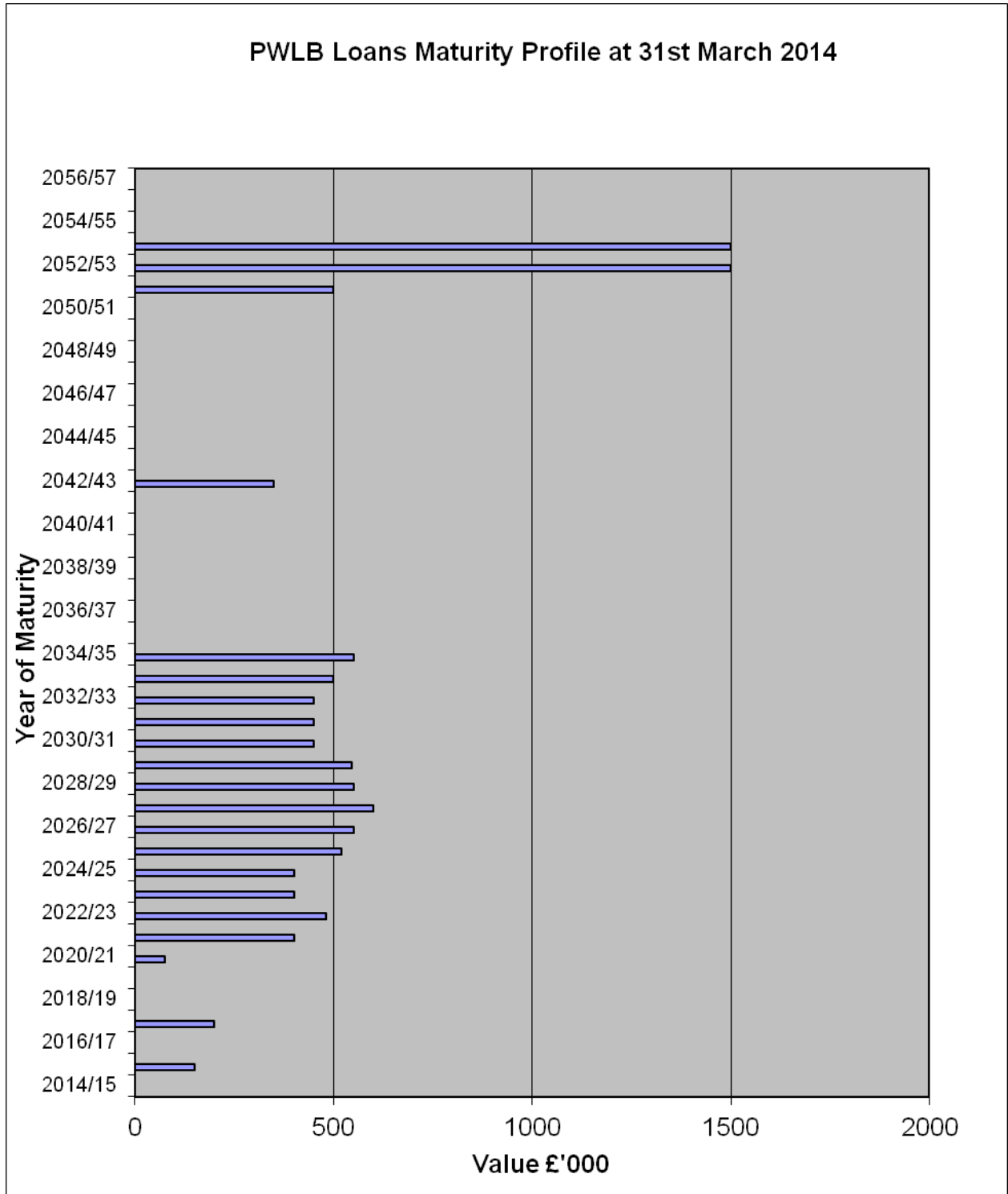
3.4 Maturity structure of debt

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

	<u>Estimated Lower Limit</u>	<u>Estimated Upper Limit</u>	<u>At 31 March 2014</u>
Under 12 months	0%	25%	0%
12 months and within 24 months	0%	40%	1%
24 months and within 5 years	0%	60%	2%
5 years and within 10 years	0%	80%	12%
10 years and within 20 years	0%	80%	41%
20 years and within 30 years	0%	80%	13%
30 years and within 40 years	0%	80%	31%
Over 40 years	0%	80%	0%

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 2013/14. The following graph shows the majority of debt matures in the next 10 to 20 years with some longer dated maturities out to 2052/53 and 2053/54. The first loan to be repaid will be on the 30 September 2015 (£150,000).



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 2013/14. 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. The strategy for 2013/14 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 to this was 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 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 £	Monthly rate	Margin against Base rate (0.50%)	Average balance in month £m
April	6,645	0.48%	-0.02%	16.7
May	6,231	0.39%	-0.11%	18.7
June	4,787	0.34%	-0.16%	17.3
July	5,390	0.33%	-0.17%	19.4
August	5,497	0.33%	-0.17%	19.9
September	5,146	0.33%	-0.17%	19.0
October	5,080	0.33%	-0.17%	17.9
November	4,675	0.33%	-0.17%	17.3
December	5,414	0.39%	-0.11%	16.5
January	5,247	0.39%	-0.11%	16.0
February	5,354	0.42%	-0.08%	16.5
March	6,134	0.44%	-0.06%	16.4
Total in 2013/14	65,599	0.37%	-0.13%	17.6

3.6.6. The total amount received in short term interest for the year was £65,599 at an average rate of 0.37%. This was below the average of base rates in the same period (0.5%) but reflects the Fire Authority's risk appetite ensuring, so far as possible in the financial climate, the security of principal and the minimisation of risk.

3.6.7. Overnight money market rates have been below bank base rate during the year. In May 2013 NatWest and Lloyds/HBOS reduced their call account rates, NatWest from 0.80% to 0.60% and Lloyds/HBOS 1% to 0.40%. This was a trend for all bank call accounts as most UK banking institutions have taken in cheaper lending from the Governments funding for lending scheme. Instant access cash Money Market Funds have been returning around 0.35% and the Fire Authority made use of the Debt Management Office until November 2013 which paid 0.25% for all maturities.

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 2013/14 in its Strategy approved in February 2013. These are in the original estimate below.

	2012/13 Actual	2013/14 Original Estimate	2013/14 Actual
	£,000	£,000	£,000
Opening CFR	11,059	10,734	10,578
Closing CFR	10,578	10,918	11,123
Movement in CFR	(481)	184	545
Movement in CFR represented by:			
Net financing	518	613	968
MRP	(419)	(429)	(423)
Reduction in Finance Lease Liability	(580)	-	-
Movement in year	(481)	184	545

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 2013/14 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 2013/14 explained that the Fire Authority uses Capita (formerly known as Sector) as its treasury management consultant through the contract that exists with East Sussex County Council. A range of services have been provided including:

- 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: **5 June 2014**

Title: **Integrated Risk Management Plan (IRMP) Review of Prevention, Protection and Response – consultation outcomes and way forward.**

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

Purpose of Report: **To apprise the Fire Authority of the consultation responses to the proposals following the Review of Prevention, Protection and Response and to determine decisions on the proposals.**

RECOMMENDATION: The Fire Authority is asked to:

- i. give full consideration to the outcomes of the consultation and engagement process; and
- ii. determine its decision on the individual proposals for future Service provision within East Sussex and the City of Brighton & Hove, as listed below:

PHASE 2 PROPOSALS

- a) **Proposal 1**
Remove one firefighting appliance from the City, leaving 4 wholetime pumps, crewed 24 hours a day.
 - bi) **Proposal 2A**
Convert Battle Fire Station from its current Day Crewed Duty System to the new, one watch, system (Phase 1, Proposal 9), providing additional response to Hastings and remove the Retained Duty System appliance at The Ridge Fire Station.
- OR**
- bii) **Proposal 2B**
Convert Battle Fire Station from wholetime (Day Crewed) to a one pump retained duty system station reducing the establishment by 9 wholetime posts.
 - c) **Proposal 3**
Introduce Day Crewed Plus at Roedean and The Ridge Fire Station
-

MAIN ISSUES

1. At their meeting on 14th February 2014, Members of the Fire Authority agreed to commence a 10 week public consultation on the Phase 2 and 3 outcomes of the Review of Prevention, Protection and Response, which are proposals developed in order to meet the funding gap and consequential savings target of £7.1m, as identified within the Medium Term Financial Plan for the period 2014/15 – 2018/19. The 10 week consultation programme has now come to an end and the following report is a full representation of responses received.
2. Despite previous substantial reductions in budget, and staff reductions delivered through the Service Prioritisation and Facing the Challenge programmes, the Fire Authority has to balance its determination to provide a high performing service with the reality of a shrinking budget and, therefore, has to make further changes to the service it delivers to balance its budget.
3. There has been a considerable response to the public consultation, with direct and clear views on the proposals contained within Phase 2 of the Medium Term Financial Plan and a small number of alternative proposals from serving firefighters that should be considered by Members. Officers' commentary on the specific alternative proposals is included within the body of the report.

Des Prichard
CHIEF FIRE OFFICER & CHIEF EXECUTIVE
21 May 2014

Previous Reports

CFA February 2014 – Integrated Risk Management Plan (IRMP) Review of Prevention, Protection and Response

1. **INTRODUCTION**

- 1.1 The Fire Authority will soon have a much smaller budget, due to restrictions on the ability to raise Council Tax and a substantial cut in Government funding. In developing the Medium Term Plan, the Fire Authority identified the need to deliver savings of approximately £7.1m, or 18.2% of the current revenue budget, over the next five year period from 2014/15 to 2018/19 (in addition to £1.3m of savings already agreed for 2014/15), primarily due to expected reductions in revenue support grant funding from central government of over 75%. Despite previous substantial reductions in budget and savings which have led to reductions in staff delivered through the Service Prioritisation and Facing the Challenge programmes, the Fire Authority has to balance its determination to provide a high performing service with the reality of a shrinking budget and, therefore, has to make more changes to the service it delivers to balance its budget.
- 1.2 Previous public consultation on the Medium Term Financial Plan showed the following results:
- The public sector spending reductions and the Fire Authority's funding gap do not lead informed members of the public to suppose that the service should abandon its commitment to prevention work and public education. The public want to retain these important activities and also the Service's focus on the vulnerable and higher risk people.
 - The public's main priorities for the Fire Authority are to consider more economical duty systems and to raise council tax; they do not want to see the number of fire engines reduced and response times lengthened; but they do want to protect preventive work in the community, albeit in a more targeted and economical manner.
 - Both initially, and when the financial situation was understood, there was considerable support for increasing the council tax precept by 2% - mainly because people thought the current annual payment for Band D households is low and because they understood that the money would go exclusively to the Service.
- 1.3 In December 2013, the Fire Authority approved the operational savings proposals in Phase 1 for implementation by the Service along with a range of non-operational savings to ensure that savings targets in 2014/15 and 2015/16 can be met and the budget for 2014/15 could be set. When taken together with other changes to funding streams and spending plans, along with a 1.94% increase in Council Tax in 2014/15, these savings mean that we still need to identify further savings of £2.4m by 2018/19. Officers have commenced the process of implementation of these proposals in Phase 1 to meet the savings for 2014/15, and further reports on progress with these will be presented to the Scrutiny & Audit Panel as appropriate.
- 1.4 Phase 2 proposals, which may have a greater impact on individuals and, possibly, service users, as they propose major changes to service provision have now been the subject of a 10 week public consultation and engagement period, the results of which are presented in this report for the Fire Authority to consider.

- 1.5 Phase 3, which includes areas for further review and investigation, was mentioned in the consultation process as potential areas for future change, and potential savings will be brought to Members for approval during 2014/15, with the expectation that further savings can be realised from 2015/16 onwards.
- 1.6 All of the phases present proposals which will inevitably lead to a reduction in posts across the Service, with fewer staff working on fire stations and in prevention and protection services. Current estimates are that the necessary reduction in staff to meet the savings required would be between 50-80 posts and consultation with staff and representative bodies will be key in progressing this in both a timely and appropriate manner. The Authority would continue to seek to minimise the risk of compulsory redundancies through natural turnover, holding vacancies, and utilising its redeployment policy. Further work is underway to understand how the savings proposals in Phases 2 and 3 may be implemented, especially where they are reliant on reductions in posts to achieve the savings.
- 1.7 The key considerations of the Fire Authority when it reviewed the impact of the proposals at its meeting on 12 December 2013 and the approach to consultation and communication, were:
- Will the Authority maintain its statutory duties?
 - What is the current performance and trend for improved performance based on the last ten years?
 - What will be the impact of the changes on service delivery?
 - What will be the impact on public and firefighter safety as a result of the options being implemented?
 - Will performance to the public of East Sussex and the City of Brighton & Hove be maintained and, in certain areas, improved as a result of the proposals?
 - Will the Fire Authority continue to commit to a vision of 'Achieving safer and more sustainable communities' and deliver to its agreed aims?
- 1.8 The Fire Authority, when making these decisions, should also consider the requirements of the Public Sector Equality Duty and, therefore, a number of Equality Impact Assessments (EIAs) have been drafted and reviewed during the consultation period which assess the impacts of decisions as a result of proposals for future provision of Prevention, Protection and Response services, which will result in a reduction in the operational establishment and changes in the way the Service delivers prevention and protection services to the public of East Sussex and the City of Brighton & Hove.

East Sussex Fire & Rescue Service Consultation for 'Changing the Service – Shaping our Future'

- 1.9 It was agreed that the consultation and engagement period would be 10 weeks, commencing on Monday 17 February 2014 and closing on Monday 28 April 2014. It was anticipated that the responses to the consultation would be large in number and challenging and robust in nature.

1.10 It is the view of the Officers that the combination of consultation and engagement methods, each providing early opportunities to provide information to all audiences, using multiple channels and various communication styles, has allowed stakeholders sufficient time to provide a considered response within a 10 week consultation period.

2. **CONSULTATION OVERVIEW**

2.1 The level of consultation responses and the variety of complementary methods used have been varied, numerous and more extensive than in previous years but proportionate taking into account the cost of the consultation exercise and the staff to resource it. The transparency with which views have been collected and recorded has been exacting, and considerable time and effort has been taken to ensure every comment is appropriately laid out for consideration by the Fire Authority. This process should provide Members with reassurance that the investment has proved invaluable and that the process has been extremely open and thorough.

2.2 The consultation and engagement process included the collection of opinions from staff, representative bodies, partners, stakeholders and the public using the following methods:

- Publication of the review and all supporting documents on the Service web site
- An online questionnaire
- Various Service Brief publications inviting staff to consult on the review
- Presentations to watches by the Corporate Management Team
- Emails/letters to over 500 local councillors, businesses, stakeholders and community groups inviting them to view and consult on the review online and/or to attend the stakeholder forums, including a reminder one month before the end of the consultation
- A follow up e-mail/letter to parish and town councils reminding them of the stakeholder forum arrangements
- 2 staff forums conducted by Opinion Research Services (ORS)
- 3 public forums conducted by ORS
- 2 stakeholder forums conducted by ORS
- 5 public road shows conducted by the ESFRS Communications Team and supported by the Corporate Management Team.

2.3 An extensive media campaign continued throughout the consultation period which raised awareness of our plans via radio, TV and press coverage and the use of Facebook and Twitter. See Appendices A & B for details.

3. **FINAL OUTCOMES OF CONSULTATION**

3.1 The consultation processes were managed in two different streams:

a) Those managed by Opinion Research Services to seek to get statistically representative, informed and independently verified outcomes to aid the Fire Authority's deliberations. These comprised:

- Online Questionnaire
- Public Forums
- Stakeholder Forums
- Staff Forums

b) Those consultation processes managed in-house to seek views from staff, stakeholders and the public in other ways. These comprised:

- Public Roadshows
- Stakeholder, public and staff emails/letters/phone calls

3.2 **Opinion Research Services Report**

3.2.1 Online questionnaire

During the 10 week consultation period the following number of responses were sent via the online questionnaire to ORS:

- 612 completed online responses
- 43 paper surveys returned
- 655 responses in total

655 responses represents a very good response rate and outweighs those received during the consultations for the Hastings review and the Rural Review which totalled 504 and 92 respectively.

The Consultation Document included simple, user-friendly and informal consultation questions, with an ORS Freepost envelope for ease of return. As well as the main questions, detailed respondent-profiling information was requested. The consultation documents were widely distributed and the questions were available to complete on-line.

The gender split was uneven, with 60% male and 40% female respondents. There was a more balanced split with the age groups (16 to 34 (18%), 35 to 44 (20%), 45 to 54 (24%) and 55 and over (37%)).

Most responses to the consultation questionnaire were from residents of East Sussex or the City of Brighton & Hove (408) and members of East Sussex Fire and Rescue Service (41), but there were also responses from local organisations and businesses.

Of the 655 responses received, a total of 37 responses were representing the views of local organisations.

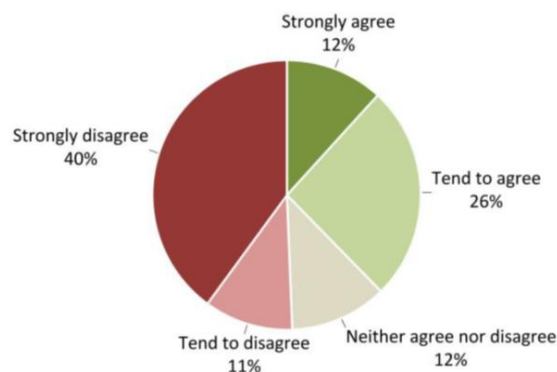
Graphical Representation of questionnaire responses

Where percentages do not add up to 100, this may be due to computer rounding, the exclusion of “don’t know” categories, or multiple answers.

Where possible, the colours of the charts have been standardised with a ‘traffic light’ system in which:

- Green shades represent positive responses
- Beige and purple/blue shades represent neither positive nor negative responses
- Red shades represent negative responses
- The bolder shades are used to highlight responses at the ‘extremes’, for example, very satisfied or very dissatisfied.

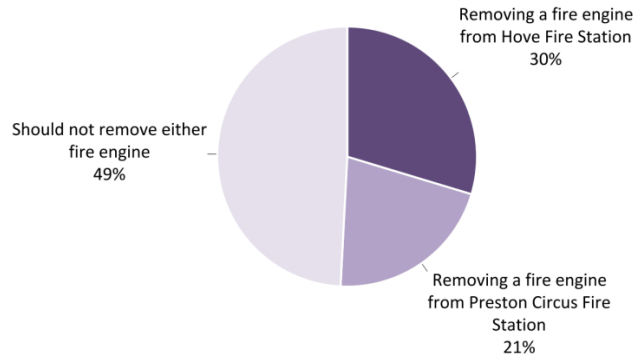
Extent to which respondents agree or disagree with the proposal to remove a fire engine from the City.



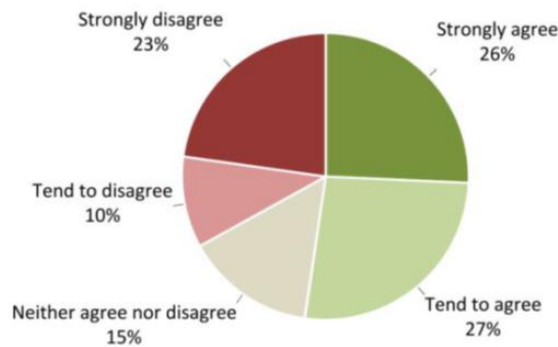
Respondents who disagreed with the proposal to remove a fire engine from the City were asked to explain why, and what they would do instead, since ‘doing nothing’ is not viable.

- A number of respondents questioned whether it would affect resilience, increase risk and compromise safety
- Others thought that support staff should be reduced
- Some respondents also put forward different crewing options
- Sharing services with other FRSs and/or emergency services was suggested as a possible option for ESFRS
- Some respondents suggested charging for services, while others felt Council Tax should be increased
- A number of respondents also thought that more funding is needed from central government
- Finally, using the reserve fund was considered appropriate by some

Whether respondents would recommend removing a fire engine from Hove Fire Station or Preston Circus Fire Station



Extent to which respondents agree or disagree with Option 2a – removing the retained fire engine from The Ridge

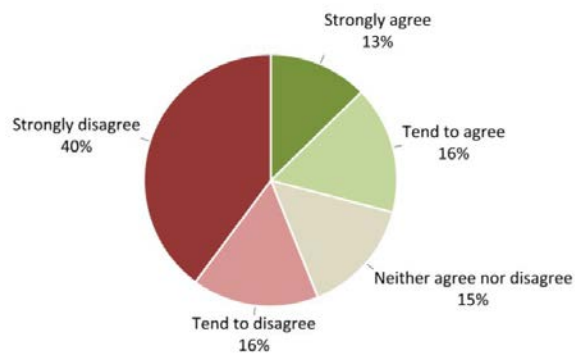


Respondents who disagreed with option 2a were asked to explain why, and what they would do instead, since 'doing nothing' is not viable.

- A number of respondents suggested senior management reductions
- Sharing of services was also mentioned again as an option for ESFRS
- Several respondents noted that the removal of the retained fire engine from The Ridge Fire Station could increase risk
- Some respondents thought that removing the retained fire engine from The Ridge Fire Station would have a negative impact on Battle Fire Station

Other respondents suggested that further savings could be achieved by making Battle an RDS fire station (i.e. option 2b).

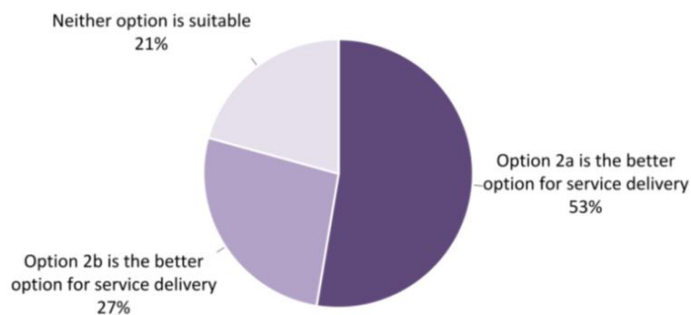
Extent to which respondents agree or disagree with option 2b – making Battle a retained fire station



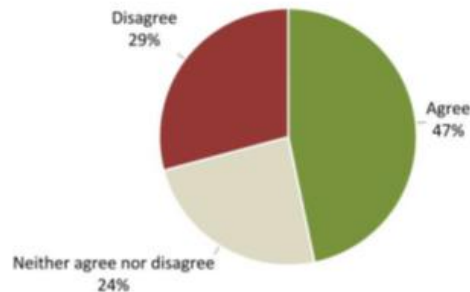
Respondents who disagreed with option 2b were asked to explain why, and what they would do instead, since 'doing nothing' is not viable.

- Again, some respondents expressed concern about changing Battle from a Day Crewed to an RDS fire station:
- Many respondents re-iterated their previous points in relation to:
 - Cutting/restructuring senior management and support staff
 - Sharing resources with other FRSs and other emergency services
 - More government funding needed
 - Concerns about increased risk and a lack of resilience.

Given the evidence, would you say Option 2a or Option 2b is the better option for service delivery?



Extent to which respondents agree or disagree with the proposal to introduce the 'Day Crewed Plus' duty system at Roedean and The Ridge Fire Stations



Respondents who disagreed with proposal 3 were asked to explain why, and what they would do instead, since 'doing nothing' is not viable.

- Many respondents expressed concerns about the effects that the proposed 'Day Crewed Plus' duty system would have on family life
- Some respondents also questioned the costs of the proposed duty system
- Others expressed concerns that the long hours will affect firefighters' performance
- Again, a number of respondents suggested the following:
 - Cutting/restructuring senior management and support staff
 - Increasing council tax
 - Asking Central Government for more funding.

Phase 3 proposals were also consulted on via the questionnaire and comments made regarding these reviews can be found in the full ORS report in Appendix C. A transcript of the free text comments from the questionnaires can be found in Appendix D.

3.2.2 Public Forums

The forums took place in March 2014 and were designed to inform and 'engage' the participants, both with the issues and with ESFRS, by using a 'deliberative' approach to encourage members of the public to reflect in depth about the fire and rescue service, while both receiving and questioning background information and discussing service delivery and budgetary issues in detail. The meetings lasted for 2.5 hours.

In total, there were 45 diverse participants at the sessions.

Overall, participants were a broad cross-section of residents from the local areas and, as standard good practice, were recompensed for their time and efforts in travelling and taking part.

In recruitment, care was taken to ensure that no potential participants were disqualified or disadvantaged by disabilities or any other factors and the venues at which the forums met were readily accessible. People's special needs were all taken into account in the recruitment and at the venues. The random telephone recruitment process was monitored to ensure social diversity in terms of a wide range of criteria including, for example: area of residence; gender; age; ethnicity; social grade; and disability/long-term limiting illness (LLTI).

3.2.3 Stakeholder & Staff Forums

ESFRS undertook a conscientious and large-scale programme of invitations and reminders to stakeholders and staff in the Battle/Hastings and Brighton & Hove areas.

Eight people attended the Battle/Hastings stakeholder forum and three attended the one in the City and, although numbers were lower than desired, two full and considered discussions were had.

Attendance at the two staff forums was higher: 26 firefighters (from Battle, Bohemia Road, The Ridge and Eastbourne) attended the first and over 30 firefighters from across the City attended the second.

Overall Balance of Opinion from all ORS Consultation

The full report, (Appendix C), concisely reviews the sentiments and judgements of participants on ESFRS's proposals. It contains verbatim quotations, presented for their vividness in capturing recurrent points of view. While quotations are used, the report is not a verbatim transcript of the sessions but an interpretative summary of the issues raised by participants in free-ranging discussions. Below is a balanced summary of the participants' views.

Proposal 1: The City

Just under two fifths (38%) of questionnaire respondents agreed with ESFRS's proposal to remove a fire engine from the City. However, just over half (51%) disagreed.

If the change were to go ahead, 3 in 10 respondents (30%) would recommend removing a fire engine from Hove Fire Station, while around a fifth (21%) would recommend removing a fire engine from Preston Circus Fire Station. However, almost half of respondents thought that ESFRS should not remove either engine.

The Brighton & Hove public forum almost unanimously endorsed the removal of one firefighting appliance from the City, as did the majority of participants at Uckfield. While in an ideal world they would not wish to lose what they saw as an important local resource, most participants typically understood the financial constraints within which ESFRS must now operate and considered the change somewhat inevitable because of this (and the reduction in incident numbers).

In terms of location, both meetings unanimously agreed that it would be preferable to remove an appliance from Hove rather than Preston Circus due to the more challenging demographics within the latter's station ground.

Two of the three Brighton & Hove stakeholders supported the removal of one firefighting appliance from the City, with the remaining one objecting. All three stakeholders agreed that, if the proposal is ratified, the appliance should be removed from Hove rather than Preston Circus because of the more challenging demographics within the latter's station ground.

No-one at the Brighton & Hove staff forum was prepared to support the removal of one firefighting appliance from the City, preferring instead to see ESFRS considering:

- re-introducing the prospect of merger with West Sussex
- more regional collaboration on a South East level
- fewer Principal Officers
- reducing support staff levels
- using some of its reserves to cover costs until the economic situation is clearer.

Proposals 2a and 2b: Battle and Hastings

52% of questionnaire respondents agreed with option 2a; only 33% disagreed. Just under a third of respondents (29%) agreed with option 2b; almost three fifths (56%) disagreed.

More than half of respondents (53%) thought that option 2a is the better option for service delivery, while just over a quarter (27%) thought that option 2b is the better option. Just over a fifth stated that neither option is suitable.

Overall, the Battle/Hastings public forum favoured option 2b over option 2a: 13 of the 17 participants agreed it would be preferable, while only one chose 2a and there were three 'don't knows'. It should also be noted that 2b still represented an imbalance in risk to participants, most of whom endorsed another option: convert Battle Fire Station from a Day Crewed to a one pump RDS station and move The Ridge's RDS appliance to Bohemia Road. This, it was felt, would ensure a pattern of cover for the whole area that puts resources where they are most needed.

The Uckfield public forum also discussed options 2a and 2b: 14 of the 16 participants supported the latter, one rejected both and there was one 'don't know'.

Four of the eight Battle/Hastings stakeholders favoured option 2a over option 2b on the grounds of risk and reliability of fire cover (particularly in relation to the alleged difficulties faced by firefighters in getting to Battle Fire Station within five minutes). Of the remaining four, two were 'don't knows' and two did not feel they could endorse either option in that they are based on possibly inaccurate predictions, do not seem to take transport logistics into consideration and could result in unacceptable additional fatalities.

No-one at the Battle/Hastings staff forum was prepared to endorse either proposal, preferring instead to see ESFRS considering:

- re-introducing the prospect of merger with West Sussex
- more regional collaboration on a South East level
- fewer Principal Officers
- using some of its reserves to cover costs until the economic situation is clearer.

It should, however, be noted that there was some recognition that the current financial climate means the status quo is not an option and that it is simply not enough for firefighters to say 'no to everything' for fear of what will be proposed instead.

Proposal 3: Day Crewed Plus

Almost half (47%) of questionnaire respondents agreed with the proposal to introduce the 'Day Crewed Plus' duty system at Roedean and The Ridge Fire Stations; almost 3 in 10 respondents (29%) disagreed.

Ultimately, though, most members of the public at Battle/Hastings and Uckfield (15 of 17 people and 13 of 16 people respectively) considered it reasonable for ESFRS to consider and develop the Day Crewed Plus model across appropriate stations, given that it is already working effectively in other FRSs and that similar systems are also in operation across other professions and industries.

At the City of Brighton & Hove, while they could see the attractions of Day Crewed Plus, participants were concerned about its workability in practice (particularly with respect to ensuring firefighters have sufficient rest periods). As such, they suggested that it should be trialled at existing stations with accommodation prior to rolling it out at those without.

All stakeholders at both Battle and Hastings ultimately endorsed the consideration and development of Day Crewed Plus as an efficient way of working – though they did express some concerns around:

- firefighter redundancy (and its associated costs)
- staff welfare
- its impact on family life
- reduced resilience across ESFRS as a whole
- the need for capital financing.

Those at the City forum suggested a small-scale trial to ensure the system works for ESFRS and its staff.

Some staff at Battle/Hastings was in favour of Day Crewed Plus: they commented on its cost-effectiveness and suggested that it may be a very attractive system for some staff (most notably young firefighters and those coming to the end of their careers who might wish to 'boost their pension').

However, others at Battle/Hastings and all at Brighton & Hove rejected the introduction of Day Crewed Plus on the many grounds highlighted earlier in the report. Further, some at the Battle/Hastings forum were neither for nor against the system because they felt they do not know enough about it to make an informed judgement.

3.2.4 Summary of Public Roadshows

Four 'Changing the Service – shaping our future' road shows were held in mid-March and early April in Eastbourne, Uckfield, Brighton and Hastings. A fifth, planned for Battle, was curtailed but, on the same date, Gary Walsh, Deputy Chief Fire Officer, spoke at a well-attended public meeting and promoted the consultation.

The purpose of the road shows was three-fold:

- to inform members of the public, through direct face to face communication, about the consultation and how to take part in it
- to give members of the public an opportunity to ask questions about the proposals rather than read about it in the media
- to offer reassurance that the Service is accessible and ready to respond to emergencies

950 leaflets and 524 postcards were provided to those who engaged with staff at the roadshows, with some members of the public taking copies for friends and relatives. Overall the Service engaged with more than 1,200 individuals and handed out just under 180 paper consultations to those who did not have internet access to complete the online survey. This greatly exceeded our targets and we reached more members of the public with the facts than we would have at traditionally attended public meetings.

3.2.5 Summary of letters, emails and phone calls received

The following letters, emails and phone calls were received:

Emails	60
Letters	25
Phone calls	1
	86

Again, 86 is a very good response, with the Hastings and Rural Reviews receiving 41 and 61 respectively.

It is fair to say that most of the 31 votes in support of proposal 2a were submitted by people who were very strongly opposed to 2b. It has been supported as an alternative rather than on the merits of the proposal itself.

There were 3 emails received after the deadline of 28th April but these have been included in the totals above.

A copy of all emails, letters and phone call transcripts has been made available to Fire Authority Members for their consideration.

Summary of letters, emails and phone calls received

Opinions Expressed	Public	Town/Parish Councillors	Staff	MPs	Businesses	Fire & Rescue Services	City / County / Borough Councillors	Totals
Against proposal 1 - Losing a pump from The City	2				1			3
Against proposal 2a - lose the Retained pump at The Ridge								0
Against proposal 2b - make Battle Retained	36	1						37
Against proposal 3 - make Roedeane and The Ridge Day Crewed Plus								0
In support of proposal 1 - Losing a pump from The City								0
In support of proposal 2a - lose the Retained pump at The Ridge	25	5			1			31
In support of proposal 2b - make Battle Retained								0
In support of proposal 3 - make Roedeane and The Ridge Day Crewed Plus								0
Generally against all proposals	3	2						5
Generally in support of all proposals								0
Concerns regarding various elements of the consultation process	1		1	1				3
Questions seeking further information				2				2
Suggested Counter Proposals			2					2
No particular preference expressed	1					1	1	3
	68	8	3	3	2	1	1	86

3.2.6 Petitions Received

- Save Battle Fire Station – 1,053 signatures.
- Stand Up for Battle Campaign Newspaper Coupons
 - version 1 is against changes in Battle – 215 coupons
 - version 2 is against changes in Battle and The Ridge – 36 coupons

ESFRS is aware of several online petitions, which are continuing to accrue signatures, in opposition to any 'cuts' across the Service. However, these have not been presented to the Fire Authority at the date of this report being written.

3.2.7 Summary of counter proposals submitted

There were 5 counter proposals submitted by two members of staff, detailing alternative ways to save money in the Hastings and Battle area. These are detailed in Appendix E.

Some of the counter proposals involve the use of surplus resources from other fire stations and watches. The way that most fire and rescue services maintain their crewing levels at wholtime stations is via a system called the 'ridership factor' which is made up of a calculation of how many firefighters you need to put 1 firefighter on a seat on a fire appliance for 365 days per year, taking into account absences such as annual leave, public holidays, training and sickness.

One of the proposals suggested reducing the ridership factor on watches to create spare posts to be placed in a central pool to draw upon when there are crewing deficiencies across the Service. However, using the flexibility of the ridership factor is limited as there are fewer wholtime 24/7 fire stations and we have applied this flexibility previously. In 2010, the ridership factor at Eastbourne and Preston Circus was reduced to 15 per watch but a pool of posts was not created, choosing instead to remove the posts from the establishment.

With the proposals for day crewed stations and locality managers we are, in fact, re-calculating the ridership factor to reduce numbers on each watch and, therefore, there is no further capacity to remove posts in the way suggested.

Further proposals for amendments to retained crewing at Battle Fire Station as an alternative to Proposal 2a have been received (as detailed in Appendix E).

Officers have considered these and, in order to achieve the operational benefits of proposal 2a, it is feasible to utilise some of the savings from the removal of the retained appliance at The Ridge Fire Station to provide either an annualised hours or zero based hours contract for a limited number of competent retained personnel at Battle Fire Station to make up a full crew of firefighters or Junior Officers at Battle. This would only occur on those weekend days when the current duty system results in a reduced availability (approximately 26 weekends a year) and would negate the need to increase the wholtime establishment at Battle to 12. The removal of the retained pump at The Ridge will save £120,000 and the cost of using additional retained hours at Battle will be approximately £20,000. This means that the net savings would be approx. £100,000 instead of the original £14,000 in the original proposal. This would still result in improved operational cover at Battle and the surrounding area including Hastings.

There was also an alternative suggestion put forward at the Hastings Public forum where most participants endorsed converting Battle Fire Station to a one pump retained station and moving The Ridge's retained appliance to Bohemia Road. This, it was felt, would ensure a pattern of cover for the whole area that puts resources where they are most needed.

3.2.8 Responses Received from Representative Bodies

Formal responses from the Fire Officers Association, East Sussex Branch, and the Fire Brigades Union can be found in Appendix F.

3.2.9 Summary of Views Expressed at Public Meetings

There were two public meetings organised by campaign groups which were attended by officers and Members. One was held in Hastings on 7 April and one in Battle on 9 April.

At both meetings there was strong opposition to any kind of reduction in service delivery and a great deal of support for lobbying Government for more funding.

Some support for option 2a was given as a better alternative than making Battle a retained fire station.

There is strong public appetite for pursuing a merger with a neighbouring Fire & Rescue Service.

There was also an expression of concern regarding the management structure of ESFRS, i.e. too many senior posts on high salaries and a perception that support staff establishment had not been subject to any reductions in posts.

4. **HEALTH & SAFETY ISSUES**

- 4.1 None have been specifically identified at this point. There may be future training implications for some groups of staff depending on the decisions the Fire Authority takes in respect of options taken and potential impacts on staffing models. This detail would be identified during subsequent planning and implementation stages.

5. **EQUALITY AND DIVERSITY IMPLICATIONS**

- 5.1 Preliminary Equality Impact Assessments (EIAs) have been completed and final versions will be dependent upon decisions made by the Fire Authority. Each separate review will require its own assessment as appropriate. The EIAs were reviewed during the consultation period and no concerns have yet been raised which identify any issues with particular reference to any protected characteristics. A copy of the current EIAs has been made available for Fire Authority Members to consider in the respective Political Group meetings.

6. **OTHER IMPACT ASSESSMENTS CONSIDERED**

It is likely that, subject to any decisions taken at this meeting, further relevant impact assessments may need to be considered including:

6.1 **ENVIRONMENTAL**

- 6.1.1 Dependent on any proposal being adopted, there is a potential to reduce fuel consumption which, in turn, should reduce fuel costs and have a reduced negative environmental impact.

6.2 **SOCIAL**

- 6.2.1 There has been strong public opposition to the proposals during consultation. This has been communicated through campaign websites, Twitter and Facebook pages. The Service has similarly used its website, Twitter and Facebook pages to communicate news releases. Depending on what options are adopted, there may be some social impacts as some staff workplaces may alter. There is also a potential impact for recruitment and retention of Retained Duty System staff at various locations.

6.3 **LEGAL**

- 6.3.1 The IRMP consultation guidance was considered when this consultation process was planned, and a 10 week consultation period agreed. In terms of any implementation proposals, there is likely to be a requirement for some contractual changes as a result of potential staff transfers, etc. depending upon the decisions made by the Fire Authority. The full extent will be reviewed accordingly.

6.4 **COMMUNICATION IMPLICATIONS**

- 6.4.1 ESFRS has been supporting an effective communications programme throughout the consultation process. Local media interest is expected to rise significantly prior to, and post the Fire Authority meeting. Opponents of the proposals have been encouraged by campaigners to attend the Fire Authority meeting and relevant advice has been issued accordingly.

7. **FINANCIAL IMPLICATIONS**

- 7.1 The cost of all services provided by ORS including preparation, venue hire, participant reimbursement and reporting, was approximately £16,500.
- 7.2 Estimated savings for proposal 2a, which were originally calculated as £14,000 per annum, could now be amended to an estimated £85,000 per annum if the decision is taken to use retained cover from Battle to maintain crewing at weekends rather than increasing establishment. Savings for proposal 2b have been increased to £229,000 following further analysis. The estimated savings across all Phase 2 proposals are summarised below.

	Estimated Savings				
	£'000				
	2014/15	2015/16	2016/17	2017/18	2018/19
Proposal 1	0	0	917	917	1,066
Proposal 2A - original	0	14	14	14	14
Proposal 2A - revised	0	85	85	85	85
Proposal 2B	0	229	229	229	229
Proposal 3	0	108	432	432	432
Total savings with proposal 2A - original	0	122	1,363	1,363	1,512
Total savings with proposal 2A – revised	0	193	1,434	1,434	1,583
Total savings with proposal 2B	0	337	1,578	1,578	1,727

- 7.3 In addition to the on-going revenue savings set out above there are expected to be one-off costs resulting from the proposals. Proposal 3 will require capital investment in new accommodation at both Roedean and The Ridge and this is currently estimated to be of the order of £1.8m in total. There is currently no funding allocated to this project within the existing Capital Programme. A bid is being prepared to the CLG Fire Transformation Fund to fund these capital costs for submission by 4 June 2014 and the outcome should be known in the autumn. Should the bid not be successful the Authority would need to identify an alternative source of funding, for example from its existing Capital Programme Reserve. One-off revenue costs including any redundancy costs will be funded from the Improvement & Efficiency Reserve.

8. **SUMMARY**

- 8.1 The 10 week public consultation programme indicates that there is strong opposition by staff and the public to the proposals which the Fire Authority should consider before making final decisions. This is true for proposals that affect The City of Brighton & Hove and Battle in particular.
- 8.2 Stakeholders and members of the public involved in the more deliberative consultation processes have tended to be relatively understanding of the financial issues faced by the Fire Authority and the need to act accordingly.
- 8.3 Whilst there is a strong feeling of objection to the Government imposed cuts in funding, there is reluctant acceptance that the Fire Authority must plan for a sustainable future and that, whilst the options are undesirable, they are rational and evidence based.

Appendices

- A. Publicity and promotion campaign details
- B. Media Log
- C. Full ORS Report
- D. Transcript of text responses from online questionnaire
- E. Details of any specific suggestions or alternative proposals
- F. Formal Rep Body Responses (FOA and FBU)