



EAST SUSSEX FIRE AUTHORITY

THURSDAY 11 SEPTEMBER 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, Deane, Hawtree, Peltzer Dunn, Powell 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.	
794.	1	In relation to matters on the agenda, seek declarations of any disclosable pecuniary interests under Section 30 of the Localism Act 2011.
795.	1	Apologies for absence.
796.	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).
797.	1	To consider any public questions.
798.	1	To receive any petitions.
799.	5	Non-confidential minutes of the meeting held on 5 June 2014 (copy attached).

800. 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.
- [801.](#) 17 Minutes of the Principal Officer Appointments Panel held on 28 July 2014 – to be approved as a correct record and signed by the Chairman.
- [802.](#) 19 2015/16 Strategic Service Planning and Medium Term Financial Plan – joint report of the Chief Fire Officer & Chief Executive and Treasurer (copy attached).
- [803.](#) 31 2014/15 Revenue Budget and Capital Programme monitoring – joint report of the Chief Fire Officer & Chief Executive and Treasurer (copy attached).
- [804.](#) 41 2013/14 Annual Performance Outcome report – report of the Chief Fire Officer & Chief Executive (copy attached).
- [805.](#) 43 Business Rate Pooling – report of the Treasurer (copy attached).
- [806.](#) 51 Facing the Future: Findings from the Review of Efficiencies and Operations in Fire and Rescue Authorities in England – report of the Chief Fire Officer & Chief Executive (copy attached).
- [807.](#) 59 Newhaven Community Fire Station – report of the Chief Fire Officer & Chief Executive (copy attached).
- [808.](#) 63 Sussex Control Centre – report of the Chief Fire Officer & Chief Executive (copy attached).
- [809.](#) 69 Pay Award for Brigade Managers – NJC Settlement – report of the Monitoring Officer (copy attached).
810. 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.

811. 73 Confidential Minutes of the Principal Officer Appointments Panel held on 28 July 2014 – to be approved as a correct record and signed by the Chairman (copy attached). (Exempt category under paragraph 1 of the Local Government Act 1972).

812. Sussex Control Centre – confidential oral report of the Chief Fire Officer & Chief Executive. (Exempt category under paragraph 3 of the Local Government Act 1972).
813. 75 Marlie Farm – confidential report of the Chief Fire Officer & Chief Executive. (copy attached). (Exempt category under paragraph 3 of the Local Government Act 1972).

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

EAST SUSSEX FIRE AUTHORITY

Minutes of the meeting of the East Sussex Fire Authority held at East Sussex Fire & Rescue Service Headquarters, 20 Upperton Road, Eastbourne at 10.30 hours on Thursday 5 June 2014.

Present: Councillors Barnes, Buchanan, Butler, Carden, Earl, Galley, Hawtree, Howson, Lambert, MacCafferty, Peltzer Dunn, Pragnell, Powell, 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. W. Tricker (Head of Finance & Procurement), and Mrs. K. Ward (Clerk).

The Chairman welcomed those in attendance and thanked them for their interest in the meeting. It was requested that mobile phones be switched off. Members of the public in attendance were advised of fire procedures.

779. DISCLOSABLE PECUNIARY INTERESTS

779.1 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.

780. ELECTION OF CHAIRMAN

780.1 The Fire Authority considered a report of the Monitoring Officer that set out the procedures governing the election of Chairman and invited the Fire Authority to appoint a Chairman for the ensuing year. (Copy in Minute Book).

780.2 **RESOLVED** – That Councillor Howson be appointed Chairman of the Fire Authority for the ensuing year.

781. ELECTION OF VICE-CHAIRMAN

781.1 The Fire Authority considered a report of the Monitoring Officer that set out the procedures governing the election of Vice-Chairman and invited the Fire Authority to consider whether it wished to appoint a Vice-Chairman for the ensuing year. (Copy in Minute Book).

781.2 **RESOLVED** That Councillor Lambert be appointed Vice-Chairman of the Fire Authority for the ensuing year and titled Vice-Chair.

782. APOLOGIES FOR ABSENCE

782.1 There were none.

783. URGENT ITEMS AND CHAIRMAN'S BUSINESS

783.1 The Chairman welcomed back Councillor MacCafferty to the Fire Authority from Brighton & Hove City Council. Councillor MacCafferty had been appointed following Councillor Rufus's resignation from the Fire Authority.

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

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

784.2 **Question from Patrick Olszowski**

On the Equality Impact Assessment, you say that impact of cutting staff/engines has shown to be NEUTRAL – based on “predictive modelling”. Given that predictive modelling is based on past trends, they may not represent future demand. With a rapidly growing ageing population (that will place extra demands on the Service) how can you be sure that Brighton residents will not be at higher risk of death and injury?

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

The Chairman accepted three petitions.

785.1 The first was presented by Councillor Carol Theobald on behalf of Simon Herbert on behalf of Brighton & Hove City firefighters. The petition’s prayer, which contained 9,567 signatures read:

785.2 “Instruct East Sussex Chief Fire Officer to make necessary budgetary savings without cutting fire fighter numbers, closing fire stations and cutting fire engines.

Instruct Chief Fire Officer to make savings by sharing services and back office staff, improving procurement, sharing of principle management and staff. Also look to voluntary amalgamations between services.

Instruct Chief Fire Officer to utilise reserves to offset savings.

Instruct Chief Fire Officer NOT to remove a fire engine from the City of Brighton & Hove.

Why is this important? East Sussex Chief Fire Officer has agreed to make £7.1million savings. These savings are being achieved by cutting front-line emergency services, fire fighters, numbers of fire engines and closing fire stations.

785.3 The second petition was from Nancy Platts who presented a petition on behalf of residents and visitors to Brighton & Hove. The petition’s prayer, which contained approximately 2,500 signatures read:

785.4 “The signatories of this petition insist that you instruct the East Sussex Chief Fire Officer not to remove a fire engine from the City of Brighton & Hove and instruct him to make budgetary savings without cutting fire cover within the City. Reducing the number of fire engines within the City from five to four will lead to slower response times, less personnel, less equipment and fewer home and school fire safety visits. These proposed cuts will cost lives. Savings must not be made by putting the public and fire fighters lives at risk. We ask that you put public safety ahead of these proposed cuts to front-line emergency services.

785.5 The third petition was from Councillor Phil Scott who presented a petition on behalf of residents and visitors to Hastings and its surrounding areas. The petition’s prayer, which contained approximately 1,000 signatures read:

785.6 “Instruct East Sussex Chief Fire Officer to make necessary budgetary savings without cutting fire fighter numbers, closing fire stations and cutting fire engines.

Instruct Chief Fire Officer to make savings by sharing services and back office staff, improving procurement, sharing of principle management and staff. Also look to voluntary amalgamations between services.

Instruct Chief Fire Officer to utilise reserves to offset savings.”

It was agreed that the petitions be taken into consideration as part of item no.791 ‘Integrated Risk Management Planning (IRMP) Review of Prevention, Protection and Response – Consultation and Way Forward’.

786. **NON-CONFIDENTIAL MINUTES OF THE MEETING HELD ON 14 FEBRUARY 2014**

786.1 **RESOLVED** – That the non-confidential Minutes of the meeting held on 14 February 2014 be approved and signed by the Chairman. (Copy in Minute Book).

787. **CALLOVER**

787.1 Members reserved the following items for debate:

791. IRMP Review of Prevention, Protection and Response – Consultation outcomes and way forward

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

788 **POLITICAL REPRESENTATION ON THE PANELS OF THE FIRE AUTHORITY**

788.1 The Fire Authority considered a report of the Monitoring Officer 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. (Copy in Minute Book).

788.2

RESOLVED -

- (i) the Panel arrangements and political representation, as set out below, be confirmed;
- (ii) the Chairmen and Vice-Chairmen of the Panels be appointed by the Panels in accordance with Standing Order 41.14; and
- (iii) it be noted 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; and

	Based upon political proportions for 2014/15	
	TOTAL	
Appointments	6	2 Cons, 1 LDem, 1 Green, 1Lab, 1 UKIP
Scrutiny & Audit *	8	3 Cons, 1 LDem, 1 Green, 2 Lab, 1 UKIP
Policy & Resources	8	3 Cons, 1 LDem, 2 Green, 1 Lab, 1 UKIP
Human Resources	6	3 Cons, 1 Lab, 1 Green, 1 LDem
Urgency	6	3 Cons, 1 UKIP, 1 Green, 1Lab
* informal protocol – up to 3 P&R Members to serve on S&A Panel		

(The total number of seats = 34, divided 14:6:6:4:4 on the basis of the 2014/15 political balance).

789.

FIRE AUTHORITY AND PANEL MEETINGS 2014/15

789.1

The Fire Authority considered a report of the Monitoring Officer that suggested a timetable of meetings for the Fire Authority and its Panels for the next 12 months. (Copy in Minute Book).

789.2

RESOLVED that the following timetable of meetings be noted:

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	

790. **FIRE AUTHORITY TREASURY MANAGEMENT STRATEGY FOR 2014/15**

790.1 The Fire Authority considered a report of the Treasurer. The annual treasury management stewardship report was a requirement of the Fire Authority's reporting procedures and covered the treasury activity for 2013/14. The report also included the Prudential Indicators which related to the treasury activity. (Copy in Minute Book).

790.2 **RESOLVED** – That the treasury management performance for 2013/14 be noted.

791. **INTEGRATED RISK MANAGEMENT PLAN (IRMP) REVIEW OF PREVENTION, PROTECTION AND RESPONSE – CONSULTATION OUTCOMES AND WAY FORWARD**

791.1 The Fire Authority considered a report of the Chief Fire Officer & Chief Executive that informed the Fire Authority of the consultation responses to the proposals following the review of Prevention, Protection and Response and sought determination on the proposals. (Copy in Minute Book).

791.2 At a previous meeting, the Fire Authority had approved operational savings proposals in Phase 1 of the IRMP process along with a range of non-operational savings to ensure that savings targets in 2014/15 and 2015/16 could be met.

791.3 At its meeting on 14th February 2014, the Fire Authority agreed to commence a 10 week public consultation on Phase 2 of the outcomes of the Review of Prevention, Protection and Response, which were 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.

791.4 The approach to consultation and communications 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?

791.5 Officers advised Members that the combination of consultation and engagement methods used, each providing early opportunities to provide information to all audiences, using multiple channels and various communication styles had provided stakeholders with sufficient time to provide a considered response within a 10 week consultation period.

791.6 The consultation process was carried out by both the Service's Communications Team and an independent company, Opinion Research Services (ORS), to seek to get statistically representative, informed and independently verified outcomes to aid the Fire Authority's deliberations. The following methods were used:

- Publication of the review and all supporting documents on the Service web site.
- 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 ORS
- 3 Public forums conducted by ORS
- 2 stakeholder forums conducted by ORS
- 5 public roadshows conducted by the ESFRS Communications Team and supported by the Corporate Management Team.
- Extensive media campaign throughout the consultation period which included radio, TV and press coverage.
- Social media, e.g. Facebook and Twitter.

791.7 The 10 week consultation programme had now ended and a full representation of responses received was presented to members for their consideration.

791.8 There had 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 received during the course of the consultation to be considered by Members. Three petitions had been presented to the Fire Authority at the start of the meeting and Members took into account the prayer of these petitions during their deliberations. Members considered Officers' commentary on the specific alternative proposals which were included within the body of the report.

791.9 Councillor MacCafferty made reference to the level of responses received in comparison to the total population of Brighton & Hove and East Sussex and concluded that only 0.08% had been consulted with. He felt this was not good enough and asked Officers why there was such a low return rate. He also expressed concern that should the cuts be agreed the Service would in his view, not be able to comply with its duties under the Civil Contingencies Act.

791.10 Councillor Scott added that thousands of signatures had been collected for the petitions against any cuts in service and that if Councillors and Representative bodies could get that level of response, why couldn't the consultation process.

- 791.11 Councillor Butler noted that the Brighton & Hove Council Tax Leaflet contained information about the consultation which was distributed to every residence within Brighton & Hove. She reminded Members that at the Fire Authority meeting in February, the Monitoring Officer had advised Members that the proposed consultation document was comprehensive and would withstand a challenge. Councillor Butler reminded Members of their discussion held at the last Fire Authority and of their responsibility to promote the consultation, inform their local groups and hard to reach audiences. Members were also asked to inform the Community Risk Management team of any groups they felt should be contacted.
- 791.12 Councillor Barnes noted that the overall response was disappointing although individual Members had received a large amount of emails and the volume of signatures on the petitions showed that Members of the public were made aware of the issues. Councillor Barnes added that in his area, the Battle Observer, the main paper for that area, had the story as their headline news week in, week out. He suggested that as much as Councillors don't like the fact that there was a limited response towards the proposals, if the public decided not to formally respond due to apathy, that was their choice.
- 791.13 Councillor Pragnell added that he felt the public did know as thousands of responses had been received via the petitions and there had been visible campaigns across both the County and City of Brighton & Hove.
- 791.14 The Chief Fire Officer & Chief Executive reminded Members that they had agreed the consultation process. Brighton and Hove City Council had confirmed that every residence had been sent a leaflet which advised of the consultation with their Council Tax leaflet. Various local papers, including the Brighton and Hove Argus, local Observer Newspapers together with radio stations such as BBC Radio Sussex, Heart FM had carried the story as well as an array of other outlets. Opinion Research Services (ORS) were also used to carry out an impartial consultation. He reminded Members that they agreed they would go to their constituent Authorities to inform and advise. Members were also advised that the Chief Fire Officer & Chief Executive visited around 50 parish councils around the County and that offers were extended to various groups in Brighton & Hove.
- 791.15 Councillor Wincott proposed, and Councillor Scott seconded, that a full and thorough review into the consultation process should be undertaken. Members agreed that it was good practice to carry out a review after every consultation exercise. Member voted on the proposal and on the Chairman's casting vote, the proposal was lost.
- 791.16 It was agreed by Members that each proposal would be discussed and voted on separately.

Phase 2 Proposals

Proposal 1

- 791.17 Councillor Barnes wished to inform people attending the meeting the context in which the discussion they were about to hear was based on. He advised that the Service received two incomes, one of which was being substantially reduced. The Authority had taken the decision to raise council tax and could start charging for certain services, but this would not meet the shortfall. The Authority could either delay making a decision until the last minute and then have to make rash, unplanned decisions or be responsible and plan a moderate approach to the issues. He felt that if Members disagreed with the proposals before them, they should propose an alternative plan as it was their duty to provide a sustainable budget for the fire and rescue service to operate.
- 791.18 Councillor Wincott felt that the Government could change its position but had to be faced with a unified opposition, which they were not. He felt a merger should be forced and asked to see the correspondence between the Chief Fire Officer & Chief Executive and Chairman to the Fire Minister, Brandon Lewis regarding the current funding crisis. He felt Members should instruct the Chief Fire Officer & Chief Executive to compel the Government to intervene.
- 791.19 Councillor Scott informed the Fire Authority that the Labour Group was against the proposals and that Officers should go back to the drawing board. He felt the savings could be made through merger and closer collaboration across the board and that immediate discussions should start with other Fire Services to complete a merger. Councillor Scott highlighted the building of a new station at Fort Road, Newhaven as one way the Service could have saved money.
- 791.20 The Chief Fire Officer & Chief Executive reminded Members of the discussions and subsequent decisions he had been involved with, and informed of in the past. Members were reminded of the submissions made for grant funding for the proposed day crewed plus system and the Newhaven project. As well as the grant submission, the site of the current Newhaven Station was to be sold and the Newhaven project was a joint venture with partners who were contributing towards the project. The Chief Fire Officer & Chief Executive reminded Members that he was in agreement and supportive of a merger.
- 791.21 The Chief Fire Officer & Chief Executive added that he did not want to see reductions, but that it was necessary. He had sought to put in place measures on Councillors behalf that were palatable but that no matter what, significant change would be required.
- 791.22 Members were reminded that any proposals to make changes would be met with opposition, but reiterated that the public would see no reduction in Service attendance times and no stations would close.

- 791.23 Councillor Galley felt the Service had no option and that to some extent, the Service was a victim of its own success as there had been a 37% reduction in calls but only a 4% reduction in funding for operational service delivery. He noted the cuts already made to support staff and felt there could be more done in this area, but that it would be nowhere near enough to meet the cuts required and that the decisions before them needed to be evidence based rather than emotional.
- 791.24 Councillor Theobald noted the extent to which Brighton & Hove's population would be increasing and that cuts to the Fire & Rescue Service did not make sense. She felt that the Service should utilise the resources it currently had to reduce costs, i.e. move Headquarters to Preston Circus and sell the current Headquarters building as a priority.
- 791.25 It was moved by Councillor Lambert, and seconded by Councillor Pragnell that recommendation ii. a) Phase 2, Proposal 1, be amended to read: Remove one firefighting appliance from the City, leaving 4 wholetime pumps, crewed 24 hours a day and provide additional Community Safety Officers in the City of Brighton & Hove to help reduce incidents through prevention and therefore offset the loss of the firefighting appliance.
- 791.26 The amendment was put to the vote and was CARRIED.
- 791.27 The substantive motion was put to the vote and in accordance with Standing Order 22.1, four Members having requested it, a recorded vote was taken.

For (10): Councillors Barnes, Buchanan, Butler, Earl, Galley, Howson, Lambert, Pragnell, Sheppard and Taylor.

Against (8): Carden, Hawtree, MacCafferty, Peltzer Dunn, Powell, Scott, Theobald and Wincott.

Abstention (0)

The Motion was carried.

Phase 2 Proposals
Proposal 2A or Proposal 2B

- 791.28 Councillor Earl informed Members that he had attended the public meeting held in Battle and reiterated some of the comments made by the public and firefighters that were in attendance. He felt one of the main areas for concern was the road network and noted that not only could it be very difficult to get to Battle, the A21 was a busy trunk road and an area for concern.
- 791.29 Councillor Barnes also expressed his concerns about the A21. He also noted that although the bulk of the population lived on the coast, Battle had 360° coverage and any reduction in Service would be particularly uncomfortable for people living in rural areas. He highlighted a proposal contained within the report from firefighters based at Battle which Councillor Barnes felt would be worthy of consideration.

- 791.30 The Chief Fire Officer & Chief Executive advised the Fire Authority that staff at Battle had submitted a counter proposal and advised Members that they could consider it at the meeting as Officers had received it in sufficient time to consider the proposal.
- 791.31 The Deputy Chief Fire Officer added that proposed revision to proposal 2a suggested keeping the current duty system, but in order to maintain cover over weekends when there was a staffing shortfall, a limited number of Retained Duty System staff could be used. He informed Members that proposal 2a had originally estimated savings of £14,000 per annum, however proposal 2a revised, as suggested by staff, would generate savings estimated at £85,000 per annum.
- 791.32 Councillor Scott suggested that he felt that Battle and Hastings were being unfairly pitted against each other. He informed the meeting that he was not happy about the Retained Duty System being removed from the Ridge and that he felt it would leave large areas of the County exposed to risk. Councillor Scott did not consider it appropriate for Members to consider proposal 2a revised as it had not been consulted on.
- 791.33 It was proposed by Councillor Galley and seconded by Councillor Barnes that that the Service accept the proposals as put forward by staff based at Battle and as noted within the detail of the report
- 791.34 In accordance with Standing Order 22.1, four Members having requested it, a recorded vote was taken, the result was as follows:
- For (11): Councillors Barnes, Buchanan, Butler, Earl, Galley, Howson, Lambert, Peltzer Dunn, Sheppard, Taylor and Theobald.
- Against (7): Carden, Hawtree, MacCafferty, Powell, Pragnell, Scott, and Wincott.
- Abstention (0)
- The Motion was carried.
- 791.35 The substantive motion was put to the vote and in accordance with Standing Order 22.1, four Members having requested it, a recorded vote was taken, the result was as follows:
- For (11): Councillors Barnes, Buchanan, Butler, Earl, Galley, Howson, Lambert, Peltzer Dunn, Sheppard, Taylor and Theobald.
- Against (7): Carden, Hawtree, MacCafferty, Powell, Pragnell, Scott, and Wincott.
- Abstention (0)
- The Motion was carried.

Phase 2 Proposals

Proposal 3

- 791.36 Councillor Barnes noted that the proposals had been tried elsewhere but he felt Day Crewed Plus was controversial and warranted caution in its implementation.
- 791.37 Councillor Wincott noted the reduction in firefighter posts.
- 791.38 Councillor Hawtree asked Officers what had been the outcomes from other Services that had implemented the system.
- 791.39 Deputy Chief Fire Officer advised that some Services had reported family friendly issues, but that these had been addressed.
- 791.40 In accordance with Standing Order 22.1, four Members having requested it, a recorded vote was taken, the result was as follows:

For (12): Councillors Barnes, Buchanan, Butler, Earl, Galley, Howson, Lambert, Peltzer Dunn, Pragnell, Sheppard, Taylor and Theobald.

Against (6): Carden, Hawtree, MacCafferty, Powell, Scott, and Wincott.

Abstention (0)

The Motion was carried.

791. RESOLVED – That

- (i) Having fully considered the outcomes of the consultation and engagement process, including three petitions presented to the Fire Authority, they be noted and taken into consideration in determining the proposals;
- (ii) The following proposals for future service provision within East Sussex and the City of Brighton & Hove, be approved:
 - (a) The removal of one firefighting appliance from the City, leaving 4 wholetime pumps, crewed 24 hours a day and provide additional community safety officers in the City of Brighton & Hove to help offset the loss of the firefighting appliance.
 - (b) The removal of the retained appliance at The Ridge and the associated establishment, the savings from which to be used to support the provision of sufficient crewing of the wholetime appliance at Battle on weekends utilising Retained Duty System staff.
 - (c) The introduction of Day Crewed Plus at Roedean and The Ridge Fire Station.
 - (d) The Chief Fire Officer & Chief Executive be authorised to take all steps necessary or incidental to the implementation of the proposals.

792. **EXCLUSION OF PRESS AND PUBLIC**

792.1 **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 793 Paragraphs 3 & 4

PART 2

793. **CONFIDENTIAL MINUTES OF THE MEETING HELD ON 14 FEBRUARY 2014 (EXEMPT CATEGORIES 3 & 4)**

793.1 **RESOLVED** – That the confidential minutes of the meeting held on 14 February 2014 be approved and signed by the Chairman.

The meeting concluded at 13:45 hours.

Signed

Chairman

Dated this 11th day of September 2014.

EAST SUSSEX FIRE AUTHORITY – 5 JUNE 2014

Public question received from Patrick Olszowski

Question:

On the Equality Impact Assessment, you say that impact of cutting staff/engines has shown to be NEUTRAL - based on "predictive modelling". Given that predictive modelling is based on past trends, they may not represent future demand. With a rapidly growing ageing population (that will place extra demands on the service) how can you be sure that Brighton residents will not be at higher risk of death and injury?

Answer:

Thank you for your question.

Firstly, I would like to clarify the seemingly contradictory terms "neutral impact" and "higher risk of death and injury" mentioned in your question to avoid any confusion.

An Equality Impact Assessment seeks to understand and identify the impact on individuals and groups of people, particularly those with protected characteristics. In our assessment, the removal of a pumping appliance from the City does not adversely impact on a particular group of people i.e. it affects the general population equally and therefore has an overall neutral impact. This 'neutral impact' is different to the predicted impact on deaths and injuries in the overall population. In our main consultation document (page 33) we state that "removing 1 pump from Preston Circus or Hove would have no significant impact on life risk", and this is quantified on page 52 of the report which, for example, indicates that the removal of a pump from Hove would result in one additional **fire** fatality across the whole Service in 74.8 years.

Whilst some of the predictive modelling is, indeed, based on past trends, the modelling also takes into account the socio-demographic profile of the population as derived from the recent Census and, in particular, considers age as a contributing fire risk factor by identifying lone pensioners and individuals with a long-term limiting illness, so the age of the population is accounted for as part of the overall analysis.

Naturally, as we are becoming an increasingly ageing population, there will undoubtedly be pressures on all public sector organisations in the future, but I would like to assure you that East Sussex Fire Authority is committed to ensuring that East Sussex and the City of Brighton & Hove are safe places to visit, and live and work in, both now and in the future.

EAST SUSSEX FIRE AUTHORITY

Minutes of the meeting of the PRINCIPAL OFFICER APPOINTMENTS PANEL held at East Sussex Fire & Rescue Service Headquarters, 20 Upperton Road, Eastbourne at 09:00 hours on Monday 28 July 2014.

Members Present: Councillors Barnes, Butler, Howson, Powell and Theobald.

1. DISCLOSABLE PECUNIARY INTERESTS

- 1.1 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.
- 1.2 Councillor Barnes declared that he had known Mr Savage when he was an officer at East Sussex County Council and Councillor Barnes was Vice-Chairman of the Audit Committee. All Members knew Mr Savage from his role as Acting Treasurer and, previously, as Deputy Treasurer to the Fire Authority.

2. ELECTION OF CHAIRMAN

- 2.1 **RESOLVED** – That Councillor Howson be appointed Chairman of the Panel for the ensuing year.

3. APOLOGIES FOR ABSENCE

- 3.1 Apologies for absence were received from Councillor Scott.

4. ANY OTHER NON-EXEMPT ITEMS CONSIDERED URGENT BY THE CHAIRMAN

- 4.1 There were none.

5. NON-CONFIDENTIAL MINUTES OF THE PRINCIPAL OFFICER APPOINTMENTS PANEL HELD ON 15 APRIL 2009

- 5.1 **RESOLVED** – That the non-confidential minutes of the meeting of the Principal Officer Appointments Panel held on Wednesday 15 April 2009 be approved as a correct record and signed by the Chairman. (Copy in Minute Book).

6. EXCLUSION OF PRESS AND PUBLIC

- 6.1 **RESOLVED** – That items 7 and 8 be exempt under paragraphs 1 and 4 of Part 1 of Schedule 12A of the Local Government Act 1972, as amended, in that they relate to matters that include information relating to an individual; 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.

The meeting concluded at 15:15 hours.

Signed

Dated this

day of

2014

EAST SUSSEX FIRE AUTHORITY

Date: **11 September 2014**

Title: **2015/16 Strategic Service Planning and Medium Term Financial Plan**

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

Purpose of Report: **To set out the Fire Authority's medium term service planning strategy and medium term financial plan for 2015/16-2019/20.**

RECOMMENDATION: The Fire Authority is asked to:

- i) approve the updated medium term financial plan for 2015/16 – 2019/20 and its underlying assumptions;
 - ii) note the continuing work under the Changing the Service Shaping our Future programme to identify savings options to meet required savings targets set out in the report; and
 - iii) approve the drawdown of up to £200,000 from the Improvement and Efficiency Reserve to fund the Service Transformation Team.
-

MAIN ISSUES

1. The Fire Authority's medium term service planning and budgeting processes are well established and closely linked. Whilst the main purpose of this report is to set the financial context for the service planning process, through an update of the Medium Term Finance Plan (MTFP), the fundamental aim of the review process is to determine how best to deliver the Authority's Vision and Aims, and the targets and priorities that underpin them, within the context of the current estimate of available financial resources for the period 2015/16 – 2019/20.
2. The current and proposed MTFP reflects the continuing and sustained reductions in funding for public services as the current Government seeks to reduce the national deficit and the expectation that these reductions will continue at the same level, whatever the outcome of the national elections in May 2015, until at least 2020.
3. The Authority has made good progress in identifying and agreeing savings proposals over the last 12 months, through its Changing the Service, Shaping our Future programme which, along with changes to funding, have seen its funding gap reduce from £7.1m to £0.8m. When taken together, the revisions to both the expenditure and funding elements of the MTFP indicate that there is a need for the Authority to identify additional savings of £0.9m by 2019/20 meaning the savings still to be identified now total £1.7m, assuming Council Tax is increased by 1.94%. The total saving required increases to £2.0m if Council Tax Freeze grant is accepted in 2015/16. Whilst these figures are indicative at this stage, especially for the latter 4 years of the period, they will be subject to revision as better information becomes available, especially after the national election and the subsequent comprehensive spending review, and they must continue to drive our future financial and service planning through the Changing the Service, Shaping our Future programme. This will take the total funding gap over the 6 year period from 2014/15 to £9.3m, or almost 24% of the 2013/14 Revenue Budget.

4. Subject to delivering the savings already approved, the MTFP currently indicates that there will be a budget surplus in 2015/16 and 2016/17, and possibly 2017/18 (depending on decisions around Council Tax). This allows the Authority some short term flexibility to continue to manage the one-off impacts and risks relating to its transformation programme, particularly if bids to Government for funding for specific projects are unsuccessful.
5. Given the scale of the changes required to deliver the Changing the Service, Shaping our Future programme and the importance of delivering the resulting savings proposals, CMT has approved the establishment of a Service Transformation Team. This team will be responsible for leading the delivery of the programme, developing detailed implementation plans for phase 1 and 2 proposals already agreed, and taking forward the reviews in phase 3. The team will be led by the Head of Performance Management and comprise mainly internal secondees supported by a small number of external fixed term appointments where specialist skills are required. The team will be in place for up to 2 years and, whilst the majority of the cost can be contained from within existing resources by re-prioritising existing workloads, it is recommended that Members approve the drawdown of up to £200,000 from the Improvement and Efficiency Reserve to support this initiative.

Des Prichard
CHIEF FIRE OFFICER & CHIEF EXECUTIVE
2 July 2013

Duncan Savage
TREASURER

1. **MEDIUM TERM SERVICE PLANNING**

- 1.1 The Fire Authority's medium term service planning and budgeting processes are well established and closely linked. Whilst the main purpose of this report is to set the financial context for the service planning process, through an update of the Medium Term Finance Plan, the fundamental aim of the process is to determine how best to deliver the Authority's Vision and Aims, and the targets and priorities that underpin them, within the available resources. This process has become even more important in recent years in the light of the sustained reduction in public sector funding and the consequent need to deliver significant savings over the period of the Medium Term Financial Plan (MTFP). Members and officers will need to ensure that the service planning process, which is driven through the Integrated Risk Management Plan and the 'Changing the Service, Shaping our Future' programme, delivers sustainability in the medium term for both the revenue and capital budgets, and the service as a whole.

2. **NATIONAL FINANCIAL AND ECONOMIC CONTEXT**

- 2.1 The general state of the economy is an important factor in setting the Fire Authority's revenue budget and MTFP for the five year planning horizon, 2015/16 to 2019/20.
- 2.2 The Government has made clear its continued commitment to tackle and eliminate the national budget deficit and this is reflected in the latest Comprehensive Spending Review (CSR2014) and the subsequent Local Government Finance Settlement which set out funding arrangements for 2014/15 and indicative figures for 2015/16. During 2014/15 there has continued to be more positive news from the UK economy, albeit commentators remain divided about the underlying sustainability of the recovery over the medium term. A major milestone in the economic recovery was reached in July when economic output reached its pre-crisis peak and unemployment continued to fall. However, wage growth has slowed and concerns remain about poor labour productivity and the impact of a stronger pound on exporters. The Bank of England's Monetary Policy Committee has voted to keep interest rates at their current level of 0.5% however, commentators now expect to see a gradual rise in rates starting in the first quarter of 2015.
- 2.3 Despite this more positive news on the UK economy it seems unlikely that there will be any respite for the public sector whatever the outcome of the national elections in May 2015 with all the main political parties acknowledging that funding reductions will need to continue over the life of the next parliament and on into 2020. The expectation within the sector is that funding cuts will continue on at least the same trajectory as CSR2010 and CSR2014 when the results of the next comprehensive spending review are announced later in 2015.

3. **LOCAL POSITION**

3.1 **Medium Term Finance Plan**

A copy of the revised MTFP is included at Appendix 1. The MTFP was previously updated in July 2013 and the Authority subsequently embarked on a phased programme to evaluate savings proposals to meet the identified need for new savings of £7.1m by 2018/19 under the banner of 'Changing the Service, Shaping our Future'. The MTFP was subsequently updated when the 2014/15 budget was set in February 2014 and, as a result of agreed savings proposals and changes to grant and other income streams, the savings gap had been reduced to £2.4m. Subsequent proposals agreed in June 2014 as part of phase 2 identified further savings estimated at £1.6m. Given that the Authority has already embarked on this phased programme to identify savings, and that there will continue to be a degree of uncertainty around funding until after the national elections in 2015, the latest revisions for the MTFP have focussed on updating assumptions for 2015/16 and rolling forward the plan by a further year to 2019/20. The main issues considered are set out in the following paragraphs.

Grant Funding

- 3.2 Based on the settlement figures announced earlier this year the Authority will have seen a reduction in Revenue Support Grant (RSG) from £14.673m in 2010/11 to £7.547m in 2015/16, or 49%. From 2016/17 onwards we are assuming that cash from central Government will reduce by 10% p.a. which means that RSG is predicted to fall to £2.731m by 2019/20. This is clearly a significant reduction and, although it has been mitigated in the short term by the introduction of the new business rates regime in 2013/14, we expected the Authority's SUFA (Start Up Funding Assessment – the total of RSG, locally retained business rates and business rates top up grant) to fall by 36% from 2013/14 to 2019/20.
- 3.3 The Authority currently receives a small number of on-going specific revenue grants from central Government for Firelink and New Dimensions and we have assumed that these will reduce by 10% p.a. from 2016/17 onwards. The grant for the Sussex Control Centre project is expected to be fully drawn down in 2014/15 and is not affected by these assumed reductions.
- 3.4 The Government has announced a £75m resource fund for fire and rescue services for 2015/16 available on a bid for basis to encourage joint working between fire and rescue authorities, collaboration with other blue light services, and to help meet the upfront cost of service transformation. The Authority has bid for £2.167m of capital funding for 2015/16 from this fund and the larger Local Government Transformation Fund. A separate bid for funding for the Joint Transport Project has been made by Surrey County Council. The results of the bidding process are expected in the autumn.

3.5 **Business Rates**

From 2013/14 Government changed the way in which income collected from business rates (Non Domestic Rates or NDR) is treated, with fire authorities retaining 1% of NDR collected in their local area. This is then topped up by a grant from the portion of the NDR that is retained by central government. Together, these form the Authority's total baseline funding. Current assumptions are based on returns made by the billing authorities and uprated for inflation (RPI) each year. The NDR base is assumed at this stage to remain static but further work is planned through East Sussex Finance Officers Association (ESFOA) to improve modelling of future business rates growth. The top up grant is also assumed to increase by inflation (RPI) each year. The Collection Fund is expected to break even each year.

3.6 In 2014/15 the Government announced a number of new temporary reliefs for small businesses. The Government is compensating authorities for the lost income through a Section 31 grant. This is assumed to cease after 31 March 2015 but is offset by a corresponding increase in business rates income. The Government also introduced a cap on the business rates inflation increase for 2014/15 at 2% instead of the 3.2% RPI increase. The Government has agreed to compensate for this loss of income in 2014/15 and 2015/16 but there is no confirmation that this will continue into 2016/17. Overall this results in a projected increase in baseline (business rates) funding of £1.243m over the period or 18%.

3.7 A proposal to create an East Sussex Business Rates Pool is set out in more detail elsewhere on this Agenda (item no. 805). Initial modelling suggests that this could deliver additional income of c£0.180m to the Authority in 2015/16. Officers are continuing to discuss options for the use of this funding on a one off basis that meets the Pooling criteria to support economic growth. As the Pool has not yet been formally approved by Government the additional income is not included in the MTFP at this stage.

Council Tax

3.8 The billing authorities' current local Council Tax Reduction Schemes (local schemes) were introduced in 2013/14, to replace the previous national Council Tax Benefit system and, alongside changes to existing discounts and exemptions, have largely mitigated the initial 10% reduction in funding for the schemes. All the local schemes are being reviewed for 2015/16 but no decisions have yet been taken so the MTFP reflects the current position. The Authority will be consulted as part of these reviews but the final decision rests with each billing authority.

3.9 The MTFP assumes a 0.3% increase in the Council Taxbase for 2015/16, based on the latest information from the billing authorities and a static position thereafter.

3.10 The Government has set out its intention to offer a Council Tax Freeze Grant for 2015/16 equivalent to a 1% increase in Council Tax for those authorities that agree to freeze their Council Tax in 2015/16. This would be worth £0.253m for this Authority. The Government also confirmed that proposed increases in Council Tax exceeding 2% would trigger a local referendum, requiring authorities to set aside resources to cover the cost of the referendum and prepare a substitute budget based on a 2% increase.

- 3.11 In setting its Council Tax, the Authority must balance the need to set a rate which is affordable to local people with the need to provide effective local services within the Authority's performance standards and expectations. The expected reduction in grant funding and the limited impact of growth in NDR income means that the Authority is increasingly reliant on income from Council Tax to fund its services.
- 3.12 The MTFP reflects the approach previously approved by Members which is to model increases in Council Tax each year of 1.94%, just below the referendum threshold set by central Government. For illustrative purposes, an alternative MTFP is included at Appendix 2 which shows the impact of accepting the Freeze Grant in 2015/16 only. By 2019/20 the 1.94% p.a. increase in Council Tax would generate £2.235m in additional income assuming the Council Tax-base grows by 0.3% in 2015/16 and is static thereafter. Any decision to pursue a Council Tax Strategy of less than the 1.94% p.a. increase currently modelled would increase the level of savings required.

Expenditure

- 3.13 Existing expenditure plans, based on the agreed 2014/15 Revenue Budget and 5 year plan, have been rolled forward for the period to 2019/20 following initial consultation with budget managers and known commitments, and reflect the following assumptions and pressures:
- A provision for pay inflation of 1% p.a. in 2015/16; 1.5% in 2016/17 – 2018/19 and 2% in 2019/20. This is in line with the Government's intention to cap public sector pay rises to an average of 1% up to 2015/16. Beyond 2015/16 it is expected that there will continue to be some level of public sector pay restraint but increasing pressure for settlements closer to inflation (CPI). The MTFP makes provision for an affordable pay award given the on-going levels of savings required over the period;
 - Provision of 2.5% p.a. for price inflation on goods and services;
 - Budget adjustments reflecting year-on-year changes in revenue funding to support current strategies for fleet, IMD and property;
 - Increases in employer's contributions of 0.5% pa in 2015/16 and 2016/17 following the recent triennial revaluation of the Local Government Pension Scheme. The next triennial revaluation of the LGPS is due for 2017/18 and, given recent and planned changes to the LGPS which aim to contain its cost to the taxpayer, the MTFP assumes no further increases in employer's contributions after 2016/17;
 - Provision in 2016/17 of £0.650m to reflect the impact of the introduction of the single flat-rate state pension and the resultant loss of National Insurance rebates for those employees who contract out of the second state pension.
- 3.14 A new Firefighters' Pension Scheme is due to be introduced in 2015 which aims to limit any future increases in cost to the taxpayer through changes in benefits, contributions and the implementation of a cost cap. We are awaiting the outcome of an actuarial review of the scheme and a decision from the Department for Communities and Local Government (DCLG) on the level of employer's contributions from 2015/16. No additional provision has been made in the MTFP should there be an increase in employer's contributions but, for illustrative purposes, a 1% rise in employer's contributions would cost the Authority £0.144m.

Savings Plans

- 3.15 Our expenditure plans also reflect the delivery of the savings agreed as part of the 2014/15 budget and the decisions taken by the Authority on phase 2 proposals in June 2014. The estimated savings from both phase 1 and 2 proposals are being reviewed in the light of the development of more detailed implementation plans and any changes will be reported through future service planning and budget monitoring reports to the Authority. The total value of the savings agreed so far is set out in table 1 below.

Table 1 – Summary of savings built into the MTFP

	2015/16 £'000	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000
Facing the Challenge Savings	(419)	(494)	(567)	(567)	(567)
Sussex Control Centre Savings	(475)	(475)	(475)	(475)	(475)
Other savings	(339)	(339)	(339)	(339)	(339)
Total savings agreed Feb 2013	(1,233)	(1,308)	(1,381)	(1,381)	(1,381)
Changing the service, Shaping our Future:					
- Phase 1	(1,094)	(1,209)	(1,209)	(1,209)	(1,209)
- Phase 2	(193)	(1,434)	(1,434)	(1,583)	(1,583)
Non-operational savings	(791)	(1,281)	(1,657)	(1,830)	(1,830)
Total savings	(3,311)	(5,232)	(5,681)	(6,003)	(6,003)

- 3.16 Any failure to deliver these savings will require compensatory savings to be found elsewhere.
- 3.17 Given the scale of the changes required to deliver the Changing the Service, Shaping our Future programme, and the importance of delivering the resulting savings proposals, CMT has approved the establishment of a Service Transformation Team. This team will be responsible for leading the delivery of the programme, developing detailed implementation plans for phase 1 and 2 proposals already agreed, and taking forward the reviews in phase 3. The team will be led by the Head of Performance Management and comprise mainly internal secondees supported by a small number of external fixed term appointments where specialist skills are required. The team will be in place for up to 2 years and, whilst the majority of the cost can be contained from within existing resources by re-prioritising existing workloads, it is recommended that Members approve the drawdown of up to £200,000 from the Improvement and Efficiency Reserve to support this initiative.

3.18 Reserves and Balances

Reserves and balances are held in accordance with the Authority's agreed policy, and table 2 below summarises their current values and planned use over the period. As agreed as part of the non-operational savings proposals, the base budget contribution to reserves will reduce from its 2013/14 level of £1.2m, in phases, to £0.50m from 2017/18. The planned use of reserves and balances will be reviewed as part of the service planning process in the light of the savings requirement, any changes to the Capital Strategy, the outcome of grant funding bids to Government, and the need to fund the costs of up-front investment to support the delivery of savings proposals.

	31/03/14 £'000	31/03/15 £'000	31/03/16 £'000	31/03/17 £'000	31/03/18 £'000	31/03/19 £'000	31/03/ 20 £'000
General Balance	3,753	3,753	3,753	3,753	3,753	3,753	3,753
Earmarked Reserves	7,441	7,960	7,191	7,241	6,757	5,996	6,496
Capital Receipts Reserve	2,639	382	2,311	632	0	0	0
Total Usable Reserves	13,833	12,095	13,255	11,626	10,510	9,749	10,249

3.19 Capital Strategy

As part of the Service Planning process the annual review of the Capital Strategy is underway and this will draw on new or refreshed strategies for IMD, Fleet and Property, and seek to prioritise capital investment that most effectively supports the delivery of the Authority's vision and aims. The review will include an assessment of the resources available to fund the Capital Strategy against which projects will need to be prioritised. The revenue implications of the current Capital Strategy are included within the MTFP. The Authority has bid for £2.167m of capital funding for 2015/16 from the Fire Transformation Fund and the larger Local Government Transformation Fund (for Day Crew Plus and Newhaven Community Hub respectively). A separate bid for funding for a Joint Transport Project has been made by Surrey County Council. The results of the bidding process are expected in the autumn and, if we are unsuccessful, the Authority will need to consider alternative sources of funding should it still wish to progress the relevant schemes.

4. **SERVICE PLANNING PROCESS**

- 4.1 Following the decisions of the Authority in June 2014 to approve phase 2 of its savings proposals, the estimated requirement for new savings from 2014/15 – 2018/19 had reduced from the original target of £7.1m to £0.8m. When taken together the revisions to both the expenditure and funding elements of the MTFP indicate that there is a need for the Authority to identify additional savings of £0.9m by 2019/20, meaning the savings still to be identified now total £1.7m, assuming Council Tax is increased by 1.94% (see table 2 below for summary). The total saving required increases to £2.0m. Subject to delivering the savings already approved, the MTFP currently indicates that there will be a budget surplus in 2015/16 and 2016/17, and possibly 2017/18 (depending on decisions around Council Tax). This allows the Authority some short term flexibility to continue to manage the one-off impacts and risks relating to its transformation programme, particularly if bids to Government for funding for specific projects is unsuccessful. Whilst these figures are indicative at this stage, especially for the latter 4 years of the period, and will be subject to revision as better information becomes available, especially after the national election and the subsequent comprehensive spending review, they must continue to drive our future financial and service planning through the Changing the Service, Shaping our Future programme. This will take the total funding gap over the 6 year period from 2014/15 to £9.3m or almost 24% of the 2013/14 Revenue Budget.

	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000
Total Net Expenditure	38,775	36,708	36,050	36,154	36,508	37,206
Total Resources Available	38,775	37,701	36,911	36,327	35,864	35,514
Total Resources Available (accepting 15/16 freeze grant)	38,775	37,520	36,696	36,082	35,590	35,211
Savings Required / (Surplus)	0	(993)	(861)	(173)	644	1,692
Savings Required / (Surplus) - accepting 15/16 freeze grant	0	(812)	(646)	72	918	1,995

- 4.2 Updates on progress will be reported to the Fire Authority and Policy & Resources Panel through the Autumn, with final budget and Council Tax proposals being made to meetings in January and February 2015.

MEDIUM TERM FINANCIAL PLAN 2015/16 – 2019/20
INCREASE COUNCIL TAX BY 1.94% EACH YEAR

	2015/16	2016/17	2017/18	2018/19	2019/20
	£'000	£'000	£'000	£'000	£'000
Gross Revenue Service Budget	38,629	38,244	38,616	39,006	39,725
Less					
Specific grants	(214)	(193)	(174)	(156)	(141)
Other income	(1,412)	(1,446)	(1,481)	(1,519)	(1,555)
Total income	(1,626)	(1,639)	(1,655)	(1,675)	(1,696)
Net Service Budget	37,003	36,605	36,961	37,331	38,029
Less capital charges credit	(2,198)	(2,198)	(2,198)	(2,198)	(2,198)
Interest receivable less capital financing	903	893	891	875	875
Transferred to Balances	1,000	750	500	500	500
Total Net Expenditure	36,708	36,050	36,154	36,508	37,206

Net Budget brought forward	38,775	36,708	36,050	36,154	36,508
Unavoidable cost pressures					
Pay inflation	242	467	463	468	471
Price inflation	203	204	205	207	211
Total inflation	445	671	668	675	682
Changes in Capital Financing	(4)	(10)	(2)	(16)	0
Budget commitments	(1,220)	602	(113)	17	16
Savings approved (including CFA June 2014)	(1,288)	(1,921)	(449)	(322)	0
Total Net Expenditure	36,708	36,050	36,154	36,508	37,206

Sources of Funding	2015/16	2016/17	2017/18	2018/19	2019/20
	£'000	£'000	£'000	£'000	£'000
Locally Retained Business Rates	2,499	2,571	2,646	2,723	2,802
Business Rate Top Up	4,768	4,907	5,049	5,195	5,346
Business Rates Baseline	7,267	7,478	7,695	7,918	8,148
Revenue Support Grant	7,554	6,183	4,932	3,788	2,739
Start Up Funding Assessment	14,821	13,661	12,627	11,705	10,886
Section 31 Grant Business Rates adjustment	73				
2015/16 Council Tax Freeze Grant	0				
Council Tax Collection Fund Surplus					
Business Rates Collection Fund Surplus					
Council Tax Requirement	22,807	23,250	23,700	24,159	24,628
Total Resources Available	37,701	36,911	36,327	35,864	35,514
Additional Savings Required	(993)	(861)	(173)	644	1,692

MEDIUM TERM FINANCIAL PLAN 2015/16 - 2019/20
ACCEPT COUNCIL TAX FREEZE GRANT IN 2015/16

	2015/16	2016/17	2017/18	2018/19	2019/20
	£'000	£'000	£'000	£'000	£'000
Gross Revenue Service Budget	38,629	38,244	38,616	39,006	39,725
Less					
Specific grants	(214)	(193)	(174)	(156)	(141)
Other income	(1,412)	(1,446)	(1,481)	(1,519)	(1,555)
Total income	(1,626)	(1,639)	(1,655)	(1,675)	(1,696)
Net Service Budget	37,003	36,605	36,961	37,331	38,029
Less capital charges credit	(2,198)	(2,198)	(2,198)	(2,198)	(2,198)
Interest receivable less capital financing	903	893	891	875	875
Transferred to Balances	1,000	750	500	500	500
Total Net Expenditure	36,708	36,050	36,154	36,508	37,206

Net Budget brought forward	38,775	36,708	36,050	36,154	36,508
Unavoidable cost pressures					
Pay inflation	242	467	463	468	471
Price inflation	203	204	205	207	211
Total inflation	445	671	668	675	682
Changes in Capital Financing	(4)	(10)	(2)	(16)	0
Budget commitments	(1,220)	602	(113)	17	16
Savings approved (including CFA June 2014)	(1,288)	(1,921)	(449)	(322)	0
Total Net Expenditure	36,708	36,050	36,154	36,508	37,206

Sources of Funding	2015/16	2016/17	2017/18	2018/19	2019/20
	£'000	£'000	£'000	£'000	£'000
Locally Retained Business Rates	2,499	2,571	2,646	2,723	2,802
Business Rate Top Up	4,768	4,907	5,049	5,195	5,346
Business Rates Baseline	7,267	7,478	7,695	7,918	8,148
Revenue Support Grant	7,554	6,411	5,137	3,972	2,905
Start Up Funding Assessment	14,821	13,889	12,832	11,890	11,052
Section 31 Grant Business Rates adjustment	73				
2015/16 Council Tax Freeze Grant	253				
Council Tax Collection Fund Surplus					
Business Rates Collection Fund Surplus					
Council Tax Requirement	22,373	22,807	23,250	23,700	24,159
Total Resources Available	37,520	36,696	36,082	35,590	35,211
Additional Savings Required	(812)	(646)	72	918	1,995

EAST SUSSEX FIRE AUTHORITY

Date: **11 September 2014**

Title: **2014/15 Revenue Budget & Capital Programme Monitoring**

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

Purpose of Report: **To report on issues arising from the monitoring of the 2014/15 Revenue Budget and Capital Programme as at 31 July 2014**

RECOMMENDATION: The Authority is asked to:

- (i) note the projected 2014/15 Revenue Budget outturn;
- (ii) note the current and planned use of Reserves;
- (iii) note the monitoring of savings taken in 2014/15;
- (iv) note the projected Capital Programme outturn; and
- (v) approve a variation to the Capital Programme by £1,855,000 for the Day Crewed Plus savings proposal.

MAIN ISSUES

1. This is the second report to the Authority, the first being to Policy & Resources Panel on 11 July 2014. It should be noted that at this point early in the financial year it is difficult to accurately forecast outturn and there are many elements both internal and external that will influence the final position.
2. The Revenue Budget outturn for 2014/15 is projected to be £69,000 overspent. (£20,000 underspend reported previously).
3. The overall Capital Programme is projected to be under budget by £16,000. The current year's spending profile is projected to be on underspent by £16,000 (as previously reported).
4. The Authority maintains Earmarked and General Reserves in order to assist it in managing its spending plans across financial years (Earmarked Reserves) and making provisions for the financial risks it faces (General Reserve). A summary of the current planned use of Reserves can be found at Appendix 5.
5. The savings of £2.023m already taken from the 2014/15 budget are set out in paragraph 6.1. There is a projected shortfall in 2014/15 only relating to a temporary post for FireWatch, the cost of which is being contained within the overall budget.

Des Prichard
CHIEF FIRE OFFICER & CHIEF EXECUTIVE
28 August 2014

Duncan Savage
TREASURER

1. INTRODUCTION

1.1 The financial information contained in this report is based upon enquiries as at 31 July 2014. This report discloses the main issues, material variances and changes to previously reported variances. All other budgets are as planned.

2. BUDGET OUTTURN SUMMARY

2.1 The table below summarises the 2014/15 Revenue Budget and Capital Programme positions.

	Last P & R Report	This Report	Movement
	£,000	£,000	£,000
Revenue (See paragraph 3)	(20)	69	89
Capital (See paragraph 5)	(16)	(16)	0

3. PROJECTED REVENUE BUDGET OUTTURN – OBJECTIVE LEVEL

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

	Base Budget	Changes	Current Budget	Projected Outturn	Variance this report	Variance last report
	£,000	£,000	£,000	£,000	£,000	£,000
Service Delivery Response	5,440	(225)	5,215	5,246	0	
Service Delivery Community Risk Management	675	18	693	693	0	
Service Delivery Business Safety	119	0	119	119	0	
Operational Pay & Pensions	18,295	177	18,472	18,472	31	
Service Delivery	24,529	(30)	24,499	24,530	31	0
Service Support Estates	1,257	0	1,257	1,289	32	
Service Support IMD	3,015	(74)	2,941	2,967	26	
Service Support Fleet	1,656	0	1,656	1,656	0	
Service Support Special Projects Team	130	(1)	129	129	0	
Service Support	6,058	(75)	5,983	6,041	58	0
POD HR	657	17	675	675	0	
POD L & OD	1,674	59	1,733	1,733	0	
People & Organisational Development	2,331	76	2,408	2,408	0	0
Corporate Services	2,405	46	2,450	2,430	(20)	(20)
PO's	636	0	636	636	0	
Central	2,816	(17)	2,799	2,799	0	
Corporate & Central	5,857	29	5,885	5,865	(20)	(20)
Total Net Expenditure	38,775	0	38,775	38,844	69	(20)
Financed by	(38,775)	0	(38,775)	(38,775)	0	0
Over (Under) spend	0	0	0	69	69	(20)

- 3.2 **SERVICE DELIVERY:** This budget is forecast to be £31,000 overspent (previously reported as on target). The Operational Pay budget is projected to be £31,000 overspent (previously reported as on target). This is as a result of the temporary extension for 12 months of an officer supporting the Deputy Chief Fire Officer in implementing the savings proposals, for which there is no permanent funding. This forecast takes account of the recently agreed pay award. Work to implement changes to pensionable pay as a result of the Norman v. Cheshire judgement is in progress and it is currently forecast that the provision for both the one off and on-going costs will be fully spent. This forecast will be reviewed once the implementation plans are finalised.
- 3.3 **SERVICE SUPPORT:** This budget is forecast to be overspent by £58,000 (previously reported as on target).
- 3.3.1 **Estates:** The budget is forecast to be overspent by £32,000 (previously reported as on target). The overspend is predominantly due to costs incurred in relation to the development of the Day Crewed Plus proposal, approved by the Fire Authority, for which there is no revenue budget for the initial feasibility work. These costs can be charged to budget for the Day Crewed Plus capital scheme once it has been approved by Members (paragraph 5.5).
- 3.3.2 **IMD:** This budget is forecast to be £26,000 overspent (previously reported as on target). A thorough review of the IMD budget was conducted with the Head of IMD in April but since that date potential variances (pressures, slippage and savings) on a range of spend areas have been identified. Further work is required to identify the collective impact of these variances on the budget outturn. The main risks and opportunities relate to:
- The replacement of the Wide Area Network (WAN) which is expected to deliver significant revenue saving in future years but which will result in a pressure in 2014/15 due to one-off implementation costs,
 - a series of one-off opportunities to postpone or curtail work in the current IMD Strategy, pending the outcome of the IMD Transformation Project, resulting in savings in 2014/15, and
 - the phasing of the spend on the IMD Transformation project, - with the main external contractors having only recently been appointed this may result in some slippage into 2015/16.
- 3.4 **CORPORATE & CENTRAL:** This budget is forecast to be £20,000 underspent (as previously reported).
- 3.4.1 **Corporate Management, Finance & Procurement:** This budget is forecast to be underspent by £20,000 (as previously reported) due to lower than expected premiums on the insurance contract.
- 3.4.2 **Centrally controlled:** The Central budgets are projected to be on target. Projected costs of industrial action currently stand at £54,000 in 2014/15 (£30,000 previously reported). The total additional gross cost of this dispute over both financial years is now £152,759. This is partly off-set by deductions from pay of £122,506 over both financial years. So far the net cost has been absorbed into the revenue budget but it is unlikely that this situation can be maintained, especially if there is any further industrial action and it is expected that a call on reserves will be required during the year.

3.5 **IN SUMMARY:** At this early stage in the financial year, the budget is projected to overspend by £69,000. A subjective analysis is included at Appendix 1.

4. **RESERVES**

4.1 The table below shows opening balances and planned use of the 2014/15 Reserves. Policy & Resources Panel agreed at the last meeting to use the underspend from 2013/14 as follows, £275,000 to form a Budget Carry Forward Reserve related to delayed projects which will be released once spending plans are presented by the relevant budget manager with the remaining £327,000 of the underspend added to Capital Programme Reserve.

Reserves	1 April 2014	Transfers in	Transfers out	31 March 2015
	£,000	£,000	£,000	£,000
Earmarked	3,998	519	(1,000)	3,517
Capital Programme	3,443	1,000		4,443
General	3,753			3,753
Total	11,194	1,519	(1,000)	11,713

4.2 The planned use of balances and reserves can be seen on Appendix 5.

5. **CAPITAL PROGRAMME PROJECTS**

5.1 Appendix 2 details the Capital Programme estimated payments as approved by the Fire Authority at its meeting on 7 February 2014, and carry forward (slippage) from 2013/14. The overall Programme is projected to underspend by £16,000 (as previously reported).

5.2 The Capital budget spending for 2014/15 is projected underspent by £16,000. This report only discusses capital schemes that are projected to over or underspend or where there are important issues.

5.3 **Replacement Fire Appliances:** The scheme is expected to underspend due to lower specification being fitted (no foam) however there are no figures available at present to quantify the underspend.

5.4 **Crowborough Refurbishment:** This Scheme is projected to underspend by £16,000 (as previously reported).

5.5 **Newhaven Fire Station:** The current Programme includes provision for the construction of a new Fire Station in Newhaven, replacing the existing facility. Elsewhere on the Agenda is a report updating Members on the progress to develop a community hub in partnership with Lewes District Council and Sussex Police, with possible grant funding from DCLG and the Home Office. Once those proposals have been formally agreed the Capital Programme will be amended accordingly.

- 5.6 **Day Crewed Plus:** It is recommended that following the approval of the Phase 2 savings proposal for the introduction of Day Crewed Pus in Hastings and in the City that the Authority vary the Capital Programme. It is recommended that a scheme for £1,855,000 is introduced phased over three years (2014/15 £218,000, 2015/16, £1,602,000 and 2016/17 £35,000) to include the capital cost of construction and adaptation of the two stations to provide accommodation on both sites. The Scheme is the subject of a bid to the Fire Transformation Fund for 2015/16 with the remaining costs being met by the Authority. An announcement is expected in the Autumn, if unsuccessful then the cost will be met in full by the Authority from existing resource e.g. the Capital Programme Reserve.

6. **MONITORING OF SAVINGS**

- 6.1 As agreed £2,023,000 savings have been taken from the 2014/15 revenue budget as set out in the summary table below.

	Savings agreed	Savings projected
	£	£
Facing the Challenge savings	(419)	(402)
Non Operational savings	(729)	(729)
Phase 1 Savings	(219)	(219)
Control Room Savings	(317)	(317)
Other Savings	(339)	(339)
Total Savings	(2,023)	(2,006)

- 6.2 Facing the Challenge saving number 11 Project Officer post following RCC cutover (Grade 7) will not be made until 2015/16 resulting in a shortfall in 2014/15. A temporary appointment to the post has been agreed by Corporate Management Team, the funding for 2014/15 has been agreed to come from the central contingency.
- 6.3 We anticipate that there will be changes in the projected savings for the Phase 1 Operational proposals as implementation plans are more fully developed and phasing confirmed and these will be reflected in future reports as more information becomes available.

East Sussex Fire & Rescue Service Outturn Projection April 2014 to March 2015 Appendix 1

	Base Budget	Changes	Current Budget	Actual to date	Projected Outturn	Projected Variance
	£,000	£,000	£,000	£,000	£,000	£,000
Employees	29,008	160	29,168	7,170	29,197	29
Premises	2,078	(1)	2,077	653	2,084	7
Transport	1,056	(5)	1,051	335	1,051	0
Supplies & Services	5,315	50	5,365	1,194	5,398	33
Support Services	532	45	577	(10)	577	0
Total	37,989	249	38,238	9,342	38,307	69
Specific Grants	(210)	0	(210)	(31)	(210)	0
Other Income	(1,430)	(254)	(1,684)	(176)	(1,684)	0
Total Service Income	(1,640)	(254)	(1,894)	(207)	(1,894)	0
Net Service budget	36,349	(5)	36,344	9,135	36,413	69
Interest receivable less capital financing	907	5	912	(19)	912	0
Transfer From Balances						
Transfers to Balances	1,519	0	1,519	0	1,519	0
Total Net Expenditure	38,775	0	38,775	9,116	38,844	69
Financed by:						
Revenue Support Grant	(9,051)	0	(9,051)	(6,109)	(9,051)	0
Council Tax	(22,306)	0	(22,306)	(4,461)	(22,306)	0
Collection Fund Surplus	(276)	0	(276)	(54)	(276)	0
Locally Retained Business Rates	(6,912)	0	(6,912)	(1,998)	(6,912)	0
Section 31 Grant (Business rates Adjustment)	(230)	0	(230)		(230)	0
Total financing	(38,775)	0	(38,775)	(12,622)	(38,775)	0
Net Expenditure	0	0	0	(3,506)	69	69

East Sussex Fire & Rescue Service Capital Programme Monitoring April 2014 to March 2015

Appendix 2

Capital scheme	Estimated Capital Payments approved CFA FEB 2014	Changes	Total Approved Budget	Spend previous years	Spend 2014/15	Total Spend	Order placed 2014/15	Orders to be placed	Forecast outturn	Variance on approved spend
	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000
Schemes starting in 2014/15										
Replacement Fire Appliances	240		240	0	0	0	196	44	240	0
Replacement Ancillary Vehicles	14		14	0	0	0	0	14	14	0
Replacement Cars & Vans	211		211	0	0	0	87	124	211	0
Property Strategy	115		115	0	0	0	0	115	115	0
Total Schemes starting 2012/13	580	0	580	0	0	0	283	297	580	0
Continuing schemes starting in previous years										
Replacement Cars & Vans	210		210	159	0	159	0	51	210	0
Crowborough Refurbishment	1,005		1,005	962	1	963	0	26	989	(16)
Property Strategy Sustainability	420		420		0	0	32	388	420	0
Property Strategy replacement Fuel Tanks	190		190		0	0	0	190	190	0
IMD Strategy SCC	2,027		2,027	869	205	1,074	399	554	2,027	0
Newhaven Fire Station	3,070		3,070	98	7	105	110	2,855	3,070	0
Property Strategy STC	40		40	17	22	39	0	1	40	0
BA classroom Maresfield	220		220	212	0	212	8		220	0
Sussex Control Facility	1,100		1,100	913	44	957	143		1,100	0
Total schemes from previous years	8,282	0	8,282	3,230	279	3,509	692	4,065	8,266	(16)
Total	8,862	0	8,862	3,230	279	3,509	975	4,362	8,846	(16)

Capital Spend in 2014/15 – April 2014 to March 2015 (Not total Project Outturn)

Appendix 3

Capital scheme	Budget spend 2014/15	Spend 2014/15	Orders Placed 14/15	Still to be Processed 14/15	Outturn	Variance on Approved Budget
	£,000	£,000	£,000	£,000	£,000	£,000
Schemes starting in 2014/15						
Replacement Fire Appliances	240	0	196	44	240	0
Replacement Ancillary Vehicles	14	0	0	14	14	0
Replacement Cars & Vans	211	0	87	124	211	0
Property Strategy	115	0	0	115	115	0
Total Schemes starting 2014/15	580	0	283	297	580	0
Continuing schemes starting in previous years						
Replacement Cars & Vans	51	0	0	51	51	0
Crowborough Refurbishment	43	1	0	26	27	(16)
Property Strategy Sustainability	140	0	32	108	140	0
Property Strategy replacement Fuel Tanks	75	0	0	75	75	0
IMD Strategy SCC	1,158	205	399	554	1,158	0
Newhaven Fire Station	2,972	7	110	2,855	2,972	0
Property Strategy STC	23	22	0	1	23	0
BA classroom Maresfield	8	0	8		8	0
Sussex Control Facility	187	44	143		187	0
Total Schemes starting in previous years	4,657	279	692	3,670	4,641	(16)
Total	5,237	279	975	3,967	5,221	(16)

Capital Resources 2014/15

Appendix 4

	Original Budget	Current Budget	Income Received	Projected Resources	Variance on 2014/15 Budget spend
	£,000	£,000	£,000	£,000	£,000
Sussex Control Grant	1,158	1,158	0	1,158	0
Government Grant	931	931	931	931	0
Capital Receipts	444	444	287	462	18
Revenue Transfer to Capital Reserves	1,000	1,000	0	1,000	0
Total Resources	3,533	3,533	0	3,551	18

Reserves Projections March 2014 to April 2015

Description	Budget Manager	Corporate Owner	2014/15		Closing Balance 31/03/15	
			Opening Balance 1/4/2014*	In £'000		Out £'000
Earmarked Reserves			£,000	£,000	£,000	£,000
Improvement & Efficiency	Warren Tricker	Duncan Savage	1,757	519	(100)	2,176
Budget Carry Forward	Warren Tricker	Duncan Savage	275		(275)	0
Maritime Incident and Response Group	Glenn Jones	Gary Walsh	123		(50)	73
Community Safety Smoke Detectors	Neal Robinson	Gary Walsh	50		(50)	0
Insurance	Warren Tricker	Duncan Savage	249			249
Community Fire Safety	Andy Reynolds	Gary Walsh	150		(65)	85
Breathing Apparatus	Bill Brewster	Gary Ferrand	750			750
SCC Desktop provision	Brenda Guile	Gary Ferrand	85		(85)	0
SCC Connectivity	Brenda Guile	Gary Ferrand	106		(106)	0
Mapping Solution	Brenda Guile	Gary Ferrand	120		(120)	0
Relocation Expenses for staff vacating houses	Vicky Chart	Cheryl Rolph	170		(70)	100
Volunteers Scheme	David Kemp	Gary Walsh	163		(79)	84
Total Earmarked Reserves			3,998	519	(1,000)	3,517
Capital Programme Reserve			3,443	1,000		4,443
General Fund			3,753			3,753
TOTAL ALL RESERVES			11,194	1,519	(1,000)	11,713

*This table reflects the Policy & Resources Panel decision on 11 July to approve the transfer of the 2013/14 underspend of £0.647m to the Budget Carry Forward Reserve (£0.275m) and the Capital Programme reserve (£0.372m).

EAST SUSSEX FIRE AUTHORITY

Date: **11 September 2014**

Title: **2013/14 Annual Performance Outcome report**

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

Purpose of Report: **To present the 2013/14 Performance Outcome report**

RECOMMENDATION: The Fire Authority is asked to note the 2013/14 performance results

MAIN ISSUES

1. This report, which is attached as a separate document, summarises the 2013/14 performance outcomes. The report aims to provide a single view of information which allows elected Members, Auditors and members of the public to hold the Service's senior managers and staff to account in terms of the provision and performance of their Fire & Rescue Service for 2013/14. As of last year, it presents the results of the performance indicators against target, but has been further developed to present more meaningful comparisons and to be more 'reader friendly'. The report provides a comparison against last year's performance, whether or not the target was achieved, and the direction of travel from the previous year in a simple Red, Amber, Green traffic light portrayal.
2. The report highlights an overall performance improvement, particularly in the direction of travel analysis for the Service's indicators, and demonstrates that the Fire Authority is continuing to build upon achievements made in previous years. In terms of achieving the stretched targets set by the Authority, in 2013/14, 74% of the performance indicators met the improvement targets set, as opposed to 77% in the previous year; a difference of one indicator not meeting its target.

Des Prichard
CHIEF FIRE OFFICER & CHIEF EXECUTIVE
18 August 2014

EAST SUSSEX FIRE AUTHORITY

Date: **11 September 2014**

Title: **Business Rate Pooling**

By: **Treasurer**

Purpose of Report: **To seek Authority approval to enter into a Business Rates Pool. An application would be submitted on behalf of the East Sussex County, Borough, and District Councils and the East Sussex Fire Authority in October 2014, subject to it being financially advantageous to do so after a further financial review in September 2014.**

RECOMMENDATION: The Fire Authority is asked to agree that:

- i) Wealden District Council be nominated as the lead authority;
- ii) in principle, no authority will receive a lower level of funding than they would have received without the pool;
- iii) resources gained on the basis of the levy amount that was saved by individual authorities be split as follows: 40% to ESCC, 10% to the Fire Authority and the remaining 50% split amongst the District/Borough Councils;
- iv) the finalisation of the submission, agreement of the Memorandum of Understanding, and the final decision on whether to partake in the pool, along with the annual review, is delegated to respective Chief Finance Officers for the reasons outlined in the report; and
- v) Chief Finance Officers review membership of the Pool on an annual basis. Should an authority decide to withdraw membership, notification of their intent to do so to be given to the remaining authorities at the earliest opportunity.

MAIN ISSUES

1. Under the business rates retention scheme local authorities are able to come together, on a voluntary basis, to pool their business rates, giving them scope to generate additional growth through collaborative effort and to smooth the impact of volatility in rates income across a wider economic area.
2. Any proposals for new pools must be made to the Department for Communities and Local Government by Friday 31 October 2014 and must meet the criteria set out in the Pooling Prospectus. Authorities may withdraw from a pool for a short period after the announcement of the Local Government Finance Settlement, but this would cause the whole pool to fail.

3. The proposals for the East Sussex Business Rate Pool have been developed by East Sussex Finance Officers' Association with support from Local Government Futures and the approval of the East Sussex Leaders' and Chief Executives' Group, and covers East Sussex County Council, the five District and Borough Councils and East Sussex Fire Authority. Each authority will receive a version of this report and will be asked to approve the same recommendations.
4. The pooling proposal has the potential to retain additional resources from locally collected business rates in East Sussex. The estimates currently identify sums of £1.8m in 2015/16, £2m in 2016/17 and £2.2m in 2017/18 which would be shared between the authorities and used for economic development purposes. Under the proposed sharing arrangements, 10% of this additional income would be due to the Fire Authority.
5. Whilst the risk of the pool making a loss is considered low, the Authority must recognise that, should it do so, the Authority would be liable for its proportion of the loss under the terms of the Memorandum of Understanding and must, therefore, ensure it has sufficient provision within its reserves and balances to cover this eventuality. The Authority will also need to consider the risk that the surplus generated by the Pool is less than projected, and the impact that this may have on any expenditure plans predicated on its receipt.

Duncan Savage
TREASURER
26 August 2014

Previous Reports

None

Background Papers

Department for Communities & Local Government – Business Rates Retention – Pooling Prospectus 2015-16

LG Futures draft report - East Sussex & Pooling: Update, dated 13 June 2014

LG Futures, report dated 27 June 2014, providing updated finance projections and sensitivity analysis - East Sussex & Pooling: Safety net proximity and 2013/14 NNDR3 data

1. **INTRODUCTION**

- 1.1 A new funding regime was introduced on 1 April 2013 whereby local authorities effectively retain a proportion of any additional business rate income collected (above inflation) or, conversely, will experience a reduction in resources if the business rate base declines.
- 1.2 Under the scheme, 50% of business rates is localised through a system of top-ups and tariffs that fix an amount to be paid by high yield authorities and distributed to low yield authorities – this amount being increased annually by inflation (RPI). The proportion retained by individual collection authorities in East Sussex is 40%, 9% is payable to East Sussex County Council, and 1% to the Fire Authority (the government receives 50%).
- 1.3 The 50% central government share is distributed through the formula grant process (now termed Settlement Funding Assessment) – thus enabling the government to control the overall amount received by local authorities. Where there is disproportionate growth this will be used to provide a safety net for those authorities experiencing little or negative growth and allows the Treasury to top-slice business rates income. A reset mechanism will be in place, with the first reset in 2020, and periods of 10 years between resets thereafter.
- 1.4 To date on a national basis there are 18 pools, comprising 111 different authorities, including one fire authority.

Top Ups and Tariffs

- 1.5 These are set that, all things being equal, an authority will have started with the same resources under the new system as it had under the old. Thus, if a local authority collects £20m in non-domestic rates and received £8m in formula grant it will pay a tariff of £12m.
- 1.6 The top ups and tariffs will be automatically updated for inflation. This gives top-up authorities e.g. East Sussex County Council and the Fire Authority, a guaranteed increase in part of their resources and means a tariff authority will lose resources unless it ensures its NNDR growth at least keeps pace with inflation.

The Levy

- 1.7 For each 1% increase in the business rates base, the authority will see no more than a 1% increase in income as measured against its spending baseline, i.e. a 5% increase in non-domestic rates would give a 5% increase in retained NNDR (the government keeps 50% of any base growth in business rates, i.e. the levy is set at 50%).

Pooling

1.8 A report on the potential for pooling in East Sussex was first considered by the Leaders and Chief Executives/Directors of respective Councils on 25 October 2013, with a subsequent report on the 25 April 2014 and, more recently, on 25 July 2014 where all Councils agreed unanimously that an application should be submitted on the basis of the arrangements and recommendations outlined in this report. The Fire Authority does not attend these meetings but has been fully engaged in the development of the pooling proposal through the East Sussex Chief Executives' Group and East Sussex Finance Officers' Association. Members received a briefing on the pooling proposal at their seminar on 11 July 2014.

1.9 Forecast change in total resources available, due to pooling (January 2014):

	2015/16 £m	2016/17 £m	2017/18 £m	TOTAL £m
Acting individually	91.9	94.9	98.3	285.1
Acting as a pool	93.4	96.8	100.2	290.4
Difference*	+1.6	+1.8	+2.0	+5.4

**Rounding*

The sums identified are in addition to any gains from business rate growth within individual districts and boroughs.

1.10 A company called LG Futures has been employed to collate and advise on the financial viability of the scheme, modelling some of the risks and identifying appropriate governance arrangements. LG Futures will also help draft and coordinate the submission of an application on behalf of the seven authorities.

1.11 The next opportunity for pooling is 2015/16, with a deadline for submissions to DCLG of 31 October 2014.

1.12 The issues are, however, complex and the financial figures and assumptions upon which the assessments are based are largely on the first year of a new funding stream and estimates for future years which contain uncertainties. A judgement will, therefore, be made in September 2014 when more data is available and more rating appeals have been settled, and ultimately once the Local Government Finance Settlement is announced in December 2014.

1.13 Agreement has been reached on the mechanism for distributing any surplus from the pool and managing any deficit. It should be noted that Authorities can only belong to one pool. Brighton & Hove City Council (BHCC) is not part of the pooling proposal and the Fire Authority will continue to receive its proportion of the business rates collected in the City directly from BHCC.

- 1.14 The pooling prospectus issued by DCLG makes it clear that a pooling application is unlikely to be approved merely on the basis that the pool will enable a greater level of business rates to be retained locally (to the detriment of the central pool). There will, therefore, be a need for authorities to agree a convincing narrative to support any pooling application, for example making a clear link between economic development strategy, investment and consequent growth in the business rate base.
- 1.15 In brief, the financial case for pooling remains strong. The joint application will include a convincing narrative making a clear link between economic development strategy within East Sussex, investment and consequent growth in the business rate base, the additional funding being used simply as a substitute for existing spend is not considered a sufficient reason.
- 1.16 Agreement needs to be reached on a number of governance arrangements, namely:
- (i) Appointing a lead authority
 - (ii) Supporting authorities that fall below the safety net
 - (iii) Splitting the gains/losses from pooling
 - (iv) Timetable and Authorisation
 - (v) Annual review

2. **APPOINTING A LEAD AUTHORITY**

- 2.1 A lead authority will need to be named in the application. It has already been agreed that LG Futures will be contracted to advise the pool in 2015/16 (should an application be successful), and this will also provide a degree of objectivity and impartiality for all parties. The very limited costs will be shared equally between the seven authorities.
- 2.2 Wealden DC has indicated that they would be prepared to undertake the role of lead authority and it is recommended that they are nominated as such in the Pooling application.

3. **SUPPORTING AUTHORITIES THAT FALL BELOW THE SAFETY NET**

- 3.1 Currently, if local authorities suffer significant reductions in the business rate tax base, a safety net is applied to restrict losses in any one year to 7.5% of a Council's baseline funding level.
- 3.2 It is recommended that all Authorities jointly agree as a basic principle that no authority will receive a lower level of funding than they would have received without the pool i.e. than under the current DCLG scheme.

4. **SPLITTING THE GAINS/LOSSES FROM POOLING**

- 4.1 Should a pool not be formed, each District and Borough Council may end up paying a levy to the government based upon the level of business rate growth in their respective areas. The formation of the pool allows authorities to offset the levy payable against "Top up" authorities, e.g. ESCC and the Fire Authority.

- 4.2 LG Futures were asked to look at the forecast for future years based on the latest available information. They were also asked to look at the impact of a 5% increase and a 5% fall in business rates, as well as the impact of losing the highest and the second highest business rate payers within each District/Borough.
- 4.3 Forecast levy payments by East Sussex districts 2013/14 to 2017/18 (extract from LG Futures report: Safety net proximity and 2014/14 NNDR3 data):

Local Authority	2015/16 £m	2016/17 £m	2017/18 £m
Eastbourne	0.445	0.601	0.622
Hastings	0.122	0.126	0.131
Lewes	0.460	0.475	0.492
Rother	0.277	0.353	0.436
Wealden	0.486	0.502	0.520
Overall	1.790	2.057	2.201

- 4.4 Options for splitting the gains/losses are outlined in the LG Futures report. In brief, the option being recommended by the Chief Finance Officers of all the authorities is to split resources based upon the levy amount that was saved by individual authorities. The basis of the split is 40% ESCC, 10% Fire Authority and 50% split amongst the remaining District and Borough Councils. A draft Memorandum of Understanding has been prepared by LG Futures and is included in their report.
- 4.5 Split of potential proceeds based on levy projections (as per above table)

Local Authority	2015/16 £m	2016/17 £m	2017/18 £m
Eastbourne	0.223	0.301	0.311
Hastings	0.061	0.063	0.066
Lewes	0.230	0.238	0.246
Rother	0.139	0.177	0.218
Wealden	0.243	0.251	0.260
East Sussex	0.716	0.823	0.880
East Sussex Fire	0.179	0.206	0.220
Overall	1.790	2.057	2.201

- 4.6 From the above table it can be seen that the Fire Authority would retain an additional £179,000 in 2015/16 that would otherwise have been paid to central government as a levy.

- 4.7 This split is seen as the simplest and most transparent solution. It also has the following benefits:
- (i) Requires less administration.
 - (ii) Allows resources to be used in a timely manner/each local authority can determine its own reserve policy should a budgeted surplus actually result in a loss.
 - (iii) Still allows local authorities to combine resources for joint working and allows for match funding.
 - (iv) Would be more straight-forward if the pool was dissolved or gained/lost members in the future.
- 4.8 In terms of sensitivity analysis, the gain from pooling resulting from a 5% decrease in NDR income in 2015/16 reduces from £1.8m to £0.6m. No authority would hit the safety net if NDR income was 5% lower than currently forecast. The gain to the pool from a 5% increase in NDR income increases from £1.8m to £3.0m in 2015/16. If Eastbourne, Hastings and Lewes were to lose their highest business rate payers, they would each receive a payment under the safety net scheme. If Rother were to lose their highest ratepayer they would be between the safety net and the levy. If Wealden were to lose its highest business ratepayer it would still pay a small levy. The report considers the risks to the pool of an overall loss from losing two of the highest rate payers for a region, without warning, and for a whole year, are unlikely.

5. **TIMETABLE AND AUTHORISATION**

- 5.1 An application has to be made by 31 October 2014. To this end, each Authority needs to gain the appropriate authorisations from their Executive / Cabinet / Council.
- 5.2 The submission itself has to be authorised by the Chief Financial Officer of each authority. The timescales for compilation and agreement of the submission and the assessment of the latest financial projections for respective councils (to be undertaken in September 2014) remain challenging. In addition there is only a narrow window to decide whether to withdraw an application once the Local government settlement is known in December 2014. For practical purposes it is recommended that the finalisation of the submission and the decision on whether to submit or withdraw the application on financial grounds is delegated to the Chief Finance Officer within each authority.

6. **ANNUAL REVIEW**

- 6.1 Should the application be successful, the pool would continue to operate for a minimum of one year. Notice can be given annually. Should an individual local authority withdraw, the pool ends
- 6.2 It is proposed that where it is not explicit within each authority's financial rules and regulations or delegated authorities, the Chief Finance Officer be required to review membership of the pool annually and be given the authority to withdraw from the pool where it is not financially advantageous to retain membership. Such decisions to be taken in consultation with the remaining authorities in the pool and at the earliest possible time, in order to allow for an alternative submission to be made.

7. **RISK MANAGEMENT**

- 7.1 The key risk revolves around the reduction in the business rate tax-base. This could arise as a result of recession, companies closing down, or the level of rating appeals that are still outstanding resulting in larger than estimated reductions in rateable values. The report by LG Futures considers the risks to the pool of an overall loss from losing two of the highest rate payers for a region, without warning, and for a whole year, are unlikely. Likewise, in terms of the economic picture, this is currently improving with growth being forecast in the economy as a whole.
- 7.2 Whilst the risk of the pool making a loss is considered low, the Authority must recognise that, should it do so, then the Authority would be liable for its proportion of the loss under the terms of the Memorandum of Understanding (MoU) and must, therefore, ensure it has sufficient provision within its reserves and balances to cover this eventuality. The Authority will also need to consider the risk that the surplus generated by the Pool is less than projected and the impact that this may have on any expenditure plans predicated on its receipt.
- 7.3 The pooling arrangement is voluntary, and regular reviews will be undertaken to ensure continued viability. As there is no certainty that the pool will continue beyond the initial 12 months then the additional funding from pooling should not be used to fund on-going activity and spend but, rather, one-off initiatives that can be delivered within the financial year.

EAST SUSSEX FIRE AUTHORITY

Date: **11 September 2014**

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

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

Purpose: **To advise Members of the written Ministerial statement on Sir Ken Knight's review of efficiencies and operations in Fire and Rescue Authorities in England.**

RECOMMENDATION: The Fire Authority is asked to note:

- i) the publication and key review findings, the implications of which will be considered in detail as part of the review of the Medium Term Financial Plan;
- ii) the commencement of an independent review of the conditions of service for operational staff in the fire and rescue service (See Appendix A); and
- iii) Appendix B, which provides details of areas of collaboration/shared services currently being reviewed by officers.

MAIN ISSUES

1. In December 2012, the Fire Minister, Brandon Lewis MP, commissioned Sir Ken Knight to undertake a review of efficiencies and operations in fire and rescue authorities in England. The Service presented a paper to Sir Ken Knight to consider within his review.
2. The Review 'Facing the Future' identified a number of ways in which fire and rescue authorities could make improvements and savings without compromising the quality of frontline services.
3. On 15 July 2014 the Secretary of State for Communities and Local Government released a statement in response to the independent review which indicated that the Department's focus will be on:
 - Fire prevention and protection
 - A modern and flexible workforce
 - Encouraging greater collaboration
 - Better and more sharing of services including senior staff
 - A more joined-up approach to procurement

4. Furthermore, Sir Ken Knight found that the conditions of service for firefighters could be an actual or perceived barrier to changes that could otherwise provide a more efficient service to the public. The Government has, therefore, commissioned an 'Independent review of terms and conditions for operational staff in the fire and rescue service'.

Des Prichard

CHIEF FIRE OFFICER & CHIEF EXECUTIVE

19 August 2014

1. INTRODUCTION

- 1.1 In December 2012, the Fire Minister, Brandon Lewis MP, commissioned Sir Ken Knight to undertake a review of efficiencies and operations in fire and rescue authorities in England. The Service presented a paper to Sir Ken Knight to consider within his review.
- 1.2 Although commissioned by the Fire Minister, the Department for Communities and Local Government previously indicated that the findings and conclusions of the report were those of the author and, therefore, the Secretary of State has released a written statement representing the views of the Department.
- 1.3 There was nothing new within the Ministerial statement except for a clearer intent to commission an independent review of the conditions of service for all fire and rescue staff and the way in which they are negotiated and decided. The scope of the independent review has now been advised and is attached as Appendix B to this report.

2. FOCUS AREAS

- 2.1 The Secretary of State commented that the Government welcomed Sir Ken Knight's review and report 'Facing the Future' and they will seek to build on his findings by focussing on the areas detailed in 2.2 – 2.4 below.
- 2.2 **Fire prevention and protection.** "We are clear that fire prevention and protection is the front line for the fire sector. It will remain the number one priority. We will support fire and rescue authorities in their efforts to reach and better protect those most at risk from fire, working in partnership with other public sector bodies and local organisations, and, where appropriate, utilising relevant data held within government. We welcome the recent introduction of 'Primary Authority' for fire safety, which allows businesses – both large and small – to benefit from greater consistency and assurance on regulatory compliance advice, and which offers fire and rescue authorities the opportunity to increase efficiency and target audit and, if necessary, enforcement action on higher risk premises".

Prevention and Protection remains a strategic objective for East Sussex Fire Authority and officers will, therefore, monitor the position of the DCLG in respect of this area of work.

- 2.3 **"A Modern and flexible fire and rescue workforce** that will see an increase in the proportion of on-call firefighters enabled by an attractive, modern, employment offer, with the right support and incentives for employers".

Members will have noted that an independent review of the conditions of service for operational staff in the fire and rescue service has now been commissioned and officers will consider how we contribute to the review (See Appendix A).

2.4 “Encouraging **greater collaboration** between fire and local authorities and between fire, police and ambulance services to deliver better outcomes for the public”.

- the need for better and more **sharing of services**, including senior staff between fire and rescue authorities and other organisations, to drive efficiencies
- a more **joined-up approach to procurement**. Government has already published research undertaken in partnership with the Chief Fire Officers’ Association, which – as highlighted in 'Facing the Future' – shows that fire and rescue authorities could make at least £18 million of savings simply by buying smarter, together.

Members should note the review of collaborative initiatives and shared services options which are included at Appendix B to this report.

Terms of reference

To review the conditions of service of chief fire officers and firefighters and the processes by which they are determined, to consider whether they present barriers to the reform, improvement and efficiency of fire and rescue services.

In particular, the review should consider barriers to:

- the flexibility and responsiveness of workforce management practices, staffing and crewing arrangements;
- people working longer, and ensuring they achieve or, if desired, exceed their normal pension age ;
- collaboration and integration with other emergency services;
- the increased use of on-call firefighters;
- clarity of process in the fair recruitment and remuneration of chief fire officers and fire officers.

The review should also consider the national arrangements for agreeing conditions of service, in particular:

- whether a UK-wide process remains appropriate;
- whether there is sufficient independent advice and expertise in the process;
- whether there are sufficient mechanisms to ensure that conditions of service keep pace with the rest of the public sector;
- consider the current usefulness of the Grey and Gold Books, and the present arrangements for dispute resolution within the Grey Book;
- consider the arrangements for agreeing remuneration of senior officers in fire and rescue authorities;
- identify any barriers in moving between the Grey and Green Books;
- the impact on services by the undertaking of activity, by firefighters, outside of normal working hours/shift systems.

In conducting this review, the review team should consult with fire and rescue authorities, firefighters, representative bodies, and others they deem relevant. It will be an independent report to government but may make recommendations to others, including fire and rescue authorities and representative bodies. Where possible, recommendations should be costed and of sufficient detail to enable effective implementation. The review should also have regard to the Government's wider fiscal and public sector pay policies and recommendations from the review should not increase total costs.

APPENDIX B

Service area	ESFRS Lead	Partner Lead & contact details	Partners	Current position	Timeline
Mobilising	Cheryl Rolph (Project)/ Gary Walsh (Senior User Ops)	ESFRS	WSFRS	Shared service in place since 1 May 2013 under S16 agreement with ESFRS as lead authority	7 year contract ends 30 April 2020
Joint Control and Despatch	Gary Walsh	Emergency Service Collaboration Programme	Surrey Police / Sussex Police / Surrey FRS / SECamb / WSFRS / Health	Early discussions about the possibility of second generation joint control under the aegis of the Emergency Services Transformation Project. Deloitte's have been engaged for a 14 week period to undertake a comprehensive feasibility study	Options Appraisal to Chief Officers October 2014
Finance	Duncan Savage	ESCC – Marion Kelly / Mo Hemsley / Russell Banks SESS – Tony Summers / Simon Pollock	ESCC for professional services and internal audit SESS for SAP and transactional services (payroll, pensions, AP, AR)	Currently running on a rolling monthly extension of Financial Services SLA. In on-going discussions with ESCC/SESS about future service offer and development path for the partnership. Funding available from CLG Transformation Award bid to fund SESS development.	On-going.
Legal	Cheryl Rolph	BHCC – Liz Culbert	BHCC	5 year contract for provision of Monitoring Officer / Deputy and legal services.	31/03/16 contract end date
Fleet	Gary Ferrand / Bill Brewster	ESCP	Surrey Police / Sussex Police / Surrey FRS / WSFRS / SECamb	Joint Transport Project – bid made to Fire Transformation Fund for funding for feasibility study looking at options for joint transport function and shared workshops	Not yet agreed
IMD	Gary Ferrand	Subject to tender	Public authority / commercial procurement	Tender received for 3 rd party support. PID completed and initiation stage complete.	Anticipate up to 2 years to transition to new arrangements

IMD	Gary Ferrand	ESCC contracting authority for The Link (Sussex PSN)	All Sussex (incl. B&HCC) public authorities, schools and some third sector	Voice procured via this partnership, WAN being considered for procurement via the compliant process undertaken by ESCC and partners.	On-going
Occupational Health	Vicky Chart	Surrey / Sussex Police		Outsourced OH with HML/EAP via the Surrey/Sussex Police; Contract due for renewal in 2015	2015
Pensions Advice	Vicky Chart	N/A	N/A	Currently looking at external provision of pensions advice	N/A
Training	Cheryl Rolph / Mark Rist	Unknown at present time	N/A	Soft market testing for either outsourced or shared service approach with training	N/A
Estates	Gary Ferrand / Julian Salmon	ESCC	ESCC	SLA with ESCC BSD for project management of 2 capital schemes (Crowborough and Newhaven).	At completion of Newhaven project (2016/17)
Procurement	Duncan Savage / Warren Tricker	N/A	N/A	No discussions at present but a number of options for collaboration exist: ESCC / SCC shared procurement service (not part of SESS); East Sussex Procurement Hub; development of national procurement strategy by CFOA.	N/A
Insurance	Duncan Savage / Warren Tricker	N/A	N/A	No shared service but regional fire insurance consortium led by KFRS has established a collaborative vehicle for insurance provision but not for the insurance function. ESFRS is not currently a member of the consortium but could be an option when current 3+2 year contract for insurance runs out	Feb 2017
Emergency Planning	Gary Walsh / Mark O'Brien	ESCC – Rupert Clubb / Carl Valentine	ESCC East Sussex Resilience & Emergencies Partnership (ESREP, existing partnership made up of = ESCC, WDC, HBC, RDC, LDC)	PID and RAID log complete and signed off by senior users (Gary Walsh and Rupert Clubb). Identifies three key options for review. Working group established and in research phase. Meeting held 12 th August. Update to senior users planned for early September.	April 2015

EAST SUSSEX FIRE AUTHORITY

Date: **11 September 2014**
Title: **Newhaven Community Fire Station**
By: **Chief Fire Officer & Chief Executive**
Purpose of Report: **To advise the Fire Authority on progress towards the construction of the new community fire station.**

RECOMMENDATION: The Authority is asked to note the progress as set out in this report.

MAIN ISSUES

1. In 2010, Members approved a capital programme provision to purchase a site and construct a new community fire station in Newhaven. This decision included the disposal of the existing site at Fort Road.
2. The site was purchased in November 2012, and this was followed by discussions with interested parties seeking to lease or own part of the new construction. The outcome of these discussions has resulted in three partners committing to the detailed design stage.
3. All partners have committed capital provision to progress the construction of a shared site, with costs being apportioned proportionately according to the space provided within the design.
4. A contractor has been appointed from the IESE Framework to deliver the pre-construction phase, and a selection process will be used to appoint a principal contractor from the Framework. The contract will be mobilised on 6 October 2014 and the proposed construction phase is estimated at 40 weeks.
5. Project management to monitor the progress of the works will be critical to ensure the project is delivered in accordance with all stages of programme delivery. The project management function will be provided by an experienced project manager from ESCC Building Services Department. The Service has a Service Level Agreement for the delivery of this project in this way.
6. The CFO&CE, in consultation with the Treasurer, will agree the final contract sum with the Principal Contractor and arrangements will be agreed with the partners in respect to terms of engagement throughout the delivery of the construction phase.

Des Prichard
CHIEF FIRE OFFICER & CHIEF EXECUTIVE
19 July 2014

Previous Reports

Agenda Item No. 832: Policy & Resources (30 August 2012)

Agenda Item No. 815: Policy & Resources (24 May 2012)

1. **INTRODUCTION**

- 1.1 The current fire station in Newhaven was built at the Fort Road site in 1968 to accommodate an establishment of 6 whole-time and 20 part-time firefighters, crewing two pumping appliances. In 2012 the Authority took the decision to purchase a site to replace the existing station.
- 1.2 The proposal to build a new fire station at Meeching Road in Newhaven will result in collaborative working opportunities with partners, is located within the town centre curtilage which will result in improved access to advice and information and will result in a more efficient design, with operating costs being shared amongst the partners. The location will also marginally improve the appliances' response standards by being closer to the gyratory road network within the town centre.
- 1.3 The three partners: this Authority, Sussex Police and Lewes District Council, have been working with architects throughout 2013, and this has resulted in a detailed design and layout, which involved all staff groups, and a planning application to Lewes District Council, which has recently been approved.
- 1.4 The apportionment of the costs has been agreed, but the detailed design stage cannot provide total cost certainty, which will not be known until a principal contractor is appointed and a contract sum is agreed. This will require a Heads of Terms agreement between the three parties, where final costs are agreed, project management costs are determined, sign-off on final design and finishes, and any exit or termination conditions are agreed.
- 1.5 Partners have included provision within their capital programmes and, whilst they have approved their own business cases, the costs cannot become certain until the contract sum and final design has been agreed.

2. **ALLOCATION OF SPACE AND COSTS**

- 2.1 The detailed design stage confirmed the space allocation per partner, which is set out below:

ESFA	74%
LDC	17%
Sussex Police	9%

Costs have been proportionately and fairly apportioned against these percentages. For example, the provisional costs apportioned to professional fees equate to £274,000, £63,000 and £33,300 respectively.

- 2.2 The anticipated construction costs and professional fees and other external and facilitating costs, are shown below and are apportioned thus:

	Construction	Other fees ¹
ESFA	£2.152m	£0.308m
LDC	£0.455m	£0.071m
Sussex Police	£0.231m	£0.037m

These apportionments are dependent upon partners agreeing to the heads of terms, and may subsequently be subject to minor change following contractor proposals.

¹ These fees include professional fees, external works, surveys and facilitating costs

- 2.3 Therefore, the total cost to ESFA (including provision for fire sprinklers, environmental measures, external works, facilitating costs, etc) is expected to be £2.46m, and the total approved budget provision for the capital scheme is £3.07m.
- 2.4 Further, there are expected to be costs apportioned to fittings, furniture and equipment, procured collectively between partners to achieve consistency and reduced cost per partner. The costs apportioned to ESFA for these additions are estimated at £89,000.
- 2.5 As agreed by the Policy & Resources Panel in May 2014, a bid has been submitted to seek government grant funding to support this project. The bid proposal included only those costs which are predicted to be spent within 2015/16 (in line with the terms of the grant fund); this amount was identified as £565,000. On 6 August 2014 the Service was advised that the bid had progressed from the 'expression of interest' stage and the DCLG had invited a further 'full' and detailed bid to be submitted by 1 October 2014. The DCLG has advised that the outcome of bids will be announced during the 'Autumn' of 2014.

3. **PROJECT MANAGEMENT**

- 3.1 The Service has entered into a Service Level Agreement with ESCC Building Services Department to manage 2 major projects: Crowborough and Newhaven. The former was delivered last year within budget, time and to quality requirements. The project management team has been engaged in accordance with the same terms for Newhaven.
- 3.2 The project is overseen by a Project Board convened by the partners and led by the Assistant Chief Fire Officer.
- 3.3 Agreement has been reached to jointly progress to the detailed design stage and the three partners have agreed joint and proportionate costs, including costs for the pre-construction stage. The construction contract is expected to be mobilised on 6 October 2014 and construction will commence in the first week of November with completion programmed for August 2015.
- 3.4 Costs are not expected to alter significantly when the contract is let to the principal contractor, and any changes throughout construction will adhere to a strict change control process inserted into the contract.
- 3.5 As the freehold owner and major occupant, the Fire Authority will be responsible for the delivery of the project on behalf of the partners. Consequently, the ACFO, in conjunction with the Authority's legal advisors, will draft a 'heads of terms' for agreement with the partners, which will specify the terms of engagement, how the costs will be shared between partners, change control agreement, how risks are managed, and termination or early exit by partner(s).
- 3.6 On completion, it is expected that a further 'occupying agreement' will be agreed between the partners, with this forming the heads of terms following occupancy of the new building.

4. **OWNERSHIP TERMS**

- 4.1 East Sussex Fire Authority will be freehold owners of the site and the two partners will occupy under 'leasehold ownership' terms, providing security for the partners and providing capital provision to the build costs.
- 4.2 There remains the need to engage in a lease contract with partners. In order to enforce the terms of a lease, a ground rent must be set but, as is the case with many leases of this nature, a tiny or peppercorn ground rent will be stipulated, which will result in such rent being payable by the leaseholder to ESFA as the freeholder of the building.
- 4.3 The duration of the ground rent lease remains subject to legal advice and agreement between partners.

5. **DISPOSAL**

- 5.1 The existing site at Fort Road has been valued, and this valuation will form the basis of a disposal plan which will allow continued occupation until the final completion of the Meeching Road site. The disposal plan is currently being developed and will be presented to the P&R Panel in November 2014.

6. **ENVIRONMENTAL**

- 6.1 An assessment of the potential environmental measures has been undertaken and 'costed options' included in the detailed design costs. The contractor will subsequently identify costs against these measures and, whilst a full BREEAM assessment will not be progressed (on advice from the design team), the issues such as neighbour disturbance, waste minimisation and management and sustainability will all be considered and form part of the environmental measures within the final design, thereby reducing carbon emissions and operating costs for the three partners.

7. **PLANNING**

- 7.1 The Authority, as the applicant, submitted its detailed designs and survey outcomes to Lewes District Council as the planning authority. On 16 July 2014, the application was approved at committee after a strong recommendation for approval from the planners.

8. **SUMMARY**

- 8.1 The programme of work continues as planned, with construction commencing on site during the first week of November 2014 and completion expected during August 2015. This will be followed by a joint occupation project to plan how furniture and fixtures will be installed, used and maintained.
- 8.2 ESFA will be the freehold owner of the site and will occupy three quarters of the eventual building and will, therefore, lead the construction and manage the legal processes between partners during development of the building and its subsequent occupation, under legally agreed terms.

EAST SUSSEX FIRE AUTHORITY

Date: **11 September 2014**

Title: **Sussex Control Centre**

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

Purpose of Report: **To update the Fire Authority on the progress and financial position of the Sussex Control Centre Project**

RECOMMENDATION: The Fire Authority is asked to note:

- (i) the latest position in relation to progress; and
 - (ii) the financial position as described in Paragraph 1.2 and 3.1
-

MAIN ISSUES

1. With the exception of the installation of the mobilising system and full 'buddying' arrangements, all aspects of the SCC project have now been completed. The 'go live' for the new mobilising system is planned for 31 October 2014; however this is dependent on the next phases of the project plan running to schedule and the Project Team is currently undertaking the factory acceptance tests. These are due for completion on 29 August 2014 and a oral update will be provided to Members at the meeting.
2. To the end of July 2014, £1.98m has been spent on shared costs with further commitments of £0.03m and further anticipated spend of £0.37m, giving a total of £2.38m shared equally between the two authorities.
3. The forecast spend for grant-funded expenditure now stands at £3.6m, the total value of the grant. Spend to the end of July 2014 stands at £2.29m with another £0.89m approved to be spent.
4. Expenditure must be contained within the grant and the Project budget is being monitored closely. The original allocations have been reviewed on a number of occasions as the Project has matured and some contingency, created following initial reviews, has had to be used to contain the spending within the grant total.

Des Prichard
CHIEF FIRE OFFICER & CHIEF EXECUTIVE
26 August 2014

1. Shared Costs

- 1.1 Some costs, not covered by the Grant, are to be shared equally between the two Fire & Rescue Services; the table below shows a summary of the current position. All items have been approved via the appropriate route, with the exception of the generator, and all costs since the inception of the Project are included:

SHARED COST						
Item	Budget	Actual to date	Committed	Anticipated further spend	Forecast Outturn	Forecast Over / (Under) Spend
	£'000	£'000	£'000	£'000	£'000	£'000
Commissioning of Actica for project support in the development of the technical specification for the MCC system.	11.5	11.5	0.0	0.0	11.5	0.0
Adaptations to Haywards Heath Fire Station, following the receipt of tender.	2,200.0	1,829.6	0.0	370.4	2,200.0	0.0
Actuaries (Hymans) commissioned to evaluate pensions options available.	18.0	18.0	0.0	0.0	18.0	0.0
Further actuaries (Hymans) commissioned to evaluate pensions strain.	5.0	0.0	5.0	0.0	5.0	0.0
Independent legal advice on procurement.	3.9	3.9	0.0	0.0	3.9	0.0
To provide a dedicated Principal Officer from 1 May 2012 until 30 November 2012	64.2	64.2	0.0	0.0	64.2	0.0
Ergonomist.	27.0	26.2	0.0	0.0	26.2	(0.8)
Design, specification and contract administration for the Secondary Control Room.	4.0	2.9	0.0	0.0	2.9	(1.1)
Modifications to Maresfield Sec. control	45.4	23.2	21.5	0.0	44.7	(0.7)

SHARED COST						
Item	Budget	Actual to date	Committed	Anticipated further spend	Forecast Outturn	Forecast Over / (Under) Spend
	£'000	£'000	£'000	£'000	£'000	£'000
Coordination of all Haywards Heath Contractors (from Mansells, HH works)	0.0	0.0	0.0	0.0	0.0	0.0
Temporary gym facility	1.8	0.0	0.0	0.0	0.0	(1.8)
Factory Acceptance Testing for ICCS	1.9	3.6	0.0	0.0	3.6	1.7
SHARED FUNDING TOTAL	2,382.7	1,983.2	26.5	370.4	2,380.1	(2.7)

1.2 To the end of July 2014, £1.98m has been spent on shared costs. The only new item in the above table is the cost associated with an actuarial review of any net strain placed on the Pension Fund, in accordance with the Section 16 agreement, as a possible consequence of the rationalisation of staff. It should be noted that this is the cost of the actuarial review. It is also agreed that the net strain on the Fund will be shared equally between the two Authorities but no estimate is available without the Actuary completing this work.

1.3 Spend on Haywards Heath remains at £1.83m, from the £2.20m committed. The remaining £0.37m is shown as Anticipated Further Spend, while the final retention sum is communicated. The cost of fulfilling the Construction, Design & Management Regulations at Haywards Heath is included within the Grant funding; there will be no spend on alternative fitness facilities.

1.4 All actual, to date and committed items have been approved by the SCC Project Board or, if below threshold, by the ACO(SCC).

2. Grant Allocations

2.1 The actual and anticipated spend cannot exceed the overall value of the grant. Neither authority has the resource to support costs in excess of the Grant allocation except where previously agreed to joint fund those costs. At its last meeting, the SCC Project Board considered the pressures on the Grant and agreed to a reallocation of budgets and the use of contingency sums and spending plans as a revised budget was agreed.

2.2 The contingency created from the lower than expected contract cost with Remsdaq (£118,444) has been fully allocated and the Integration Contingency reduced from £110,200 to £26,301. There does remain a significant budget, allocated for full buddying systems with Cambridgeshire Fire and Rescue Service, of £100,000 which provides a realistic sum for expected costs in 2014/15 and 2015/16 as the link between the two control rooms is developed and implemented. In addition, there is a budget for backfill in West Sussex FRS, where there is £109,000 anticipated further spending.

2.3 These changes result in a shift of £112,000 from capital allocation to revenue allocation.

3. **Grant Funding**

3.1 The following table shows the position for grant funded expenditure based on actual expenditure to the end of July 2014.

FUNDED BY GRANT						
Item	Budget	Actual to date	Committed	Anticipated further spend	Forecast Outturn	Forecast Over / (Under) Spend
	£'000	£'000	£'000	£'000	£'000	£'000
MDT SUB TOTAL	715	567	24	125	715	0
CONTROL ROOM SUB TOTAL	1,183	745	398	41	1,183	0
COMMUNICATION SUB TOTAL	458	217	75	155	447	(11)
SAN H SUB TOTAL	265	99	166	0	265	0
STAFF SUB TOTAL	979	666	228	94	988	9
GRANT FUNDED EXPENDITURE	3,600	2,292	892	414	3,598	(2)

3.2 Since May there has been little movement in the financial position with the exception of staff costs of the Implementation Team. There have been no further payments to Remsdaq. Spending plans are in place for the remaining £125,000 MDT allocations.

3.3 Although reallocation of grant has taken place there remains a small overspend on the staff subtotal. This is due to the anticipated cost of redundancy exceeding the budget estimate.

3.3 All actual to date and committed items have been approved by the SCC Project Board or, if below threshold, by the ACO(SCC).

3.4 A more detailed analysis is included at Appendix A.

No.	Item	Budget	Actual to date	Committed	Anticipated further spend	Forecast Outturn	Forecast Over / (Under) Spend
		£	£	£	£	£	£
1	Station End Equipment in East	0	0	0	0	0	0
2	Station end equipment in West	150,000	150,000	0	0	150,000	0
3	MDTs in East #1 (MDT Project)	263,800	251,799	12,001	0	263,800	0
4	MDTs in East #2 (SCC Project)	144,300	22,844	0	121,456	144,300	0
5	Hardware to support Astrium MDT software	12,000	0	12,000	0	12,000	0
6	Printers in West	18,000	18,000	0	0	18,000	0
7	MDT hardware in West	127,000	123,927	0	3,073	127,000	0
8	MDT SUB TOTAL	715,100	566,570	24,001	124,529	715,100	0
9	Procurement of Mobilising System and ICCS plus associated hardware	1,094,266	703,179	391,087	0	1,094,266	0
10	CDMC	8,640	8,642	0	0	8,642	2
11	Integration contingency	0	0	0	0	0	0
12	Control Room Furniture	50,000	29,168	6,732	14,100	50,000	0
13	Infographics Integration	3,800	3,563	0	0	3,563	(237)
14	Integration of new mobs system to existing FRS applications	26,301	0	0	26,301	26,301	0
15	CONTROL ROOM SUB TOTAL	1,183,007	744,552	397,819	40,401	1,182,772	(235)
16	Main System MPLS Network link between FRS	0	0	0	0	0	0
17	Buddy system - MPLS Network link between FRS	100,000	0	0	100,000	100,000	0
18	Gatwick Link	55,000	0	0	55,000	55,000	0
19	Cabling & cabinets for SCC	69,920	69,915	0	0	69,915	(5)
20	LAN install and config (both sites)	134,060	124,019	0	0	124,019	(10,041)
21	Network connection to main and secondary control rooms	15,288	0	15,288	0	15,288	0
22	Network connection as above with WSFRS costs	44,002	0	44,000	0	44,000	(2)
23	Red Box Recording System	16,510	0	16,150	0	16,150	(360)
24	2 firewalls	22,900	22,900	0	0	22,900	0
25	COMMUNICATION SUB TOTAL	457,680	216,835	75,438	155,000	447,273	(10,407)

No.	Item	Budget	Actual to date	Committed	Anticipated further spend	Forecast Outturn	Forecast Over / (Under) Spend
		£	£	£	£	£	£
26	SDR router for secondary control, config and dynamic talk groups	0	0	0	0	0	0
27	SAN - H Survey	8,098	8,098	0	0	8,098	0
28	8-port Variant A SAN H interface to the Airwave network	256,913	90,538	166,375	0	256,913	0
29	Airwave data (provisional)	0	0	0	0	0	0
30	SAN H SUB TOTAL	265,011	98,636	166,375	0	265,011	0
31	Project Team	0	0	0	0	0	0
32	HR lead	48,064	45,356	0	0	45,356	(2,708)
33	HR lead	8,438	9,305	0	0	9,305	867
34	Admin and project support for ESFRS	11,700	13,742	0	0	13,742	2,042
35	Redundancy Payments	424,390	231,314	178,029	25,000	434,343	9,953
36	Training for software testing	1,700	1,768	0	0	1,768	68
37	Implementation Team integration support	10,000	10,000	0	0	10,000	0
38	Further ImplementationTeam integration support (funded from line 12, Integration)	40,000	42,250	0	0	42,250	2,250
39	ESFRS Imp. Team	184,880	182,362	0	0	182,362	(2,518)
40	2014/15 Team	67,530	17,579	49,951	0	67,530	0
41	West Sussex technical staff back-fill	182,500	112,193	0	70,307	182,500	0
42	STAFF SUB TOTAL	979,202	665,868	227,980	95,307	989,155	9,953
43	GRANT FUNDED EXPENDITURE	3,600,000	2,292,462	891,612	415,238	3,599,311	(689)

EAST SUSSEX FIRE AUTHORITY

Date: **11 September 2014**

Title of Report: **NJC Pay Award for Brigade Managers**

By: **Monitoring Officer**

Purpose of Report: **To notify the Fire Authority of the outcome of the negotiations between the National Employers and the Association of Principal Fire Officers regarding the annual pay award for 2014, which has been agreed by the National Employers, to be awarded to Brigade Managers.**

RECOMMENDATION: The Fire Authority is asked to note that the pay award for 2014, as determined by the NJC Scheme of Conditions of Service for Brigade Managers will be implemented.

1. BACKGROUND

- 1.1 There is a two track approach for determining levels of pay for Brigade Manager (Principal Officer) roles. At the national level the NJC shall review annually the level of pay increase applicable. All other decisions about the level of pay and remuneration to be awarded to individual Brigade Manager roles will be taken by the local Fire & Rescue Authority who will annually review these salary levels.
- 1.2 This paper is only concerned with the national application for pay increase. The Policy & Resources Panel on 21 May 2009 agreed that future NJC awards would be implemented automatically and reported to the Panel.
- 1.3 Following discussions between the National Employers and the Association of Principal Fire Officers (the representative Association for Chief and Assistant Chief Fire Officers) agreement has been reached for a pay award of 1% for Brigade Managers, with a flat rate increase for any Brigade manager earning £100,000, as described in the attached correspondence from the Joint Secretaries.
- 1.4 There have been no pay rises for Brigade Managers since 1 January 2010.
- 1.5 There is provision for the pay award in the 2014/15 budget.
- 1.6 The terms of reference of the Principal Officer Appointment Panel now includes considering and approving terms of conditions of service, including remuneration, for Principal Officers. Notification was received from the NJC on 8 August 2014 which was too late to be considered by that Panel which met on 28 July, and therefore this report is being brought to the Fire Authority.

2. **RECOMMENDATIONS**

- 2.1 The Fire Authority is asked to note that the pay award for 2014, as determined by the NJC Scheme of Conditions of Service for Brigade Managers will be implemented.

Abraham Ghebre-Ghiorghis
MONITORING OFFICER
1 September 2014

Background papers:

National Joint Council for Brigade Managers of Fire and Rescue Services Constitution and Scheme of Conditions of Service Fifth edition 2006

Policy & Resources Panel – 21 May 2009

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**NATIONAL JOINT COUNCIL
FOR BRIGADE MANAGERS OF
LOCAL AUTHORITY
FIRE AND RESCUE SERVICES**

**To: Chairs of Fire Authorities
Chief Fire Officers
Clerks to Fire Authorities
Directors of Human Resources
Members of the National Joint Council**

8 August 2014

Dear Sir/Madam

Pay Settlement 2014

1. The NJC has reached the following agreement in respect of the pay award for 2014:
 - I. An increase of 1.0% on basic salary applicable to brigade managers earning a basic salary of £99,999 or lower (as at 31 December 2013)
 - II. A flat rate increase of £1000 on basic salary applicable to brigade managers earning a basic salary of £100,000 or more (as at 31 December 2013)
2. Each of the approaches above is effective from 1 January 2014. Therefore the pay of all brigade managers covered by the Gold Book should be increased by the amount relevant to an individual (as set out in paragraph 1 above), with effect from that date.
3. Minimum annual rates of pay for chief fire officers are attached. The minimum salary arrangements for new appointments in population bands 1 and 2 remain as defined in the 2006/2007 pay settlement (issued by circular on 7 December 2006), which will be subject to review in due course.

Yours faithfully,

SIMON PANNELL
STUART ERRINGTON
Joint Secretaries

**ANNUAL RATES OF PAY FOR CHIEF FIRE OFFICERS
FROM 1st JANUARY 2014**

Population band 1	Up to 500,000
Minimum rate of pay	£97,810*
Population band 2	500,001 to 1,000,000
Minimum rate of pay	£97,810*
Population band 3	1,000,001 to 1,500,000
Minimum rate of pay	£106,738
Population band 4	1,500,000 and above (except London)
Minimum rate of pay	£117,310
Population band 5	London
Minimum rate of pay	£128,943

* New appointments in accordance with paragraph 3 above