



EAST SUSSEX FIRE AUTHORITY

THURSDAY 16 JUNE 2016 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 Deane, Morris, O'Quinn, Peltzer Dunn, Penn 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 hours.

AGENDA

Item No.	Page No.	
914.	1	In relation to matters on the agenda, seek declarations of any disclosable pecuniary interests under Section 30 of the Localism Act 2011.
915.	5	Election of Chairman – report of the Monitoring Officer (copy attached).
916.	7	Election of Vice-Chairman – report of the Monitoring Officer (copy attached).
917.	1	Apologies for absence.
918.	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).
919.	1	To consider any public questions.

920. 2 To receive any petitions.
921. 9 Non-confidential minutes of the meeting held on 11 February 2016 (copy attached).
922. 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.
923. 17 ESFRS Local Firefighters' Pension Board – report of the Chief Fire Officer (copy attached).
924. 23 Political Representation on the Panels of the Fire Authority – report of the Monitoring Officer (copy attached).
925. 27 Fire Authority and Panel meetings 2016/17 – report of the Monitoring Officer (copy attached).
926. 29 Treasury Management – Stewardship Report for 2015/16 – joint report of the Chief Fire Officer and Assistant Director Resources / Treasurer (copy attached).
927. 45 Performance Indicators Review – report of the Chief Fire Officer (copy attached).
928. 51 Senior Management Restructure – report of the Chief Fire Officer (copy attached).
929. 55 Potential Relocation of Lewes Fire Station, North Street, Lewes – joint report of the Chief Fire Officer and Assistant Director Resources / Treasurer (copy attached).
930. 2 Exclusion of the Press and Public.

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

931. 61 Confidential minutes of the meeting held on 11 February 2016 (copy attached). (Exempt categories under paragraphs 1 and 3 of the Local Government Act 1972).

932. 63 Police & Crime Commissioner – confidential report of the Chief Fire Officer (copy attached). (Exempt categories under paragraphs 3 and 4 of the Local Government Act 1972).
933. 69 Operation TIN – confidential report of the Chief Fire Officer (copy attached). (Exempt categories under paragraphs 2 and 5 of the Local Government Act 1972).
934. 75 Service Headquarters Disposal Strategy – joint confidential report of the Chief Fire Officer and Assistant Director Resources / Treasurer (copy attached). (Exempt categories 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

Date: **16 June 2016**
 Title: **Election of Chairman**
 By: **Monitoring Officer**
 Lead Officer: **Clerk to the Fire Authority**

Background Papers: Last previous report
 18 June 2015
Background Papers
 East Sussex Fire Services (Combination Scheme) Order 1996

Appendices: None

Implications:

Corporate risk		Legal	
Environmental		Policy	
Equality impact	Included in report	Political	Included in report
Financial		Other (please specify)	
Health & safety		Core brief	
Human resources			

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

Executive Summary:

1. The report presented to the Fire Authority on 18 June 2015 set out the background information in relation to the procedures for the election of a Chairman and, if desired, a Vice-Chairman.
2. The Fire Authority duly elected a Chairman to serve for one year, until 17 June 2016. This report seeks approval to appoint a Chairman to the Fire Authority.
3. The rules governing the election are set out in the report.
4. The Fire Authority has agreed previously that it was appropriate to invite the Chairman, once elected, to advise on his/her preferred choice of title.

RECOMMENDATION: The Fire Authority is asked to:
 i. appoint a Chairman; and
 ii. invite the Chairman to advise on his/her preferred title.

1. **BACKGROUND INFORMATION**

- 1.1 The report presented to the Fire Authority on 18 June 2015 set out the background information in relation to the procedures for the election of a Chairman and, if desired, a Vice-Chairman. The Fire Authority duly elected a Chairman on 18 June 2015 to serve for a period of one year, or until the date of the next AGM, when a new election would need to be considered. This report seeks approval to appoint a Chairman to the Fire Authority.
- 1.2 The Combination Order for the creation of the East Sussex Fire Authority sets down the following procedures:
- 17 (1) The Authority shall elect a Chairman, and may elect a Vice-Chairman, from amongst its members.
 - 17 (2) The Chairman, and if a Vice-Chairman is elected, the Vice-Chairman, shall, subject to paragraphs 13 – 16, hold office for a period of one year from the date of their election.
 - 17 (3) Sub-paragraph (2) shall not prevent a person who holds, or has held, office as Chairman, or Vice-Chairman, as the case may be, from being elected or re-elected to either of those offices.
 - 17 (4) On a casual vacancy occurring in the office of Chairman or, if a Vice-Chairman has been elected, the Vice-Chairman, the Authority shall elect from its members a person to replace the Chairman, and may so elect a person to replace the Vice-Chairman, as the case may be.
 - 17 (5) The election to replace the Chairman under sub paragraph (4) above shall take place not later than the next following ordinary meeting of the Authority.
- 1.3 The Standing Orders of the Fire Authority state:
- 9. Election of Chairman and Vice-Chairman
 - 9.1 The Authority shall at the annual meeting elect a Chairman and may elect a Vice-Chairman or Vice-Chairmen from among its members as the first item of business.
 - 9.2 On a casual vacancy occurring in the office of Chairman and Vice-Chairman, the Authority shall elect from its members a person to replace the Chairman and may so elect a person to replace the Vice-Chairman as the case may be.
 - 9.3 The Authority, when deciding to elect a Vice-Chairman, should consider an appropriate representative balance between the two constituent authorities such that the Vice-Chairman, unless the Fire Authority specifically determine otherwise, should be a Member from the other constituent authority to that of the newly elected Chairman.
- 1.4 Under Standing Order 23.1, if more than one person is nominated, there is a procedure for voting by roll call which applies unless otherwise agreed. Last year, the Authority agreed to appoint the Chairman and Vice-Chairman by a show of hands. A third alternative would be to hold a ballot.
- 1.5 When the Fire Authority was first constituted, it was agreed that its 'Chairman' would be formally called as such, as opposed to the title 'Chair' or alternatively, 'Chairman or Chairwoman.' The Fire Authority has previously agreed that it was appropriate to invite the Chairman, once elected, to advise on his/her preferred choice of title.

EAST SUSSEX FIRE AUTHORITY

Date: **16 June 2016**
 Title: **Election of Vice-Chairman**
 By: **Monitoring Officer**
 Lead Officer: **Clerk to the Fire Authority**

Background Papers: Last previous report
 18 June 2015
Background Papers
 East Sussex Fire Services (Combination Scheme) Order 1996;
 Constitution

Appendices: None

Implications :

Corporate risk		Legal	
Environmental		Policy	
Equality impact	Included in report	Political	Included in report
Financial		Other (please specify)	
Health & safety		Core brief	
Human resources			

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

- EXECUTIVE SUMMARY:**
1. Agenda Item 915 above sets out the adopted procedures for the appointment of a Chairman and Vice-Chairman.
 2. Members' attention is drawn specifically to Standing Order 9.3 (see previous agenda item) and, unless the Fire Authority specifically determines otherwise, the Vice-Chairman should be a Member from the other constituent authority to that of the newly elected Chairman.
 3. The Fire Authority is asked to consider whether to elect a Vice-Chairman to assist the Chairman in his or her role.
 4. The Fire Authority has agreed previously that it was appropriate to invite the Vice-Chairman, once elected, to advise on his/her preferred choice of title.

RECOMMENDATION: The Fire Authority is asked to:

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

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 11 February 2016.

Present: Councillors Barnes, Buchanan, Butler, Deane, Galley, Howson (Chairman), Lambert (Vice-Chair), Peltzer Dunn, Penn, Pragnell, Scott, Sheppard, Taylor, Theobald and Wincott.

Also present:

Mr. G. Walsh (Chief Fire Officer), Mr. S. Apter (Deputy 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 and Procurement), Mrs. L. Ridley (Designate Assistant Director – Planning & Improvement) and Mrs. K. Ward (Clerk).

898. DISCLOSABLE PECUNIARY INTERESTS

898.1 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.

899. APOLOGIES FOR ABSENCE

899.1 Apologies for absence were received from Councillors Earl, Morris and O'Quinn.

900. URGENT ITEMS AND CHAIRMAN'S BUSINESS

900.1 This was Cheryl Rolph's last Fire Authority meeting as Assistant Chief Officer and the Chairman and Group Leaders wanted to record their thanks and appreciation for the help and advice provided and her dedication to East Sussex Fire & Rescue Service over the past 10 years.

901. TO CONSIDER PUBLIC QUESTIONS, IF ANY

901.1 There were none.

902. TO CONSIDER PUBLIC PETITIONS, IF ANY

902.1 There were none.

903. NON-CONFIDENTIAL MINUTES OF THE MEETING HELD ON 10 DECEMBER 2015

903.1 **RESOLVED** – That the non-confidential Minutes of the meeting held on 10 December 2015 be approved and signed by the Chairman. (Copy in Minute Book).

904. **CALLOVER**

904.1 Members reserved the following items for debate:

905. Fire Authority Service Planning Processes for 2016/17 and Beyond – Revenue Budget 2016/17 and Capital Strategy 2016/17 To 2020/21.

908. Pay Policy Statement 2016-17.

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

905. **FIRE AUTHORITY SERVICE PLANNING PROCESSES FOR 2016/17 AND BEYOND – REVENUE BUDGET 2016/17 AND CAPITAL STRATEGY 2016/17 TO 2020/21.**

905.1 The Fire Authority considered a joint report of the Chief Fire Officer and the Treasurer that set out the Fire Authority's Revenue Budget 2016/17, Capital Strategy 2016/17–2020/21 and Medium Term Finance Plan for 2016/17–2020/21. Revised pages were circulated at the meeting. (Copy in Minute Book).

905.2 The Authority's draft budget proposals for 2016/17 had been considered by the Policy & Resources Panel on 21 January 2016. Since that meeting the report had been updated to reflect final council tax and business rates information, collection fund positions and forecast income from the business rate pool. The Local Government Finance Settlement (LGFS) would now be finalised as The Local Government Finance Report (England) 2016/17 had been approved by Parliament on the previous day, 10 February 2016.

905.3 The Authority had continued to make good progress in identifying and agreeing savings proposals over the last 12 months, through its Changing the Service, Shaping our Future programme. The latest version of the MTFP showed that the Authority had already identified £6.4m of savings for delivery which would meet its funding gap up to 2019/20. However, further savings of £0.249m were still required by 2020/21.

905.4 The development of the new Integrated Risk Management Plan (IRMP) in 2016/17 would be closely linked to the development of ESFA's future financial plans, ensuring that service priorities were matched to available resources and that the Authority could achieve financial sustainability over the medium term. There was sufficient capacity within existing reserves to create an earmarked reserve of £2.0m for the expected one-off investment required as part of the IMD Transformation project.

905.5 The report outlined proposals for setting a balanced revenue budget in 2016/17, including commitments and growth bids, subject to the Authority agreeing a 1.94% increase in its council tax in line with its existing budget strategy.

905.6 The Capital Strategy reflected the Authority's identified capital investment requirements for the next five years and could be financed from existing resources without the need to incur additional borrowing.

- 905.7 The Authority had acted prudently in establishing reserves and balances to meet its assessed risks and to provide one-off funding for specific priorities. This continued to provide the funding to support the Authority's transformation programme and meet its capital investment priorities over the next five years.
- 905.8 Members thanked the Treasurer and his team for the work that had gone in to compiling the budget.
- 905.9 Councillor Galley referred to staffing numbers and that support staff making up 20% of the establishment figure was high. Officers provided assurance that this was in line with other Fire and Rescue Services. East Sussex Fire & Rescue Service was a standalone Service and therefore provided the majority of support functions, however opportunities to share support services in the future were being looked at.
- 905.10 **RESOLVED** – That:
- (i) an increase in council tax of 1.94% be approved and as a result:
 - the budget proposals set out in the report and the net budget requirement of £38.432m for 2016/17 be approved;
 - the council tax requirement of £24.280m be approved; and
 - the council tax and precepts as set out in Appendix G to the report (and set out in the attached), be approved.
 - (ii) the capital programme for the next five years and the capital budget of £4.566m for 2016/17 and the plans to use capital grant, capital receipts and revenue contributions to finance that expenditure be approved;
 - (iii) the maintenance of the General Reserve at a minimum of 8% of the net revenue budget over the medium term be approved;
 - (iv) the establishment of an IMD Transformation Reserve using resources totalling £2.0m transferred from other reserves as set out in Appendix F to the report be approved;
 - (v) the transfer of the Transitional Grant £0.097m to the Improvement & Efficiency Reserve to fund the outcomes of the IRMP be approved;
 - (vi) the fees and charges set out in Appendix D to the report be approved; and
 - (vii) the Chief Fire Officer, in consultation with the Chairman and Treasurer, be authorised to make adjustments to the presentation of the budget to reflect the final Local Government Finance Settlement.

Councillor Deane wished it formally recorded that she voted against the proposed budget.

906. **DRAFT ANNUAL PLAN 2016-17**

- 906.1 The Fire Authority considered a report of the Chief Fire Officer that summarised the outstanding actions required to complete the Draft Annual Plan 2015/16 for approval and for final completion by the publication date of 30 June 2016. (Copy in Minute Book).

- 906.2 The current 2015/16 Annual Plan contained key information on the Fire Authority's Service priorities for the year ahead, including summary performance information and available resources. The draft 2016/17 Annual Plan was being prepared alongside the decisions being made by the Fire Authority and its Panels on similar issues for 2016/17 and beyond.
- 906.3 The Fire Authority, at its meeting on 10 December 2015, considered the key Service priorities and savings to meet the overall resources available to the Fire Authority, but deferred final consideration on the Council Tax precept until the February 2016 meeting.
- 906.4 The final version of the draft 2016/17 Annual Plan will be adapted to take into consideration the outcomes of all of the 2016/17 Service Planning decisions, including current Community Risk Management review activities, the latest Revenue Budget and Capital Programme as well as the outcome of the corporate performance results 2015/16.
- 906.5 **RESOLVED** – That:
- (i) the roll forward of the draft Annual Plan for publication by 30 June 2016 be approved in principle subject to any final amendments once the Revenue Budget has been approved at this meeting and other outstanding information set out in the report; and
 - (ii) authority for the approval of the final version of the Annual Plan be delegated to the Chief Fire Officer in consultation with the Chairman.

907. **SENIOR MANAGEMENT RESTRUCTURE**

- 907.1 The Fire Authority considered a report of the Chief Fire Officer that advised Members of the outcome of the individual staff consultations and trade union feedback on the proposed Senior Management restructure. (Copy in Minute Book).
- 907.2 **RESOLVED** – That the feedback and equality impact assessment action plan, (which will be monitored by the Scrutiny & Audit Panel), be noted.

908. **PAY POLICY STATEMENT 2016-17**

- 908.1 The Fire Authority considered a report of the Monitoring Officer that sought approval of the Fire Authority's Pay Policy statement for the period 1 April 2016 to 31 March 2017. (Copy in Minute Book).
- 908.2 The Localism Act 2011 imposes a duty on relevant local authorities to prepare pay policy statements for each financial year following the principles of transparency. The statement must be approved by 31 March 2016 and must include policies such as remuneration of its Chief Officers, remuneration of its lowest paid employees, the relationship between the remuneration of its Chief Officers and that of other employees who are not Chief Officers, etc. A full list of policies to be included could be found in the Pay Policy Report.

908.3 Councillor Galley had noted that the staffing figures quoted within the report did not equate to the figures quoted within the Budget Report and asked why this was so. The Treasurer explained that HR reported actual staff figures whereas Finance reported on the posts budgeted for.

908.4 **RESOLVED** – That the Pay Policy Statement set out in Appendix 1 to the report be approved.

909. **TREASURY MANAGEMENT STRATEGY 2016-17**

909.1 The Fire Authority considered a report of the Treasurer that contained recommendations about the borrowing limits, the prudential indicators and limits, the investment strategy and policy as required by Section 3 (1) of the Local Government Act 2003 and the Prudential Code for Capital Finance 2004. (Copy in Minute Book).

909.2 **RESOLVED** – That:

- (i) the treasury management strategy and policy statement for 2016/17 (and adopted for the remainder of 2015/16), be approved;
- (ii) it be determined that for 2016/17 the Authorised Limit for borrowing shall be £11.813m;
- (iii) the prudential indicators as set out in the attached Appendix 2 of the report be adopted; and
- (iv) the Minimum Revenue Provision (MRP) Statement for 2016/17 as set out in the attached Appendix 3 of the report be approved.

910. **DATES OF FUTURE MEETINGS**

910.1 Members noted and agreed the dates of future meetings:

26 May 2016	Scrutiny & Audit and Policy & Resources Panels
16 June 2016	Fire Authority
7 July 2016	Scrutiny & Audit and Policy & Resources Panels
8 September 2016	Fire Authority
15 September 2016	Scrutiny & Audit Panel
3 November 2016	Scrutiny & Audit and Policy & Resources Panels
8 December 2016	Fire Authority
19 January 2017	Policy & Resources Panel
2 February 2017	Scrutiny & Audit Panel
9 February 2017	Fire Authority
27 April 2017	Scrutiny & Audit and Policy & Resources Panels
15 June 2017	Fire Authority
6 July 2017	Scrutiny & Audit and Policy & Resources Panels
7 September 2017	Fire Authority
14 September 2017	Scrutiny & Audit Panel
2 November 2017	Scrutiny & Audit and Policy & Resources Panels
7 December 2017	Fire Authority

All Fire Authority meetings to commence at 10:30 hours

All Panel meetings to commence at 10:00 hours

911. **EXCLUSION OF PRESS AND PUBLIC**

911.1 **RESOLVED** – That items nos. 912 and 913 be exempt under the paragraphs indicated below 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 following grounds:

912 Paragraphs 1 and 3 – includes information relating to an individual and includes information relating to the financial or business affairs of any particular person (including the authority holding that information).

913 Paragraph 3 – includes information relating to the financial or business affairs of any particular person (including the authority holding that information).

The meeting concluded at 12:05 hours.

Signed

Chairman

Dated this 16 day of June 2016

APPENDIX TO MINUTE NO. 905

EAST SUSSEX FIRE AUTHORITY: PRECEPT FOR 2016/17

REF: S43 LOCAL GOVERNMENT FINANCE ACT 1992

	£	£
NET BUDGET REQUIREMENT		38,432,000.00
Forecast Business Rates retained	2,505,000.00	
Top Up grant	4,768,000.00	
Total Base Line funding	<u>7,273,000.00</u>	
Add Revenue Support Grant	6,196,000.00	
Total Grant funding (excluding transitional/freeze grant)	<u>13,469,000.00</u>	
Transition Grant	97,000.00	
Section 31 Grant Business Rates adjustment	217,000.00	
Previous Year's Surpluses/(Deficits)	369,000.00	
Total Council Tax required		<u>24,280,000.00</u>
Tax base	279,983.54	
Basic Council Tax (Band D equivalent)		86.72
Basic Council Tax from above calculation		<u>Council Tax</u>
Band A	6/9	57.81
Band B	7/9	67.45
Band C	8/9	77.08
Band D	9/9	86.72
Band E	11/9	105.99
Band F	13/9	125.26
Band G	15/9	144.53
Band H	18/9	173.44
	<u>Tax Base</u>	<u>Precept</u>
Brighton and Hove	86,173.00	7,472,923
Eastbourne	33,606.10	2,914,321
Hastings	24,678.00	2,140,076
Lewes	35,797.10	3,104,325
Rother	36,808.84	3,192,063
Wealden	62,920.50	5,456,466
	279,983.54	24,280,174

Agenda Item No. 923

EAST SUSSEX FIRE AUTHORITY

Date	16 June 2016
Title of Report	ESFRS Local Firefighters' Pension Board
By	Chief Fire Officer
Lead Officer	Vicky Chart, Assistant Director of Human Resources & Organisational Development
Background Papers	Local Firefighters' Pension Board meetings held on 13 th July 2015, 9 th December 2015, and 25 th April 2016. The Firefighters' Pension Scheme (Amendment) (Governance) Regulations 2015.

Appendices	None
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Implications

CORPORATE RISK		LEGAL	✓
ENVIRONMENTAL		POLICY	
FINANCIAL		POLITICAL	
HEALTH & SAFETY		OTHER (please specify)	
HUMAN RESOURCES		CORE BRIEF	
EQUALITY IMPACT ASSESSMENT			

PURPOSE OF REPORT	To consider the composition of the ESFRS Local Firefighters' Pension Board, the appointment of the Chair and the Board's terms of reference.
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EXECUTIVE SUMMARY

The Fire Authority, (on 12th February 2015), approved the establishment of a Local Firefighters' Pension Board to fulfil the requirements of the Public Service Pensions Act 2013.

On 18th June 2015, the Authority agreed that the Chair of the Board should be appointed at the first meeting of the Board and that the appointment will be only for a period of a year. The Authority had previously agreed at its meeting in February 2015 to review the position of the Chair after one year.

RECOMMENDATIONS Members are asked to consider:

- i. Whether as far as possible, employer representatives (Fire Authority Members) should be appointed to coincide with their term of office on the Fire Authority and scheme member representatives (employees) be invited to make their appointments for a four year period;
- ii. either:
 - (a) reducing the number of Board members to a total of 6, with three employer representatives and three scheme member representatives nominated by FBU, FOA and RFU;
or
 - (b) retaining the number of Board members at a total of 8, with 4 employer representatives and 4 member representatives and either:
 - (i) re-inviting APFO to nominate a representative; or
 - (ii) offering the FBU (as the organisation representing the larger number of scheme members), to fill the place if vacated by APFO thereby giving the FBU two members on the Board;
- iii the appointment of the Chair of the Board; and
- iv. authorising the Monitoring Officer to amend the terms of reference of the Pension Board as necessary to accord with the decisions taken above.

1. **BACKGROUND**

- 1.1 The Authority (on 12th February 2015) approved the establishment of a Local Firefighters' Pension Board to fulfil the requirements of the Public Service Pensions Act 2013. The Authority agreed that the Board should comprise four employee representatives (one each from Fire Brigades' Union (FBU), Retained Firefighters' Union (RFU), Fire Officers' Association (FOA) and Association of Principal Fire Officers (APFO)) and four employer representatives drawn from the Fire Authority.
- 1.2 The terms of reference for the Board are set out in the Authority's Constitution at: <http://www.esfrs.org/about-us/fire-authority-constitution/>

1.3 The Board members for 2015/16 are:

Councillors Butler (Chair), Earl, Penn and Taylor.

Fire Officers' Association (FOA) – Chris Baker

Retained Firefighters' Union (RFU) – Justin Goodchild

Firefighters Brigades' Union (FBU) – Simon Herbert (until 25 April 2016); Mark Brown from 26 April 2016)

Association of Principal Fire Officers (APFO) – Gary Ferrand (until December 2015) – currently vacant.

The Board has elected Councillor Carla Butler as its Chair for the year.

1.4 The Firefighters' Pension Scheme (Amendment) (Governance) Regulations 2015 require the Scheme Manager (East Sussex Fire Authority) to establish a Pension Board. The Authority must determine the membership of the local pension board, the manner in which members of the local pension board may be appointed and removed, and the terms of appointment of members of the local pension board.

1.5 On 18th June 2015, the Authority agreed that the Chair of the Board should be appointed at the first meeting of the Board and that the appointment will be only for a period of a year. The Authority had previously agreed at its meeting in February 2015 to review the position of the Chair after one year.

1.6 The Fire Authority is asked to consider the appointment of the Board Chair now that a year has elapsed.

2. **FUTURE ARRANGEMENTS**

Term of office

2.1 The Board's Terms of reference set out the following paragraphs dealing with the term of office:

18. The term of office should be from annual meeting to annual meeting.

19. Board membership may be terminated prior to the end of the term of office due to:

- (a) a member representative appointed on the basis of their membership of the scheme no longer being a member of the scheme
- (b) a member representative no longer being a member of the body on which their appointment relied
- (c) an employer representative no longer holding the office or employment or being a member of the body on which their appointment relied
- (d) the representative no longer being able to demonstrate their capacity to attend and prepare for meetings or to participate in required training.

- 2.2 Some Board members have suggested that the appointment of Board members for a term of only one year is too short, given the level of knowledge to be acquired and training that Board members need to undertake. It was felt that members should be appointed for longer than a year to gain a thorough understanding of the work involved.
- 2.3 It is therefore suggested that, as far as possible, employer representatives be appointed to coincide with their term of office on the Fire Authority, i.e. a four year period, recognising that ESCC and B&HCC Members will be appointed to the Fire Authority in different years. This would give the appointed Board member ample opportunity to develop an understanding of their role as set out in the role description approved by the Fire Authority and to gain sufficient knowledge to enable them to fulfil their responsibilities in respect of the governance and administration of the Scheme. This arrangement would also provide for some continuity as elected Members appointed by the constituent authorities will change in different years. It is also suggested that the representative bodies who are putting forward scheme member representatives be invited to make their appointments for a four year period.
- 2.4 Any change in the arrangements would be subject to the requirements set out in paragraphs 18 and 19 of the Board's terms of reference reproduced above.

3. NUMBER OF MEMBERS OF THE BOARD

- 3.1 The Firefighters' Pension Scheme (Amendment) (Governance) Regulations 2015 require the Board to include an equal number of employer representatives and member representatives which is no less than 4 in total. To ensure quoracy and appropriate representation the Fire Authority has previously agreed that the Board shall be established with 8 members comprising four employer and four employee representatives (one each from the FBU, FOA, RFU and APFO).
- 3.2 Assistant Chief Fire Officer Gary Ferrand was appointed as the APFO representative to the Board, and this position has been vacant since December 2015 when he retired. Current indications are that APFO will not be in a position to make a further appointment to the Board.
- 3.3 The Board has held three meetings and one training event. For the Board meetings, one had complete attendance, one had 3 employer and 1 scheme member attend, and one had 2 employer and 1 scheme member attend.
- 3.4 It has been difficult finding dates that all members can attend particularly that are convenient to serving officers whose attendance is subject to the exigencies of the Service. The Board has agreed that as a general principle where a Board meeting is due to be held, it will be held on the same dates as Fire Authority meetings. A timetable of meetings will allow members of the Board to programme dates into their diaries at an early opportunity and will help officers who prepare reports to build the work into their forward plan.

3.5 The Authority is asked to consider either:

- (a) reducing the number of Board members to a total of 6, with three employer representatives and three member representatives nominated by FBU, FOA and RFU;
or
- (b) retaining the number of Board members at a total of 8, with 4 employer representatives and 4 member representatives and either:
 - (i) re-inviting APFO to nominate a representative; or
 - (ii) offering the FBU (as the organisation representing the larger number of scheme members), to fill the place if vacated by APFO thereby giving the FBU two members on the Board.

4. **APPOINTMENT OF CHAIR**

- 4.1 On 18th June 2015, the Authority agreed that the Chair of the Board should be appointed at the first meeting of the Board and that the appointment will be only for a period of a year. The Authority had previously agreed at its meeting in February 2015 to review the position of the Chair after one year.
- 4.2 Councillor Carla Butler was elected by the Board as its Chair for the past year.
- 4.3 Members are asked to consider the appointment of the Chair of the Board.

EAST SUSSEX FIRE AUTHORITY

Date: **16 June 2016**
 Title: **Political Representation on the Panels of the Fire Authority**
 By: **Monitoring Officer**
 Lead Officer: **Clerk to the Fire Authority**

Background Papers: Latest Previous Report:
 Fire Authority 18 June 2015
Background Papers:
 The East Sussex Fire Services (Combination Scheme) Order 1996

Appendices: Appendix 1 – Panel membership 2015-16
 Appendix 2 – Proposed Panel membership 2016-17

Implications :

Corporate risk		Legal	
Environmental		Policy	
Equality impact		Political	Included in the report
Financial		Other (please specify)	
Health & safety		Core brief	
Human resources			

Purpose of Report: To secure political balance on Panels in accordance with the Local Government (Committees and Political Groups) Regulations 1990 and agree the resultant membership to the Panels of the Fire Authority.

- EXECUTIVE SUMMARY:**
1. Under the provisions of the Local Government and Housing Act 1989 and the Local Government (Committees and Political Groups) Regulations 1990, the Fire Authority must keep under review the allocation of seats on Committees and other bodies to ensure, so far as practicable, that they reflect the political groups on the Authority.
 2. The rules governing representation on Panels are set out overleaf giving the pattern of membership agreed at the meeting of the Fire Authority on 18 June 2015.
 3. The Fire Authority is invited to agree the membership of its Panels for the forthcoming year.

- RECOMMENDATION:** The Fire Authority is asked to consider whether it wishes to:
- i confirm the Panel arrangements and political representation as set out in the report; and
 - ii appoint the Chairman and Vice-Chairman of the Panels in accordance with Standing Order 41.13 or, as has been the practice in the past, leave it to the Panels to do this under Standing Order 41.14.
-

1. **BACKGROUND – CURRENT POSITION**

- 1.1 Under the provisions of the Local Government and Housing Act 1989 and the Local Government (Committees and Political Groups) Regulations 1990, authorities must keep under review the allocation of seats to political groups on their Committees/Panels to ensure, so far as practicable, that they reflect the numbers in the political groups on their authority. The guiding principles which can be drawn from the 1989 Act and which need to be borne in mind when conducting any review are that:
- (a) The majority party should have a majority on each committee/panel;
 - (b) The overall number of committee/panel places allocated to each group should be proportionate to the numbers of each group on the authority;
 - (c) Subject to (a) and (b), the number of seats on each committee/panel should be proportionate to the numbers of each group on the authority.
- 1.2 Currently, there are four political groups on the Fire Authority: Conservative, Labour, Liberal Democrat and UKIP. There is also one Green and one Independent Member of the Fire Authority, but single Members do not constitute a political group.
- 1.3 The Panels are the Authority's committees set up in accordance with Standing Order 41 and their terms of reference are shown in the Constitution. The Panels and their related membership which were approved in June 2015 is shown in Appendix 1, and the proposed political proportionality for 2016/17 is shown in Appendix 2.
- 1.4 Political proportionality rules need not apply to Panels of Authorities provided that due notice to adopt alternative arrangements is given to all Members and no Member votes against the proposals when they are considered and approved. The Appointments Panel and Pensions Board do not have to be politically balanced, as agreed by the Fire Authority at its meeting in December 2014. The previous report on the agenda asks the Fire Authority to decide upon the number of Members to serve on the Local Firefighters' Pension Board.
- 1.5 Group Leaders are requested to let the Clerk have the names of their Panel Members by Friday 24 June, in preparation for the despatch of agendas for the first meeting of Panels on 7 July 2016.

Appendix 1

PANEL MEMBERSHIP 2015-16

	CONSERVATIVE	LABOUR	LIBERAL	UKIP
SCRUTINY & AUDIT (7)	3 Galley Peltzer Dunn Taylor	2 Penn Wincott	1 Lambert	1 Buchanan
POLICY & RESOURCES (7)	3 Barnes Pragnell Theobald	2 O'Quinn Scott	1 Lambert	1 Howson
HUMAN RESOURCES (7)	3 Peltzer Dunn Pragnell Sheppard	2 Morris O'Quinn	1 Butler	1 Howson
URGENCY (7)	3 Barnes Taylor Theobald	2 O'Quinn Scott	1 Butler	1 Howson
APPOINTMENTS PANEL (5) (Group Leaders + 1 additional Conservative)	2 Barnes Theobald	1 Scott	1 Lambert	1 Howson
PENSIONS BOARD (4)	Butler, Earl, Penn, Taylor			

Appendix 2

PANEL ALLOCATIONS BASED UPON POLITICAL PROPORTIONS FOR 2016/17

Panel	TOTAL	
Scrutiny & Audit	7	3 Cons, 2 Lab, 1 LDem, 1 UKIP
Policy & Resources	7	3 Cons, 2 Lab, 1 LDem, 1 UKIP
Human Resources	7	3 Cons, 2 Lab, 1 LDem, 1 UKIP
Urgency	7	3 Cons, 2 Lab, 1 LDem, 1 UKIP
Total requiring political proportionality	28	
(The total number of seats = 28, divided 12:8:4:4 on the basis of the 2016/17 political balance)		
Appointments Panel	5	Group Leaders + 1 additional Conservative [+ Chairman of the Fire Authority, if not a Group Leader]
Pensions Board	3 or 4	3 or 4 depending upon the decision taken in the previous report on the agenda.
The Appointments Panel and Pensions Board do not have to be politically balanced, as agreed by the Fire Authority at its meeting in December 2014		

EAST SUSSEX FIRE AUTHORITY

Date: **16 June 2016**
 Title: **Fire Authority and Panel meetings 2016/17**
 By: **Monitoring Officer**
 Lead Officer: **Clerk to the Fire Authority**

Background Papers: None

Appendices: None

Implications:

Corporate risk		Legal	
Environmental		Policy	
Equality impact		Political	Included in the report
Financial		Other (please specify)	
Health & safety		Core brief	
Human resources			

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

Executive Summary:

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

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

Date:	Meeting:
7 July 2016	Scrutiny & Audit and Policy & Resources Panels
8 September 2016	Fire Authority
15 September 2016	Scrutiny & Audit Panel
3 November 2016	Scrutiny & Audit and Policy & Resources Panels
8 December 2016	Fire Authority
19 January 2017	Policy & Resources Panel
2 February 2017	Scrutiny & Audit Panel
9 February 2017	Fire Authority
27 April 2017	Scrutiny & Audit and Policy & Resources Panels
15 June 2017	Fire Authority
6 July 2017	Scrutiny & Audit and Policy & Resources Panels
7 September 2017	Fire Authority
14 September 2017	Scrutiny & Audit Panel
2 November 2017	Scrutiny & Audit and Policy & Resources Panels
7 December 2017	Fire Authority

All Fire Authority meetings to commence at 10:30 hours
All Panel meetings to commence at 10:00 hours

Notable dates in 2017:

Good Friday 14 April 2017
Easter Monday 17 April 2017

ESCC Elections Thursday 4 May 2017
ESCC Annual Meeting Tuesday 23 May 2017

B&H CC Annual Meeting Thursday 18 May 2017

CFA Annual Meeting Thursday 15 June 2017

EAST SUSSEX FIRE AUTHORITY

Date 16 June 2016

Title of Report Treasury Management – Stewardship Report for 2015/16

By Chief Fire Officer and Assistant Director Resources / Treasurer

Lead Officers Duncan Savage, Assistant Director, Resources / Treasurer

Background Papers Prudential Code for Capital Finance 2004
 Local Government Act 2003
 Local Government Investments – Guidance
 CIPFA Prudential Code
 CIPFA Treasury Management in the Public Services- Code of Practice Local Government and Public Involvement in Health Act 2007
 Communities & Local Government - Changes to the Capital Finance System
 East Sussex Fire Authority:
 12 February 2015 – Agenda Item 835: Treasury Management Strategy for 2015/16
 18 June 2015 – Agenda Item 854 Treasury Management – Stewardship report for 2014/15
 Policy and Resources Panel
 5 November 2015 – Agenda Item No 995: Half yearly report for 2015/16

Appendices None

Implications

CORPORATE RISK		LEGAL	✓
ENVIRONMENTAL		POLICY	
FINANCIAL	✓	POLITICAL	
HEALTH & SAFETY		OTHER (please specify)	
HUMAN RESOURCES		CORE BRIEF	
EQUALITY IMPACT ASSESSMENT			

PURPOSE OF REPORT The Annual Treasury Management Stewardship Report is a requirement of the Fire Authority’s reporting procedures and covers the Treasury activity for 2015/16. The report also includes the Prudential Indicators which relate to the treasury activity.

EXECUTIVE SUMMARY

The Fire Authority has complied with its approved Treasury Management Strategy and Prudential Indicators for the year.

In challenging economic conditions, the average rate of interest received through Treasury Management return was 0.65%. This reflected the Fire Authority's continuing prioritisation of security and liquidity over yield.

No new borrowing was undertaken in 2015/16, with total loan debt outstanding remaining at £10.973m at an average interest rate of 4.65%. There were no beneficial opportunities to reschedule debt during the year. The outturn of the Fire Authority's Capital Financing Requirement (CFR), a measure of the underlying need to borrow, is £10.973m.

RECOMMENDATIONS

The Fire Authority is asked to note the Treasury Management Performance for 2015/16.

1. INTRODUCTION

- 1.1 The Fire Authority's treasury management activities are regulated by a variety of professional codes and statutes and guidance:
- a) The Local Government Act 2003 (the Act), which provides the powers to borrow and invest as well as providing controls and limits on this activity;
 - b) Statutory Instrument (SI) 3146 2003 develops the controls and powers within the Act;
 - c) The SI requires the Fire Authority to undertake any borrowing activity with regard to the Chartered Institute of Public Finance and Accountancy (CIPFA) Prudential Code for Capital Finance in Local Authorities;
 - d) Under the Act the former Office of the Deputy Prime Minister has issued Investment Guidance to structure and regulate the Authority's investment activities.
- 1.2 The Fire Authority has adopted the CIPFA Code of Practice for Treasury Management in the Public Sector and operates its treasury management service in compliance with this Code and the above requirements. These require that the prime objective of the treasury management activity is the effective management of risk, and that its borrowing activities are undertaken on a prudent, affordable and sustainable basis and its treasury management practices demonstrate a low risk approach.

- 1.3 The Code requires the regular reporting of treasury management activities to:
- a) Forecast the likely activity for the forthcoming year (in the Annual Treasury Strategy Report);
 - b) Review actual activity for the preceding year (this report),
 - c) A mid-year review and
 - d) A change in the Strategy (if and when required).
- 1.4 This report sets out:
- a) A summary of the strategy agreed for 2015/16 and the economic factors affecting the strategy in the year;
 - b) The Fire Authority's treasury activity during the year on borrowing and short term investments;
 - c) The Prudential Indicators which relate to the Treasury function and compliance with limits.

2. **2015/16**

2.1 **Strategy for 2015/16**

2.1.1 At its meeting on 12 February 2015, the Fire Authority agreed its treasury management strategy for 2015/16, taking into account the economic scene including forecast levels of interest rates. At the same time, the Treasury Management Policy Statement was agreed for 2015/16 as set out below.

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

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

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

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

2.2 **Borrowing**

2.2.1 The Fire Authority at the beginning of 2015/16 did not expect to undertake any additional external borrowing in the next 12 months.

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

2.3 **Investment**

2.3.1 When the strategy was agreed in February 2015, it emphasised the continued importance of taking account of the current and predicted future state of the financial sector. The Treasury Management advisors (Capita Asset Services) commented on short term interest rates, the UK economy, inflation, the outlook for long term interest rates and these factors were taken into account when setting the strategy.

2.3.2 Additionally, the Authority continued to make use of the creditworthiness service provided by Capita Asset Services. This service employs a sophisticated modelling approach utilising credit ratings from the three main credit rating agencies - Fitch, Moodys and Standard and Poors. The credit ratings of counterparties are supplemented with the following overlays:

- Credit watches and credit outlooks from credit rating agencies;
- Credit default swap (CDS) spreads to give early warning of likely changes in credit ratings; and
- Sovereign ratings to select counterparties from only the most creditworthy countries.

2.3.3 The strategy going forward was to continue with the policy of ensuring minimum risk but was also intended to deliver secure investment income of at least bank rate on the Fire Authority's cash balances.

2.3.4 As was clear from the events globally and nationally since 2008, it is impossible in practical terms to eliminate all credit risk. The Fire Authority seeks to be as prudent as possible.

2.3.5 The strategy aimed to ensure that in the economic climate it was essential that a prudent approach was maintained. This would be achieved through investing with selected banks and funds which met the Authority's rating criteria. The emphasis would continue on security (protection of the capital sum invested) and liquidity (keeping money readily available for expenditure when needed) rather than yield. The strategy continued with this prudent approach.

- 2.3.6 It was also recognised that movements within the money markets happen with no notice and the Treasurer may have to amend this strategy in order to safeguard Fire Authority funds. As in the past any such actions would be reported to the next Fire Authority meeting.
- 2.3.7 It was not expected that any new external borrowing would be undertaken in 2015/16.
- 2.3.8 Opportunities for cost effective repayment of existing debt and restructuring opportunities would be constantly monitored and would have been taken if and when they emerged.
- 2.3.9 The Fire Authority balances were to be invested in line with the following specific methodology:
- 2.3.10 The modelling approach combines credit ratings, credit watches and credit outlooks in a weighted scoring system which is then combined with an overlay of CDS spreads for which the end product is a series of colour coded bands which indicate the relative credit worthiness of counterparties. These colour codes are used by the Authority to determine the duration for investments. The strategy provides scope to invest in AAA rated foreign banks. However the Authority proposes to only use counterparties noted in the table below and within the following durational bands that are domiciled in the UK.

- Yellow 2 years
- Purple 2 years
- Blue 1 year (only applies to nationalised or semi nationalised UK banks)
- Orange 1 year
- Red 6 months
- Green 3 months
- No Colour, not to be used

Y	P	B	O	R	G	N/C
Up to 2yrs	Up to 2yrs	Up to 1yr	Up to 1yrs	Up to 6 mths	Up to 100days	No Colour

- 2.3.11 The Capita Asset Services credit worthiness service uses a wider array of information than just primary ratings and by using a risk weighted scoring system, does not give undue influence to just one agency's ratings.
- 2.3.12 Typically the minimum credit ratings criteria the Authority use, will be a short term rating (Fitch or equivalents) of short term rating F1, long term rating A-, viability rating of A-, and a support rating of 1. There may be occasions when the counterparty ratings from one rating agency are marginally lower than these ratings but may still be used. In these instances consideration will be given to the whole range of ratings available, or other topical market information, to support their use.

2.3.13 All credit ratings will be monitored daily. The Authority is alerted to changes to ratings of all three agencies through its use of the Capita Asset Services credit worthiness service:

- If a downgrade results in the counterparty or investment scheme no longer meeting the Authority's minimum criteria, its further use as a new investment will be withdrawn immediately.
- In addition to the use of credit ratings the Authority will be advised of information in movements in Credit Default Swap against the iTraxx benchmark and other market data on a weekly basis. Extreme market movements may result in downgrade of an institution or removal from the Authority's lending list.

2.3.14 The Capita Asset Services methodology was revised in October 2013 and determines the maximum investment duration under the credit rating criteria. Key features of Capita Asset Services credit rating policy are:

- A mathematical based scoring system is used taking ratings from all three credit rating agencies.
- Negative and positive watches and outlooks used by the credit rating agencies form part of the input to determine a counterparty's time band (i.e. 3, 6, 9, 12 months etc.).
- CDS spreads are used in Capita Asset Services creditworthiness service as it is accepted that credit rating agencies lag market events and thus do not provide investors with the most instantaneous and 'up to date' picture of the credit quality of a particular institution. CDS spreads provide perceived market sentiment regarding the credit quality of an institution.
- After a score is generated from the inputs a maximum time limit (duration) is assigned and this is known as the Capita Asset Services colour which is associated with a maximum suggested time boundary.

COUNTERPARTY LIST

Counterparty	Country/ Domicile	Instrument	Maximum investments	Max. maturity period
Counterparties in UK				
Debt Management and Deposit Facilities (DMADF)	UK	Term Deposits	unlimited	1 yr
Government Treasury bills	UK	Term Deposits	unlimited	1 yr
Local Authorities	UK	Term Deposits	unlimited	1 yr
RBS/NatWest Group • Royal Bank of Scotland • NatWest	UK	Term Deposits (including callable deposits), Certificate of Deposits	£4m	1 yr
Lloyds Banking Group • Lloyds Bank • Bank of Scotland	UK		£4m	1 yr
Barclays	UK		£4m	1 yr
Santander UK	UK		£4m	1 yr
HSBC	UK		£4m	1 yr
Individual Money Market Funds	UK/Ireland/ domiciled	AAA rated Money Market Funds	£4m	Instant access

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

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

2.4 The Economy in 2015/16 – Commentary from Capita Asset Services (Treasury Management Advisors) in April 2016

- 2.4.1 Market expectations for the first increase in Bank Rate moved considerably during 2015/16, starting at quarter 3 2015 but soon moving back to quarter 1 2016. However, by the end of the year, market expectations had moved back radically to quarter 2 2018 due to many fears including concerns that China's economic growth could be heading towards a hard landing; the potential destabilisation of some emerging market countries particularly exposed to the Chinese economic slowdown; and the continuation of the collapse in oil prices during 2015 together with continuing Eurozone growth uncertainties.
- 2.4.2 These concerns have caused sharp market volatility in equity prices during the year with corresponding impacts on bond prices and bond yields due to safe haven flows. Bank Rate, therefore, remained unchanged at 0.5% for the seventh successive year. Economic growth (GDP) in the UK surged strongly during both 2013/14 and 2014/15 to make the UK the top performing advanced economy in 2014. However, 2015 has been disappointing with growth falling steadily from an annual rate of 2.9% in quarter 1 2015 to 2.1% in quarter 4.
- 2.4.3 The Funding for Lending Scheme, announced in July 2012, resulted in a flood of cheap credit being made available to banks which then resulted in money market investment rates falling materially. These rates continued at very low levels during 2015/16.
- 2.4.4 The sharp volatility in equity markets during the year was reflected in sharp volatility in bond yields. However, the overall dominant trend in bond yields since July 2015 has been for yields to fall to historically low levels as forecasts for inflation have repeatedly been revised downwards and expectations of increases in central rates have been pushed back. In addition, a notable trend in the year was that several central banks introduced negative interest rates as a measure to stimulate the creation of credit and hence economic growth.
- 2.4.5 The ECB had announced in January 2015 that it would undertake a full blown quantitative easing programme of purchases of Eurozone government and other bonds starting in March at €60bn per month. This put downward pressure on Eurozone bond yields. There was a further increase in this programme of QE in December 2015. The anti-austerity government in Greece, elected in January 2015 eventually agreed to implement an acceptable programme of cuts to meet EU demands after causing major fears of a breakup of the Eurozone. Nevertheless, there are continuing concerns that a Greek exit has only been delayed.
- 2.4.6 The UK elected a majority Conservative Government in May 2015, removing one potential concern but introducing another due to the promise of a referendum on the UK remaining part of the EU. The government maintained its tight fiscal policy stance but the more recent downturn in expectations for economic growth has made it more difficult to return the public sector net borrowing to a balanced annual position within the period of this parliament.

2.5 Interest on Short Term Balances

- 2.5.1 The total amount received in short term interest for the 2015/16 was £128,895 at an average rate of 0.65%.
- 2.5.2 Full detail of the interest received has been set out in paragraph 4.6.

2.6 Long Term Borrowing

- 2.6.1 No borrowing was undertaken in 2015/16. The total outstanding loan debt at 31 March 2016 was £10,973,000. A £150,000 PWLB loan matured on 30th September 2015. The average interest rate on external debt for the year was 4.65%.
- 2.6.2 In 2015/16, although the interest rates were monitored proactively to look for savings from early repayment of some loans and their replacement by new borrowing at a lower interest rate, no opportunities arose. Monitoring of opportunities for the rescheduling of loans will continue in the remainder of this and future years and the debt will be restructured when and if market conditions are favourable. In view of the relatively new debt outstanding and the existing interest rates close to those currently in the market, as well as the penalties for early repayment of loans, the opportunities for restructuring of debt for the Fire Authority may be limited. The decision to increase the PWLB lending rates without increasing the rate used for repaying debt has significantly reduced the opportunity to restructure debt.

2.7 Short term borrowing

- 2.7.1 No borrowing was undertaken on a short-term basis during 2015/16 to date to cover temporary overdraft situations.

3. PRUDENTIAL INDICATORS AND LIMITS RELATING TO TREASURY MANAGEMENT ACTIVITIES

3.1 The Limits Set For 2015/16

- 3.1.1 The Strategy Report for 2015/16 set self-imposed prudential indicators and limits. There are on an annual basis and monitored. They comprise:
- Authorised limit for borrowing (see 4.2 below)
 - Interest rate exposure (see 4.3 below)
 - Maturity structure of debt (see 4.4 below)
 - Compliance with the treasury management code of practice (see 4.5 below)
 - Interest on our investments (see 4.6 below)
 - Maturity structure of investments (see 4.7 below)
 - Capital Financing Requirement and Minimum Revenue Provision Statement (see 4.8 below)

None of the limits were exceeded in 2015/16.

3.2 Authorised Limit For Borrowing

3.2.1 The table below sets out the actual 2014/15, original estimate and outturn in 2015/16 for borrowing:

	2014/15 Actual	2015/16 Original Estimate	2015/16 Actual
	£000	£000	£000
Opening CFR	11,123	11,123	11,123
Capital Investment	2,081	5,855	3,168
Sources of Finance	(1,636)	(5,560)	(2,873)
MRP	(445)	(445)	(445)
MRP - Finance Leases	-	-	-
Movement in year	-	(150)	(150)
Closing CFR	11,123	10,973	10,973
less Finance Lease Liability	-	-	-
Underlying Borrowing Requirement	11,123	10,973	10,973
Actual Long Term Borrowing	11,123	10,973	10,973
Over / (Under) Borrowing	-	-	-
Operational Boundary	11,590	11,441	11,441
Authorised Limit	13,982	13,831	13,831

3.2.2 The outturn for 2015/16 shows no under or over borrowing.

3.2.3 The borrowing limits set in each year include capacity to borrow in advance of need.

3.2.4 The Operational boundary for borrowing was based on the same estimates as the Authorised limit. It reflected directly the authorised borrowing limit estimate without the additional amount for short term borrowing included to allow, for example, for unusual cash movements. The Operational boundary represents a key management tool for in year monitoring and long term borrowing control.

3.2.5 The Authorised limit was consistent with the Fire Authority's current commitments, existing plans and the proposals for capital expenditure and financing, and with its approved treasury management policy statement and practices. It was based on the estimate of most likely, prudent but not worst case scenario, with in addition sufficient headroom (short term borrowing) over and above this to allow for day to day operational management, for example unusual cash movements or late receipt of income. Risk analysis and risk management strategies were taken into account as were plans for capital expenditure, estimates of the capital financing requirement and estimates of cash flow requirements for all purposes.

3.2.6 The Authorised limit is the 'Affordable Borrowing Limit' required by S3 of the Local Government Act 2003 and must not be breached. The estimated long term borrowing at 31 March 2016 of £10,973,000 is under the Authorised limit set for 2015/16 of £13,831,000.

3.3 Interest Rate Exposure

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

	2015/16	2016/17	2017/18
Interest rate exposures	Upper	Upper	Upper
Limits on fixed interest rates based on net debt*	100%	100%	100%
Limits on variable interest rates based on net debt*	0%	0%	0%

*Net debt is borrowings less investments

3.4 Maturity Structure of Debt

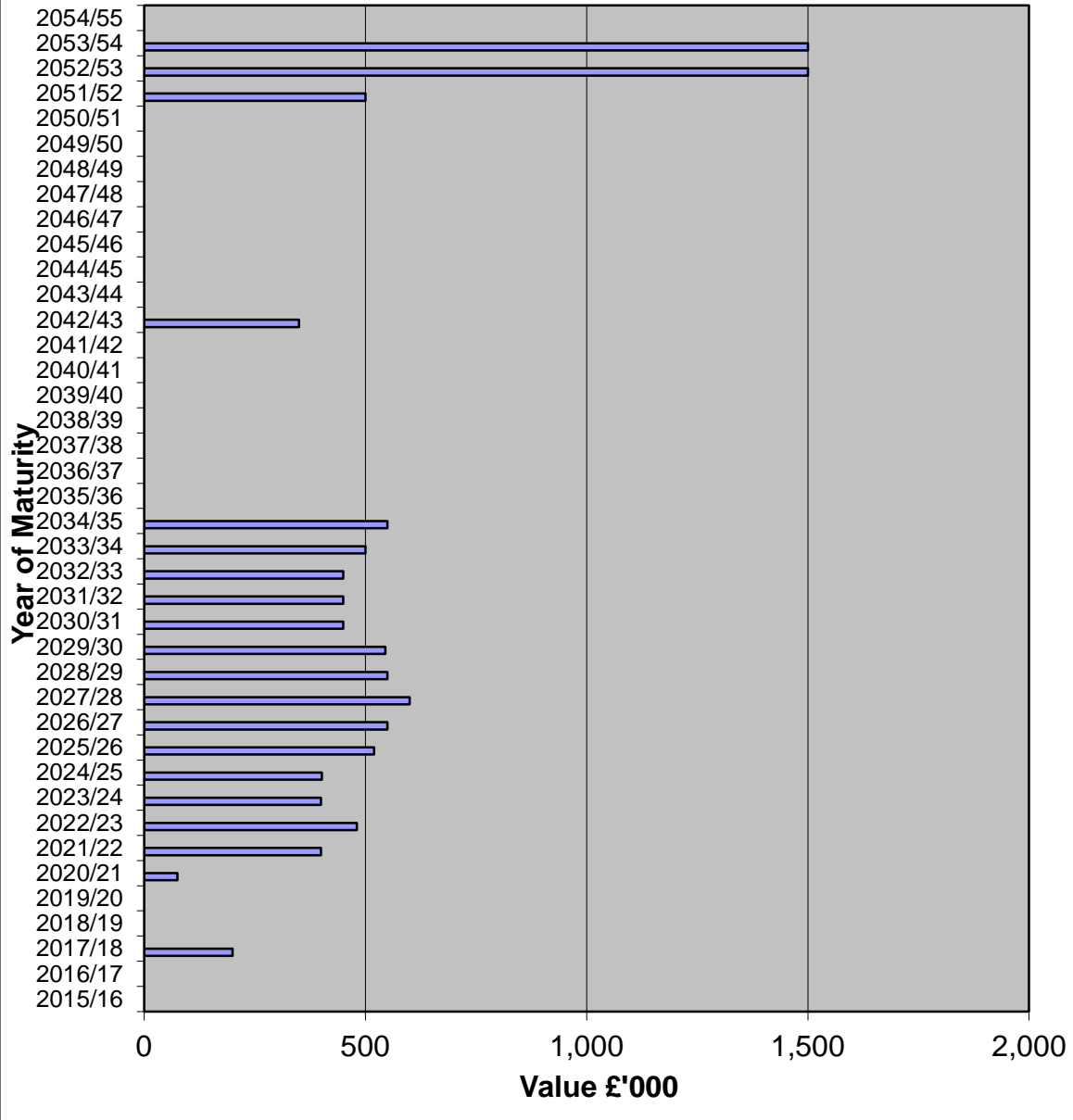
3.4.1 The Fire Authority set upper and lower limits for the maturity structure of its borrowings as follows.

	<u>Estimated Lower Limit</u>	<u>Estimated Upper Limit</u>	<u>At 31 March 2016</u>
Under 12 months	0%	25%	0%
12 months and within 24 months	0%	40%	2%
24 months and within 5 years	0%	60%	1%
5 years and within 10 years	0%	80%	20%
10 years and within 20 years	0%	80%	42%
20 years and within 30 years	0%	80%	3%
30 years and within 40 years	0%	80%	32%
Over 40 years	0%	80%	0%

3.4.2 Any new borrowing undertaken would give due consideration to the debt maturity profile, ensuring that an acceptable amount of debt is due to mature in any one financial year. This helps to minimise the authority's exposure to the risk of having to replace a large amount of debt in any future years when interest rates may be unfavourable.

3.4.3 No new borrowing was undertaken in 2015/16. The following graph shows the majority of debt matures in the next 10 to 20 years with some longer dated maturities out to 2052/53 and 2053/54. The next loan to be repaid will be on the 31 December 2017 (£200,000).

PWLB Loans Maturity Profile at 31st March 2016



3.5 Compliance With The Treasury Management Code of Practice

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

3.6 Interest On Our Investments

3.6.1 Base interest rate has stayed at 0.50% in 2015/16. The rate is the lowest ever rate and the rate has remained unchanged for the longest period on record. The last change was on 5 March 2009.

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

3.6.3 The strategy for 2015/16 continued the prudent approach and ensured that all investments were only to the highest quality rated banks and only up to a period of one year.

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

Month	Amount £	Monthly rate	Margin against Base rate (0.50%)	Average balance in month £m
April	8,888	0.57%	+0.07%	18.96
May	8,989	0.61%	+0.11%	17.30
June	8,443	0.62%	+0.12%	16.69
July	8,968	0.61%	+0.11%	17.18
August	11,572	0.62%	+0.12%	21.98
September	11,447	0.63%	+0.13%	22.16
October	11,759	0.67%	+0.17%	20.79
November	11,425	0.67%	+0.17%	20.77
December	11,890	0.67%	+0.17%	20.84
January	12,004	0.68%	+0.18%	20.86
February	11,361	0.70%	+0.20%	21.09
March	12,150	0.68%	+0.18%	21.07
Total in 2015/16	128,895	0.65%	+0.15%	19.98

3.6.5 The total amount received in short term interest for the year was £128,895 at an average rate of 0.65%. This was just above the average base rates in the same period (0.50%) but reflects the Fire Authority's risk appetite ensuring, so far as possible in the financial climate, the security of principal and the minimisation of risk.

3.6.6 Instant access (call) bank account deposit rates remained depressed during the whole year, due to banking regulations on short dated investments held on bank balance sheets. Instant access cash money market funds returned around 0.45%. The Fire Authority had a £2m deposit invested for 12 months throughout the year with Lloyds/HBOS earning 1.00%. During 2015/16 notice accounts earned the Fire Authority additional yield notably with Barclays, Santander and Lloyds/HBOS. The notice period for return on deposits with these banks ranged from 95 to 175 days.

3.7 Maturity Structure of Investments

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

3.8 Capital Financing Requirement and Minimum Revenue Provision Statement

3.8.1 The Fire Authority's Borrowing Need (the Capital Financing Requirement)

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

3.8.3 The Fire Authority approved the CFR projections for 2015/16 in its Strategy approved in February 2015. These are in the original estimate below.

	2014/15 Actual £000	2015/16 Original Estimate £000	2015/16 Actual £000
Opening CFR	11,123	11,123	11,123
Closing CFR	11,123	10,973	10,973
Movement in CFR	-	(150)	(150)
Movement in CFR represented by:			
Net financing	445	445	445
MRP	(445)	(445)	(445)
Reduction in Finance Lease Liability	-	-	-
Movement in year	-	-	-

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

3.8.5 The Fire Authority has implemented MRP guidance and has assessed the MRP for 2015/16 in accordance with the main Department for Communities and Local Government (CLG) Regulations contained within the guidance issued by the Secretary of State under section 21 (1A) of the Act. A variety of options were provided to authorities, so long as there was a prudent provision. The major proportion of the MRP for 2015/16 related to the more historic debt liability for capital expenditure incurred before 1 April 2008 or which in the future will be Supported Capital Expenditure, the MRP policy will be:

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

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

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

4. **TREASURY MANAGEMENT ADVISORS**

4.1 The Strategy for 2015/16 explained that the Fire Authority uses Capita Asset Services as its treasury management consultant through the contract that exists with East Sussex County Council. A range of services have been provided including:

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

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

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

5. **CONCLUSION**

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

Agenda Item No. 927

EAST SUSSEX FIRE AUTHORITY

Date 16 June 2016

Title of Report Performance Indicators Review

By Chief Fire Officer

Lead Officer Liz Ridley, Assistant Director – Planning & Improvement

Background Papers Agenda Item No. 602, Policy & Resources Panel meeting, 3 September 2009 'Performance Indicator Rationalisation – progress update'

Agenda Item No. 804, Policy & Resources Panel meeting, 24 May 2012, 'Future Corporate Performance Targets up to 2015/16'

Appendices Appendix 1
Proposed list of Performance Indicators to be reported from 2016/17 at Scrutiny & Audit Panel meetings

Appendix 2
Proposed list of Performance Indicators to be removed from the Scrutiny & Audit Panel reports

Implications

CORPORATE RISK		LEGAL	
ENVIRONMENTAL		POLICY	
FINANCIAL		POLITICAL	
HEALTH & SAFETY		OTHER (please specify)	
HUMAN RESOURCES		CORE BRIEF	
EQUALITY IMPACT ASSESSMENT			

PURPOSE OF REPORT To propose an amendment to the Fire Authority's Performance Indicators.

EXECUTIVE SUMMARY At the Policy & Resources Panel meeting in May 2012 Members recommended for final approval by the Fire Authority the future corporate performance indicator targets from 2011/12 up to 2015/16 (base line 2010/11) for inclusion in the Service's Planning documents.

The Panel also agreed to utilise these as the strategic performance indicator targets for the five years up to 2015/16 and agreed that they should be monitored on a quarterly basis by officers, and the Scrutiny & Audit Panel.

At the Scrutiny & Audit Panel meeting on 4 February 2016 the Panel requested that the current list of performance indicators, reported quarterly to the Panel, be reviewed, and be removed where they no longer present relevant information to the Panel.

Officers have completed the fundamental review of our performance indicators and this report proposes changes for the approval of the Policy & Resources Panel for future reporting to the Scrutiny & Audit Panel of the Fire Authority.

RECOMMENDATIONS Members are asked to:

- i. approve the latest strategic performance indicator targets as those contained in Appendix 1;
- ii. approve the deletion of indicators in Appendix 2; and
- iii. note the reduced list of 22 indicators, from the previous 36, to be reported at the Scrutiny & Audit Panel on a quarterly basis.

1. **BACKGROUND**

- 1.1 At the Scrutiny & Audit Panel meeting on 4 February 2016, Members requested that the current list of performance indicators, reported quarterly to the Panel, be reviewed and removed where they no longer present relevant performance information on the Fire & Rescue Service, to the Panel.
- 1.2 This was timely given that officers had already commenced a fundamental review of our performance indicators as a result of the previous approval of the Policy & Resources Panel in May 2012. At the meeting Members recommended that future corporate performance indicator targets from 2011/12 up to 2015/16 (base line 2010/11) for inclusion in the Service's Planning documents.
- 1.3 Members will be aware that we currently report on 36 indicators, largely based on the decisions taken by Members in 2012. Officers have, therefore, undertaken a fundamental review of the existing performance indicators and propose to Members that, for the next five years, officers report on a reduced suite of 22 performance indicators.
- 1.4 Appendix 1 contains the reduced list of performance indicators that is proposed we report against at the Corporate Management Team meetings and the quarterly Scrutiny & Audit Panel meetings. Appendix 2 lists the indicators that we are proposing to remove from the quarterly reports. It also states other locations that this data is reported in, where appropriate, and the frequency of those reports.

- 1.5 Members will also be aware that there are likely to be new national indicators introduced by the Home Office as part of the Home Secretary's recently announced Fire Reform programme, in order to allow for public transparency and the ability to compare performance in all English FRS.
- 1.6 In addition, the Home Secretary has already expressed clearly the need for improved assurance of FRSs, part of which will be the re-introduction of an independent inspectorate. There are expected to be amendments to the proposed Policing & Crime Bill prior to Royal Assent, to ensure the Government has the power to commission independent inspections of fire and rescue services. It is highly probable that these inspections will seek to utilise both local and any new suite of national performance indicators.

2. **NEXT STEPS**

- 2.1 Members will be aware that there is work underway in parallel to refresh the Service's IRMP, in addition to the potential for a new set of standard national indicators within the next year as part of the Home office's proposals for Fire reform, and we would, therefore, propose to review the proposed 22 indicators presented below at the end of 2016/17 to ensure that they still meet the authority's requirements.

APPENDIX 1

Proposed list of Performance Indicators to be reported from 2016/17 at Scrutiny & Audit Panel meetings

PI Number	Performance indicators to be reported Quarterly to the Scrutiny & Audit Panel	Is the indicator new or an existing one?
1	Percentage of Home Safety Visits to vulnerable people	Existing
2	Number of Home Safety Visits	Existing
3	Total number of incidents attended	New
4	Number of safe and well visits conducted	New
5	Number of primary fires	Existing
6	Number of accidental dwelling fires	Existing
7	Number of fires in Industrial and Commercial fires (previously Non-domestic properties)	New
8	Deliberate fires (primary & secondary)	New (a combination of 3 previously reported indicators)
9	Number of deaths in primary fires	Existing
10	Number of injuries in primary fires	Existing
11	Percentage of Automatic Fire Alarm calls challenged by SCC for ESFRS	Existing
12	Percentage of fires confined to the room of origin	Existing
13	The number of working days/shifts lost due to sickness per employee	Existing
14	Number of RIDDOR incidents	Existing
15	Number of workplace reported accidents / injuries	Existing
16	First arriving appliance (average attendance times)	Existing
17	Second arriving appliance average attendance times)	Existing
18	A reduction of automatic fire alarms (AFA)	Existing
19	Percentage of AFA mobilised calls to properties covered by the RRO that were classified as a primary fire	Existing
20	Inspections of high risk premises completed	Existing
21	Number of Business Safety engagement events	New
22	Alternative and more comprehensive H&S Indicator/s to follow, (work to be completed by D Whiting)	New / TBC

APPENDIX 2

Proposed list of Performance Indicators to be removed from the Scrutiny & Audit Panel reports

PI Number	Performance indicators to be removed from the Quarterly performance reports at the Scrutiny & Audit Panel	If this information will be reported elsewhere, where and when will it be available
11	Deaths in Accidental Dwelling Fires	This number is included in the deaths in Primary fires indicator above
12	Injuries in Accidental Dwelling Fires	This number is included in the injuries in Primary fires indicator above
13a	Deliberate primary fires not in vehicles	As these numbers are reducing it is proposed to combine all deliberate fires indicators and report under one deliberate fire indicator
13b	Deliberate primary fires in vehicles	As these numbers are reducing it is proposed to combine all deliberate fires indicators and report under one deliberate fire indicator
14	Deliberate secondary fires	As these numbers are reducing it is proposed to combine all deliberate fires indicators and report under one deliberate fire indicator
4b	Percentage of AFA calls challenged by ESFRS	This will no longer be reported
4c	Percentage of AFA calls turned back by ESFRS	This will no longer be reported
15	Number of fires in non-domestic properties	It is proposed to redefine this indicator and report only Industrial and Commercial fires
22	Percentage of incidents attended within 20 minutes	New attendance standards will be agreed as part of the current IRMP, this indicator will no longer be reported until the outcomes of the IRMP are known
6	Expenditure per head of the population	This will be reported in the annual plan /annual outcomes report
34	To achieve a 3.5% reduction in CO2 emissions against 2010/11	This will no longer be reported

PI Number	Performance indicators to be removed from the Quarterly performance reports at the Scrutiny & Audit Panel	If this information will be reported elsewhere, where and when will it be available
35	Percentage of people satisfied with the service received during the 999 call	This will be reported in the annual plan /annual outcomes report
36	Percentage of people satisfied with the service received at the scene of the incident	This will be reported in the annual plan /annual outcomes report
24	Achievement of excellence in the Equality Standard in Local Government	This award was achieved in 2011/12 and ESFRS has no current plans reapply, so this Indicator will no longer be reported
26	Retained (RDS) female firefighters as new entrants	This will now be reported annually in the Benchmarking report
27	Minority ethnic staff as new entrants to the FRS	This will now be reported annually in the Benchmarking report
28	Disabled employees as new entrants to the FRS	This will now be reported annually in the Benchmarking report
	Number of operational staff completing development programmes	This will not be reported
30	Number of injuries sustained by Wholetime and Retained firefighters during operational activities	This is reported annually in the Benchmarking report
31	Total number of injuries sustained by Wholetime and RDS firefighters during training activities	This is reported annually in the Benchmarking report

EAST SUSSEX FIRE AUTHORITY

Date 16 June 2016
Title of Report Senior Management Restructure
By Chief Fire Officer
Lead Officers Cheryl Rolph, Assistant Chief Officer and Vicky Chart, Head of Human Resources

Background Papers Amendment to the title of Chief Fire Officer, Fire Authority Agenda Item No. 537, 6 June 2002; Senior Management restructure Fire Authority Agenda Item No. 895, 10 December 2015 and Senior Management restructure Fire Authority Agenda Item No. 907, 11th February 2016.

Appendices None

Implications

CORPORATE RISK	✓	LEGAL	✓
ENVIRONMENTAL		POLICY	
FINANCIAL	✓	POLITICAL	
HEALTH & SAFETY	✓	OTHER (please specify)	
HUMAN RESOURCES	✓	CORE BRIEF	
EQUALITY IMPACT ASSESSMENT ✓ - no further adjustments since 11/2/2016			

PURPOSE OF REPORT To advise the Fire Authority of the progress with the management restructure and of any material issues.

EXECUTIVE SUMMARY The aim of the structure review was to deliver financial savings but also, by creating an organisational structure that reflected the changes needed to meet the Authority's future requirements from 2016; to deliver organisational change and be more efficient and lean.

RECOMMENDATION The Fire Authority is asked to note the progress made on the implementation and the change made to the capital programme.

1. **INTRODUCTION**

- 1.1 The Authority has experienced sustained reductions in its grant funding as a result of the Government's deficit reduction strategy. Through its Changing the Service, Shaping the Future programme it has identified £6.4m of savings between 2014/15 and 2020/21, and expects to have to make further savings of £0.3m by the end of this period to close its funding gap.
- 1.2 At its February 2016 meeting, the Fire Authority considered the results of the staff and union feedback and the equality impact assessment/action plan following the restructure proposals. Having considered these, Members noted the implementation dates and requested a further update at their June 2016 meeting.
- 1.3 This report informs Members of the progress made thus far, as well as advising of any material changes, including those to the financial summary, and savings estimated at the time of reporting to the Fire Authority in February 2016.

2. **IMPLEMENTATION**

- 2.1 The new structure became operational with the new senior managers being in place and forming part of the Corporate Management Team on 7 March 2016. Overall, senior managers are settling in and will be undergoing a development programme over the next several months, as well as reviewing their own areas to identify risks and resource requirements.
- 2.2 Members will recall that Steve Apter, Assistant Chief Fire Officer at Hampshire, was seconded to ESFA on 1 November to cover the vacancy at DCFO level; the secondment ended on 31 May 2016. The contribution of Steve and support to the Service has been invaluable at this challenging time and, on behalf of the Authority, a letter of thanks and appreciation will be sent to Hampshire Fire & Rescue Authority.
- 2.3 The recruitment process for the Deputy Chief Fire Officer and Assistant Chief Fire Officer was completed at the end of March. Dawn Whittaker, DCFO Northamptonshire/currently seconded to the Home Office, was appointed as DCFO and Mark Andrews, London Fire Brigade, was appointed as Assistant Chief Fire Officer. Both officers commenced employment with East Sussex Fire Authority on 1 June 2016.
- 2.4 At this stage there is nothing material to report to Members other than to confirm that the structure has been fully implemented as per their approval in December 2015.

3. **FINANCIAL IMPLICATIONS**

- 3.1 In the February report to the Fire Authority, officers commented that the exact financial savings will not be known until the consultation process is complete, job evaluation and grading has been undertaken, and implications in terms of redundancy costs and pay protection are clear. As the final savings from the restructure are not yet confirmed they have not been built into the Authority's budget proposals for 2016/17. They will be built into the Medium Term Financial Plan (MTFP) in due course and any in-year savings reflected in the regular budget monitoring reports.
- 3.2 Members will recall that full implementation of the structure would be in 1 July 2016 as some staff had a 3-month notice period. This has not resulted in any material changes to the financial estimates.
- 3.3 Following a review of the Resources Directorate structure by the Assistant Director Resources / Treasurer, a redeployment opportunity has been identified for one member of staff at risk of redundancy. This redeployment has now been confirmed and will reduce the cost of redundancies but will also reduce the overall saving by c. £35,000 per annum initially and then £55,000 from 2019/20 when another funding stream ceases.
- 3.4 Therefore, based on current estimates, we anticipate that, once fully implemented, the new senior management structure will deliver revenue budget savings in the order of £239,000 per annum, slightly lower than previously reported. These savings will be reduced by both the on-going costs of applying the Authority's pay protection policy over 3 years and one-off costs of redundancy.

	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000
Net revenue budget saving (Feb 2016)	185	247	247	269	276
Net revenue budget saving (June 2016)	192	230	230	239	239
Redundancy costs (Feb 2016)	(90)				
Redundancy costs (June 2016)	(44)	0	0	0	0

This would give a payback period of approximately 4 months (taking account of both pay protection and redundancy costs). Redundancy costs are funded from the Improvement & Efficiency Reserve, so the net revenue budget saving for 2016/17 would be £192,000. These costings do not take into account any potential impact of the planned review of job evaluation and gradings, due to be carried out in 2016/17, or any changes to the structure below Assistant Director level as referred to in 2.1 above (excepting that set out in 3.3).

- 3.5 There is also the impact on pension costs through pension strain, as a result of restructure. This is not an immediate cost to the Authority, as we pay an additional 1% contribution to the East Sussex Pension Fund each year, but would be taken into account at the next actuarial valuation and may impact on future employer contribution rate.
- 3.6 As part of the Principal Officers' terms and conditions, provision for a car is made either through access to the lease scheme, a provided car or management allowance of 12% of salary which is pensionable. One appointee has signalled their wish to have a provided car and one is still considering their options. This creates a pressure on the existing capital programme provision for cars and vans, however, this can be funded from the forecast underspend on the overall capital programme. This is allowed for under Financial Regulations 7.2.6 which permit the Chief Fire Officer to make this adjustment at officer level subject to notification to the Fire Authority. There is, however, a compensating saving in the revenue budget due to the postholder no longer receiving the management allowance and this is reflected in the table above.

4. **EQUALITY IMPACT ASSESSMENT (EIA)**

- 4.1 An EIA has been completed and previously considered by Members. An action plan to mitigate against any adverse effects has been drawn up and an update on this will be provided when the structure is next considered (June 2017).

5. **CONCLUSIONS**

- 5.1 The aim of the structure review was to deliver financial savings by creating an organisational structure that reflected the changes needed to meet the Authority's current needs from 2016; to deliver organisational change; and to be efficient and lean.
- 5.2 Whilst it is early days, implementation is almost complete, and there is nothing material or significant to report at this time that would require a change in the proposals of the Chief Fire Officer.

EAST SUSSEX FIRE AUTHORITY

Date 16 June 2016

Title of Report Potential Relocation of Lewes Fire Station, North Street Lewes

By Chief Fire Officer and
Assistant Director Resources / Treasurer, Duncan Savage

Lead Officer Estates Manager, Julian Salmon

Background Papers None

Appendices Appendix A – Site Location Plan
Appendix B – Draft Memorandum of Agreement and baseline
schedule of accommodation
Appendix C – Draft letter to LDC

Implications:

CORPORATE RISK	✓	LEGAL	✓
ENVIRONMENTAL		POLICY	
EQUALITY IMPACT		POLITICAL	✓
FINANCIAL	✓	OTHER (PLEASE SPECIFY)	
HEALTH & SAFETY		CORE BRIEF	
HUMAN RESOURCES			
EQUALITY IMPACT ASSESSMENT			

Purpose of Report: To update Members on the proposals to relocate Lewes Fire Station as part of the North Street Quarter redevelopment scheme.

Executive Summary:

1. Discussions have been ongoing for some time between ESFRS, the Santon Group (developers undertaking the redevelopment of the North Street Quarter in Lewes), and other local stakeholders including Lewes District Council, NHS and South East Coast Ambulance Service (SECAmb).
2. Lewes District Council has agreed Heads of Terms to enter into a joint venture agreement (JV) with the Santon Group to deliver the North Street Quarter redevelopment scheme.
3. The current Fire Station site falls within the development zone and therefore, Lewes District Council is keen to identify a suitable site for our relocation to ensure that the full redevelopment scheme and associated benefits can be realised.

4. Planning consent was granted on the 10th December 2015 for the North Street Quarter redevelopment. The Fire Station falls within phase 2 of the scheme and it is anticipated that works will commence for this phase towards the end of 2017.
5. A number of relocation sites have been considered during the outline discussion stage and Springman House, the former NHS and SECamb site located nearby on the junction of North Street and Lancaster Street, has been identified as our preferred relocation site.
6. At its Cabinet meeting on 21 March 2016 Lewes District Council Members gave authorisation to Officers to negotiate and complete the purchase of the Springman House site from the NHS and SECamb, for either its own use or to support the relocation of the Fire Station in Lewes.

RECOMMENDATION

The Fire Authority is asked to approve and issue of a letter of intent to Lewes District Council and agreement in principle to the draft Memorandum of Agreement (Subject to Contract), together with schedule of accommodation outlining ESFRS baseline requirements for a replacement site.

1. BACKGROUND

- 1.1 Outline discussions have been ongoing with the Santon Group for a number of years on the potential relocation of the Lewes Fire Station which currently sits within the North Street Development Quarter of Lewes.
- 1.2 The relocation of the Fire Station would unlock the strategically significant North Street Quarter (NSQ) development in Lewes. NSQ is a £150m mixed use brownfield site that will deliver the following regeneration benefits to the area:
 - 416 new homes, of which 40% will be affordable
 - 140,000 sq. ft. of new workspace, including subsidised creative
 - 475 full time jobs,
 - 100 full time construction jobs
 - A new modern health centre for 26,000 patients
 - Strategically important flood defences, completing the defence of Lewes,
 - A public square hosting contemporary restaurants and alfresco riverside dining, a two tier riverside promenade and extensive new cycle paths and footpaths.
- 1.3 To date ESFRS have remained open to these discussions and stated that if they can identify a suitable relocation site that meets our needs then we would consider their proposal in order to support the broader benefits and outcomes for the local community.

- 1.4 The rural review identified that the existing site of the fire station was near to being in an optimal location but that generally if we were to move closer towards the population centre of Lewes, then this would be beneficial. However, we know that suitable sites in these locations are difficult to find and rarely become available. The report highlighted that efforts should be made to relocate the site as it is currently located within a flood risk area.
- 1.5 This report follows earlier work undertaken where potential relocation sites were identified in and around Lewes. More recently a second potential site was identified off Brooks Close at the rear of the Tesco site on the Malling Industrial Estate. Following a Community Risk Assessment and report considered by the Corporate Management Team, the Springman House site remains the preferred relocation site.
- 1.6 A draft memorandum of agreement has been prepared following these discussions to set out in principle how any land transaction and development of a replacement Fire Station would take place. It is currently proposed that the Joint Venture Agreement (JV) would develop a replacement Fire Station which, on successful completion, would be handed over to ESFRS in exchange for our current site, on a nil cost to the Authority basis. Any increases in costs would be borne by the JV Partners, and any residual site value benefit of the current site would be handed back to ESFA.
- 1.7 It should be noted that based on work undertaken by Lewes District Council, the cost of acquiring Springman House plus the cost of building the new fire station does not equate to the “value” being derived from owning the existing fire station site. The JV are currently working on the basis of a potential £2.7m deficit, which will be shared by Lewes District Council and the developer, therefore it is unlikely that there will be any residual value available to be handed back to ESFA at this time. Although we would seek to undertake an independent valuation of the site prior to entering into any final agreement.
- 1.8 At its Cabinet meeting on 21 March 2016 Lewes District Council Members gave delegated authority for Officers to proceed with negotiations and complete the purchase of the Springman House site from both the NHS and SECamb.
- 1.9 ESFRS Estates Manager and the Local Management Team (Borough Commander and Station Manager) for Lewes have met with the Head of Regeneration and Investment for Lewes District Council and the developer lead for the Santon Group, where an outline accommodation schedule was presented and discussed. The schedule sets out ESFRS initial requirements from any replacement Fire Station based on future needs for the area.
- 1.10 Further information on the Springman House site is covered below. The site locations are shown in Appendix A.
- 1.11 The Community Risk Management team have been asked to assess the impact of the Springman House site, the summary is also contained further below in this report.

2. **SPRINGMAN HOUSE SITE 'NORTH STREET'**

- 2.1 The site is located on the junction of Lancaster Street and North Street. The site is approximately 0.21 (ha) and consists of a three storey building, Springman House, that was until recently used by the NHS Primary Care Trust. To the rear of this building is a large yard and SECamb workshop buildings, used currently for ambulance parking with shared access from Lancaster Street. This yard sits above the pavement level of North Street and spot levels suggest a fall of approximately 2.5m east/west across the site.
- 2.2 The existing fire station site is approximately 0.21 (ha). It has been established that in addition to the Springman House site, it would also be necessary to include the SECamb yard and buildings to the rear of the site.
- 2.3 There is a change in level across the site, which means that although the access off Lancaster Street and tracking/clearance to the rear of the building is achievable, it is likely that part of the site would be at a higher level, consideration will need to be made for the drill yard/training areas, tower and parking.
- 2.4 The Springman House site lies adjacent to the Sussex Police Station and public car park, which is also owned by Sussex Police Service and managed by East Sussex County Council (ESCC). There is an option to explore whether any new facility could be combined and joined to the Police Station. Further feasibility work would be required to explore whether this option is viable, as there are significant changes in levels between the Police Station and Springman House to overcome in any scheme.

3. **COMMUNITY RISK MANAGEMENT ASSESSMENT**

- 3.1 The Community Risk Management team have undertaken a high level appraisal of both the Springman House site 'North Street' and Brooks Road site. The assessment included community risk modelling and also considered flooding risk. An extract of their assessment is included below:

'The rural review demonstrated that the existing site of the fire station was pretty much in the optimal location (if it could move towards the population centre of Lewes then this would be beneficial but suitable sites in this location are much more difficult to find), but it was noted that effort should be made to relocate the premises as it currently sits within a flood risk area.'

- 3.2 It should be noted that as part of the NSQ redevelopment scheme, major flood defence improvement works are proposed that will remove this risk for the existing site.
- 3.3 *'The existing site of Lewes Fire Station sits within an area defined by the "Risk of Flooding from Rivers and Seas April 2015" dataset where the probability of flood is "High" and the Risk for Insurance SOP is flagged as "yes"'. 'the "North Street" site falls outside of the flood risk area entirely and is situated closer to households that are deemed to be higher-than-average fire risk..*

- 3.4 An impact on Community Risk (for dwelling fires and RTCs) has also been undertaken which has established that '*compared against our existing site*', '*there is a negligible impact overall in terms of 'risk of death' in either dwelling fire or RTC - namely because the "North Street" site is <1 minute from the existing site*' '*the small changes in risk are positive for "North Street" (an additional life saved every 87 years)*'.

4. **PURCHASE AND DELIVERY PROCESS**

- 4.1 The potential purchase process and delivery of a new fire station have been discussed with LDC and the Santon Group. We have highlighted the need to de-risk the process from ESFRS's view and a memorandum of agreement (subject to contract) has been prepared which set out the principles of any future agreement. A copy of this is included under Appendix B.
- 4.2 There are procurement issues to consider, as although land transfers themselves do not constitute a procurement, and therefore only require compliance to local rules (CFA Constitution), the delivery of the fire station could result in procurement.
- 4.3 Lewes District Council are proposing to enter into a joint venture (JV) development arrangement with the Santon Group, draft heads of terms have already been agreed. Therefore, by utilising this arrangement, there would be no need to undertake an additional procurement. Under this approach, LDC would purchase the relocation site and then under their JV with the developer, arrange for the construction of the new building. ESFRS would essentially be client with LDC acting on our behalf and acting as the contracting authority. On satisfactory completion of the new fire station and following any move over, the site ownership of the new site would transfer to ESFRS, with the old site transferring to the JV.
- 4.4 There is an option to either request the JV to develop the new facility or alternatively request that they transfer sufficient funds into an escrow account for ESFRS to procure and construct the new facility. In terms of risk, it would be more appropriate to place the obligation on the JV to deliver the new facility, should costs increase this will be at the risk of the JV. It is recognised that there would need to be transparent accounting procedures in place and that any value of our existing site, less purchase/ construction costs, are returned to ESFRS. Although, as highlighted earlier, due to the purchase and construction costs for the new facility, it is unlikely that there will be residual value to hand back.

5. **CORPORATE RISK**

- 5.1 Ahead of entering into any agreement, there will be a need to identify the corporate and Service risks associated to the relocation site. Any increase in risks will need to be considered and appropriate mitigation measures put in place to manage these.

6. **FINANCIAL**

- 6.1 Ahead of any agreement, the full financial implications of the proposals will need to be understood. There will also be a requirement for transparent accounting procedures between the parties to ensure that ESFRS can demonstrate we have achieved best value for the Fire Authority, as well as the independent valuation undertaken to establish the value of our existing site.

7. **POLITICAL**

- 7.1 It is likely that there would be political issues if we were not to act in a co-operative way with Lewes District Council.

8. **LEGAL**

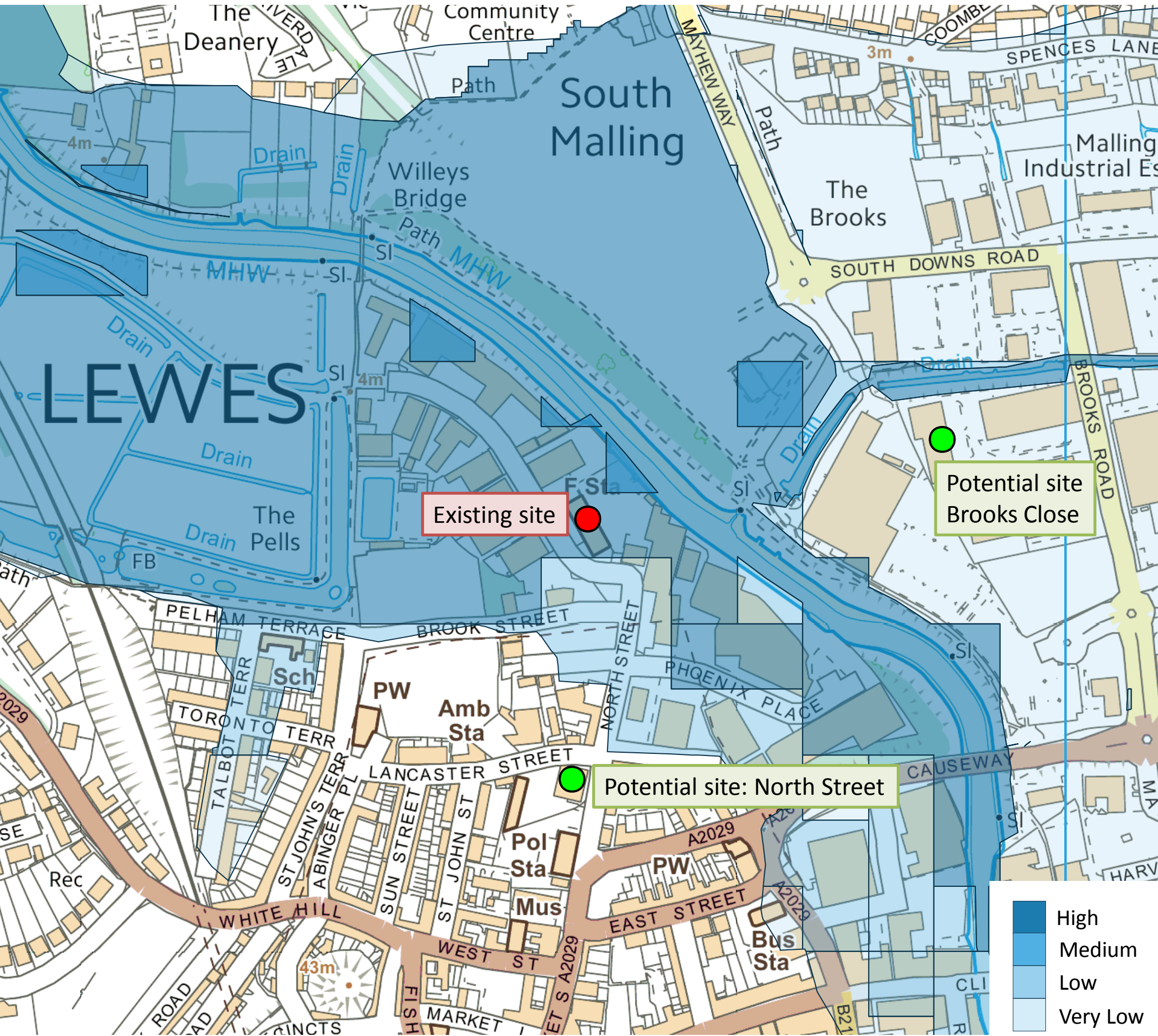
- 8.1 Ahead of entering into any agreement, we would need to seek legal advice from Brighton and Hove City Council Legal Team.

9. **CONCLUSION AND NEXT STAGES**

- 9.1 At this stage it is not intended to commit ESFRS to any legal binding agreement. The Joint Venture has asked that ESFRS provide some formal commitment to the proposed North Street relocation site of Springman House and also to the principles drafted in the Memorandum of Agreement. Lewes District Council have, therefore, requested that ESFRS provide them with a letter setting out our agreement in principle to this approach and the broad terms set out in the memorandum of agreement which have been drafted. A draft proposed letter is included under Appendix C.
- 9.2 Following LDC Cabinet decision, LDC Officers are proceeding with negotiations and intend to purchase the Springman House in the coming weeks. It is proposed that ESFRS Officers continue to provide the JV with information on future requirements for a relocation site, which will assist the JV in developing an outline feasibility and design for approval.
- 9.3 The location of Lewes Police Station to the Springman House site offers potential to consider a collaborative approach, with buildings possibly being joined and sharing of welfare facilities. Therefore, as an initial stage, we would ask that the JV develop a feasibility study which explores the viability of this approach. If the option to link into the Lewes Police Station site is not viable, then a standalone facility on the whole of the Springman House/SECamb site would need to be progressed.
- 9.4 On completion of the feasibility, we would then expect to bring back a report for Members' consideration and decision on whether to accept the terms of the relocation scheme. At this time, we would also seek to commission the District Valuer to undertake a valuation of our existing site to determine any financial considerations for the Authority.

Potential Site Locations against Risk of Flooding from Rivers & Seas

Appendix A





MEMORANDUM OF AGREEMENT

(SUBJECT TO CONTRACT)

Transfer of Lewes Fire Station, North Street, Lewes & Development of New Fire Station at Springman House Site, Lancaster Street, Lewes

DATE	8th February 2016
PROPERTY TO BE TRANSFERED BY ESF&RS	Lewes Fire Station, North Street, East Sussex
PROPERTY TO BE ACQUIRED BY ESF&RS	Springman House, Lancaster Street, Lewes, East Sussex
VENDOR	East Sussex Fire & Rescue Service
Address	C/O - Mr C Reed Principal Estates Surveyor Business Services Department East Sussex County Council County Hall Lewes BN7 1SF Tel: 01273 336237 Email: chris.reed@eastsussex.gov.uk
SOLICITOR	TBC
Address:	
Contact:	
Tel No:	
Fax:	
Email:	
PURCHASER & DEVELOPER	The Santon Group/Lewes District Council
Address	Santon House 53-55 Uxbridge Road Ealing

London
W5 5SA

Contact: Clive Wilding
Email : cwilding@thesantongroup.com

SOLICITOR Steptoe & Johnson

Address 99 Gresham Street
London
EC2V 7NG

Contact: Matthew Farmer
Tel No: +44 20 7367 8000
Fax: +44 20 7367 8001
Email: mfarmer@steptoe.com

SUMMARY OF PROPOSAL

The Lewes District Council Infrastructure Delivery Plan identifies that a new Fire Station is required in a location out of the Lewes Flood Plain.

The Santon Group with Lewes District Council (the Purchaser/Developer) has secured planning permission for a major regeneration project in the North Street Lewes area known as the North Street Quarter (NSQ). The Purchaser/Developer has identified the opportunity to implement the requirements of the Infrastructure Delivery Plan by including the current fire station within the proposed NSQ regeneration, offering the opportunity to provide a new fire station facility for East Sussex Fire & Rescue Service (the Vendor) within the NSQ regeneration and within a flood protected area of the town, within a location that suits ESF&RS criteria, at the former NHS Springman House site.

The Purchaser/Developers architect has produced a scheme for a new fire station, upon the subject site, which has in principle been approved by the Vendors as meeting their requirements. (Plans Attached).

It is therefore proposed that the Purchaser/Developer will, subject to the below conditions, acquire the current fire station site and acquire the Springman House site to provide the new fire station facility.

The Springman House site is owned jointly by the NHS and Ambulance Service, who have identified that the site is surplus to requirements, save as to the provision of a two man crew facility on the site, which can be accommodated within any redevelopment of the site for a fire station.

Whilst the NHS and Ambulance Service have recently marketed the site it is understood that it currently remains unsold.

The Vendors current fire station premises at North Street, Lewes are outlined in red on attached plan and the site of the new fire station is outlined in blue.

It is proposed that the parties will enter into a conditional contract for the sale of the North Street site which will provide for the following:-

PRICE

The Purchaser/Developer will acquire the freehold interest in the existing North Street fire station site. This will be subject to an obligation upon the Purchaser/Developer to fund the acquisition of the freehold interest in the new Springman House fire station site, enabling the vendors to acquire the freehold interest in the site and subject to the procurement requirements of the Vendor to provide the new fire station, upon either of the following basis:-

- a) Require the Purchaser/Developer to construct the site for a new fire station on behalf of the Vendor, or
- b) Require the Purchaser/Developer to enter into an obligation to fund the construction of the new fire station, allowing the Vendor to procure the new fire station through the ESF&RS national partnership service.

As such, the value of the existing North Street fire station site will set against the cost of the Purchaser/Developers acquiring the new fire station site at Springman House and developing the new fire station out upon behalf of ESF&RS.

PLANNING

The disposal of North Street will be subject to the Purchaser/Developer securing planning permission for the new fire station at Springman House.

TENURE

The North Street site will be transferred to the Purchaser/Developers as a freehold interest following receipt of planning permission, but the purchasers will simultaneously grant the Vendors a two year lease to continue in occupation of the site whilst the new fire station is constructed.

FUNDING

The Purchaser/Developer will place the necessary funds to purchase the Springman House site in an interest bearing escrow account for the benefit of the Vendors and for the sole purpose of acquiring the Springman House site.

Similarly if option b above is required by the Vendors the amount required to construct the new fire station upon the Springman House site will be placed in the escrow account.

PROPOSED EXCHANGE At the earliest opportunity

COSTS It is acknowledged by the Purchaser/Developer that the Vendors should be indemnified against any reasonable pre-agreed costs incurred in relation to the purchase of the new site and the procurement of the new fire station.

NOTE The purchase will also be conditional upon the Purchaser/Developer enabling the Vendor to acquire the Ambulance Service land in order for the development of the new fire station to go ahead.



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Brighton
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E info@oakleyproperty.com

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Residential Sales & Lettings
New Homes Sales**
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East Sussex BN1 1YA
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Lettings 01273 688884
E brighton@oakleyproperty.com

**Lewes Town & Country
Residential Sales & Lettings
New Homes Sales**
14a High Street
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East Sussex BN7 2LN
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E lewes@oakleyproperty.com

The London Office
40 St James's Place
London
SW1A 1NS
T 020 78390888
E enquiries@tio.co.uk

oakleyproperty.com



Oakley Commercial Limited is regulated by the RICS. Oakley and Oakley Property is a trading name of the associated companies Oakley Commercial Limited (Company No. 3295239) and Oakley Residential (Lewes) Limited (Company No. 09344024), whose registered office is at: 85 Church Road, Hove, East Sussex BN9 2BB. A full list of company directors is available on request and can be found on our website.

ACCOMMODATION SCHEDULE

PROJECT LEWES FIRE STATION
 REF
 ISSUE
 STATUS

EXTERNAL		
FACILITY	NUMBER	COMMENTS
Visitor car parking	2	1 to be disabled
ESFRS car park	11	11 min - 18 ideally
Scrap Car Compoun	3	Size to accommodate 3x cars
Diesel Tank	1	Above ground with integrated pump
Drill Tower	1	
Car compound	1	Size = 3 parking spaces
Cycle store	1	8 bike capacity
Waste & recycling	1	
Memorial Garden	1	Can be incorporated into roof terrace
External Mobile Stores	1	TRU Storage for Timber and Incident Command Unit Trolleys
Trench/Pit/Collaps e Training	1	Can be incorporated into TRU Storage area

INTERNAL							
DC							
	ZONE	USER	TYPE OF ROOM	MAXIMUM OCCUPANCY	BRIEF	Comments	
ESFRS FACILITIES	Appliance bay, support and maintenance	ESFRS	Appliance Bay	4	227		
		ESFRS	BA Room		10		
		ESFRS	Workshop		10	to include low level Belfast sink for boot cleaning	
		ESFRS	Storage/Racking	12	5	Racking to provide 12No. 700x400mm Shelves for Spare Specialist PPE Kit	
		ESFRS	Non-Mobile Store		15	for Operational Equipment & Spares; Hoses et	
	Muster area and watch room plus associated accommodation	ESFRS	Muster Area		34	34	
		ESFRS	Watch Room		4 (6)	17	
		ESFRS	Watch Room Office		2	12	
		ESFRS	Locker Room incl. Showers			45	
		ESFRS	Locker Room incl. Showers (M)			0	
		ESFRS	Locker Room incl. Showers (F)			0	
		ESFRS	Drying Room			6	
		ESFRS	Kit Clean Room			0	
		ESFRS	Kit Dirty Room			0	
	ESFRS	Dirty Briefing Room		6	17	Between Appliance Bay and Muster Bay	
					Total	398	
	SHARED FACILITIES	Office Spaces	ESFRS	Open Plan Office Space	8	37	1x Admin, 2x CSA + 5x Office
			ESFRS	Offices	2	12	BC & SM
			Common	Meeting Room	6	12	
Common			Consultation Room	1	12	To deliver Occupational Health Assessments	
ESFRS			Reprographics/Consumables			3	
				Total	76		
Day room and general accommodation		ESFRS	Dining/Rest Area		7	25	
		ESFRS	Kitchen		7	15	Requires sufficient storage
		ESFRS	Gymnasium		6	30	
		Common	Ambulant WC		1	4	
		Common	Accessible Shower		1	6	
		Common	M&F WCs			12	
ESFRS		Sleeping Accommodation		N/A	0		
				Total	92		
Community spaces - located toward operational end	Common	Briefing / Community Room 1		15	40	Ability to divide/combine with Rm2	
	Common	Briefing / Community Room 2		15	25	As Above	
	Common	Tea Point			4	Accessible by both Rooms above	
	Common	Accessible WC		1	7		
				Total	76		
STORAGE, SERVICES, ETC.	Storage, services, etc.	ESFRS	Non-Mobile Store		15	for Operational Equipment & Spares; Hoses et	
		ESFRS	Consumable Store		4		
		Common	Cleaner's Store		2		
		Common	FF Plant Room			37	
		Common	ICT Server Room			5	
				Total	63		
Total exc. Circulation and internal walls					705		
Circulation and internal walls					141		
TOTAL GIFA					845		

East Sussex Fire & Rescue Service
Headquarters
20 Upperton Road, Eastbourne, East Sussex
BN21 1EU

Robert Cottrill
Chief Executive
Lewes District Council
Southover House
Southover Road
Lewes
East Sussex
BN7 1AB

Telephone: 0303 999 1000
Fax: 01323 725574
E-mail: enquiries@esfrs.org
Web: www.esfrs.org

In the case of emergency please dial 999

17 March 2016

please ask for
J A Salmon
julian.salmon@esfrs.org

our ref
Stn89 - Lewes

your ref

SUBJECT TO CONTRACT

Dear Robert,

Re: Lewes North Street Quarter Development – Fire Station Relocation

Following discussions between our Officers in respect of the above development, I am writing to provide the Joint Venture, which includes Lewes District Council, with confirmation of our position in respect of the proposed North Street Quarter Development and the relocation of the Fire Station.

As confirmed previously the North Street 'Springman House' site remains our preferred relocation site. Our Officers have prepared a baseline accommodation schedule to assist in the development of the feasibility stage, which we have attached to the draft Memorandum of Agreement, which is subject to contract. We have also taken a report to our Combined Fire Authority, who have confirmed their agreement to the approach and draft terms of the agreement.

ESFRS remain committed to support greater collaboration with other emergency services, and therefore see a potential to try and combine a replacement fire station with the existing Police Station on North Street, which adjoins the Springman House site. Therefore, as a first option, we would like to see a feasibility developed which explores the viability of this approach. If the option to link into the Sussex Police Station site is not viable, then our next preferred option would be the standalone facility on the whole of the Springham House/SECamb site, as set out in the earlier feasibility work.

We are in broad agreement with the Memorandum of Agreement which has been drafted and sets out the general principles of how any land transfer and replacement facility would be delivered, although note that these need to be developed and updated into final draft for agreement. We would highlight the need for equivalence to be built into this agreement, to ensure that ESFRS is not in any way disadvantaged by the relocation. We would also request that LDC act as delivery partner in terms of any new facility, to ensure that any new development is delivered within any future joint venture agreement between LDC and the developer.

I trust that this will provide the Joint Venture with some assurance of our commitment to the relocation. We remain supportive of the Lewes North Street development and working with the Joint Venture to enable the wider benefits of the development to be realised with the relocation of the Fire Station.

Yours Sincerely

Gary Walsh
Chief Fire Officer and Chief Executive

c.c: Nazeya Hussain - Director of Business Strategy and Development
Bee Lewis – Head of Property and Facilities
Max Woodford - Head of Regeneration and Investment

The Fire Authority at its meeting on 16 June 2016, agreed that this item should not be exempt from publication and considered it in public session.

**EXEMPT/CONFIDENTIAL INFORMATION
NOT FOR PUBLICATION**

Agenda Item No. 932

EAST SUSSEX FIRE AUTHORITY

Date: 16 June 2016

Title: Police & Crime Commissioner

By: Chief Fire Officer

Purpose of Report: To advise the Fire Authority of the approach by the PCC seeking the co-operation of the Authority in exploring whether or not a sound business case exists for moving Fire and Rescue Services in Sussex under the responsibility of the PCC.

To consider excluding the public and press from the meeting for the remainder of the business on the grounds that if the public and press were present there would be disclosure to them of exempt information, as specified in Paragraphs 3 & 4 of Part 1 Schedule 12A of the Local Government Act 1972, i.e. that it includes information relating to the business affairs of the Fire Authority and information relating to any consultations or negotiations, or contemplated consultation 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.

Background papers: None

Appendices: 1 – Consultation response from ESFRA
2 – Letter from PCC and response from Chairman

Implications

CORPORATE RISK	X	LEGAL	X
ENVIRONMENTAL		POLICY	
FINANCIAL	X	POLITICAL	X
HEALTH & SAFETY		CORE BRIEF	
HUMAN RESOURCES	X	OTHER (please specify)	
EQUALITY IMPACT ASSESSMENT			

PURPOSE OF REPORT	To consider further the Fire Authority's response to the Government's consultation 'Enabling closer working between the Emergency Services'.
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EXECUTIVE SUMMARY	On 11 September 2015 the Home Office/DCLG issued a joint consultation document "Enabling Closer Working between the Emergency Services" with proposals to increase joint working between emergency services with a view to strengthen the emergency services and deliver significant savings and benefit for the public.
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The Fire Authority responded to the Government's consultation stating its belief that whilst close collaboration between the emergency services is essential, it can be achieved without elaborate structural change to the current governance arrangements. It was also the Fire Authority's considered view that it is more accountable to the community it serves because its members are elected councillors from Brighton and Hove and East Sussex. The Authority is now asked to consider its response further.

RECOMMENDATION:	The Fire Authority is asked to: <ul style="list-style-type: none">(a) consider further its response to the Government's consultation 'Enabling closer working between the Emergency Services' and the Authority's belief in collaboration, where it improves delivery of services to the public and creates efficiencies (see attached);(b) note the progress of the Policing and Crime Bill through Parliament and the specific duty to collaborate contained within it; and(c) note the recent formal request (dated 26 May 2016) by the PCC to co-operate with the intention to explore whether or not a sound business case exists for moving Fire and Rescue Services in Sussex under the responsibility of the PCC, given the requirement in the Bill that the relevant FRA's should cooperate with the PCC in preparation of the proposal and provide any information the PCC might reasonably require.
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1. **MAIN ISSUES**

1.1 In the last Parliament, the Government brought about major changes to policing to introduce greater accountability and transparency (through directly elected Police and Crime Commissioners (PCCs), an enhanced Independent Police Complaints Commission (IPCC) and strengthened inspectorate); increased capabilities (through the creation of the National Crime Agency (NCA)) and professionalism (through the establishment of the College of Policing); and a relentless focus on efficiency and cutting crime through a policing reform programme.

- 1.2. On 11 September the Home Office/DCLG issued a joint consultation document “Enabling Closer Working between the Emergency Services” with proposals to increase joint working between emergency services with a view to strengthen the emergency services and deliver significant savings and benefit for the public. The intention of the legislation is that, where a local case is made, for the Police and Crime Commissioner (PCC) to take responsibility for the fire service in the interests of economy, efficiency, effectiveness and public safety, the change will need to be agreed by the local people and will involve a change in legislation.
- 1.3. The Fire Authority responded to the Government’s consultation stating its belief that whilst close collaboration between the emergency services is essential, it can be achieved without elaborate structural change. It was also the Fire Authority’s considered view that it is more accountable to the community it serves because its members are elected councillors from Brighton and Hove and East Sussex.
- 1.4. Despite similar responses from other Fire Authorities, the Policing and Crime Bill carries forward the Government’s stated intention, outlined in the consultation, of legislating to implement their proposals. This intention was reiterated by the Rt Hon. Theresa May MP, Home Secretary, in a speech on the 24th of May which outlined her views on fire reform. Although the speech recognised the achievements of the FRS and how successful they have been in reducing the number of incidents attended and acknowledged that the FRS are attending a much wider range of incidents now, such as Shoreham Air crash and Cumbria floodings, it also signposted that there was still the need to reform as:
 - people are still dying in fires
 - businesses are not recovering after fires
 - there is a burden on insurance industry as a result of fires
 - inconsistency in governance and bureaucratic structures
 - the size of the fire and rescue workforce doesn’t reflect the reduction in incidents
 - the fire and rescue service workforce is lacking in diversity and doesn’t reflect the community it serves
 - there needs to be more transparency and consistency for the public on comparative performance
- 1.5. As a result the ‘The Policing and Crime Bill’ is making its way through the House and is likely to achieve Royal Assent in October/November 2016 which will introduce the same direct democratic mandate (as the police) to oversight of fire and rescue services – by giving police and crime commissioners the ability to take on responsibility for fire and rescue services where a local case is made.
- 1.6. The Bill requires fire, police and ambulance services to collaborate, where the proposed collaboration would be in the interests of their own efficiency and effectiveness and one or more of the other services take the same view. If a collaboration agreement would improve efficiency but adversely impact effectiveness, or vice versa, the Service would not be required to collaborate, although they may choose to. The Bill also allows for a Service to withdraw from a collaboration agreement if it is no longer in the interests of efficiency and effectiveness.

- 1.7 The Police and Crime Commissioner for Sussex has formally approached the Fire Authority seeking the co-operation of the Authority in exploring whether or not a sound business case exists for moving Fire and Rescue Services in Sussex under the responsibility of the PCC.
- 1.8 The PCC also welcomes the provision, stated in the draft legislation, for the PCC to be represented on the Fire Authority and sees this as an opportunity to understand the work undertaken by the Fire Authority to create a stronger platform for police and fire and rescue to work more collaboratively together.

2. **BACKGROUND**

- 2.1 The Government was elected with a manifesto commitment to “finish the job of police reform”. The Policing and Crime Bill will support the transformation of the fire and rescue service by:
- Enhancing local accountability of the fire and rescue service by enabling directly elected PCCs to take over the governance from Fire and Rescue Authorities where a local case is made.
 - Driving efficiency and better value for money by facilitating closer collaboration between all three emergency services and maximising the ability of chief officers to make best use of their workforce.

- 2.2 The key provisions of the Bill include:

Part 1: Emergency Services Collaboration

Part 1 of the Bill supports the implementation of the Government’s manifesto commitment to “enable fire and police services to work more closely together and develop the role of our elected and accountable Police and Crime Commissioners”.

The specific provisions which will apply to England only are:

- a) Introduce a duty to collaborate on all three emergency services, to improve efficiency or effectiveness.
- b) Enable PCCs to take on the functions and duties of Fire and Rescue Authorities (FRAs), where a local case is made.
- c) Further enable PCCs to create a single employer for police and fire staff where they take on the responsibilities of their FRA, where a local case is made.
- d) In areas where a Police and Crime Commissioner has not become responsible for fire and rescue, enabling them to have representation on their local fire and rescue authority with voting rights, where the fire and rescue authority agrees; and
- e) Abolish the London Fire and Emergency Planning Authority and give the Mayor of London direct responsibility for the fire and rescue service in London.

- 2.3 Locally, Members will be aware that, the Fire Authority has been at the forefront of driving collaborative arrangements between emergency services and other organisations wherever it makes economic and operational sense. Indeed, in 2010, the Fire Authority approved the commencement of work on a joint business case for the joining of the two fire and rescue services for Sussex. This would have merged two equally sized, equally serviced communities, one perhaps more rural than the other, but both used to shift, day crewed, staffed and retained services, proactive community and business safety and serving similar sized populations and risks. However the merger did not proceed and since then the fire and rescue services have made significant savings and structural changes with the West Sussex Fire and Rescue Service becoming even more embedded into the management and operations of West Sussex County Council.
- 2.4 The Bill sets out the process by which a PCC can make a proposal to take on responsibility for fire in their local area. A proposal can only be agreed by the Secretary of State where it is in the interests of economy, efficiency and effectiveness or in the interest of public safety for the order to be made. The Bill requires the relevant FRA's to cooperate with the PCC in preparation of the proposal and provide any information the PCC might reasonably require. The PCC will then be required to consult each relevant upper tier council, as well as seeking the views of the public in the PCC's area, before they submit it to the Secretary of State. If a combined authority is the FRA it also has to be consulted.
- 2.5 There is a stipulation that the Secretary of State (Home Secretary) must seek an independent assessment of the PCC's proposal where a relevant upper tier council does not agree with the PCC's proposal, and have regard to that assessment in making any decision whether or not to authorise the establishment of a PCC led FRA. The explanatory notes to the bill suggest that the independent assessment may be secured either from HM Inspector of Constabulary, the Chief Fire and Rescue Adviser or any other independent person that the Secretary of State deems appropriate.
- 2.6 Where a new single employer model is to be implemented the Chief Constable would be able to employ all police and fire personnel, while at the same time preserving the operational distinction between police and fire. The Bill also removes the requirement for a Chief Constable to have held the office of constable. This opens the door for fire officers with fire experience at a senior level to be appointed as Chief Constable (or Chief Officer) provided they have met the standards set for the role by the College of Policing. The onus on selecting and appointing the best person sits with the PCC.
- 2.7 The powers of Police and Crime Panels (PCPs) in relation to a PCC exercising fire and rescue functions are outlined in the Bill. Where a PCC takes responsibility for fire in their area there is an obligation to provide the PCP with any information he/she may require to carry out their functions with reference to fire and rescue. The PCP would take on responsibility for scrutinising the plans, decisions and actions of the PCC in relation to fire as well as their existing role in relation to policing.

- 2.8 Where an FRA agrees, the PCC will be able to be represented on an FRA with voting rights. An appointing authority or committee must consider a request made by a PCC to be represented on a FRA, give reasons for either accepting or refusing and then publish their decision. If a FRA agrees to the request, the PCC may attend, speak and vote at FRA committee meetings. In the case of a county authority, the PCC, if invited to be represented, can only speak and vote on issues relating to the functions of the FRA.
- 2.9 In terms of political balance the advice from the Home Office is that it will be up to local areas to resolve these issues. For County Council FRAs they will also need to consider how the PCC integrates into council structures.
- 2.10 The impact of any structural change within local government is complex in terms of the consideration of local democratic arrangements, local governance and accountability, sense of place even before service delivery factors are brought into the equation.

3. **CONCLUSION**

- 3.1 East Sussex Fire Authority has always worked hard to ensure the communities we serve benefit from collaboration and partnerships with other organisations. We have most recently seen this come to fruition with the opening of Saxon House in Newhaven and future opportunities include moving into shared headquarters with Sussex Police in Lewes.
- 3.2 The previous merger proposals took over two years before West Sussex County Council made the decision not to proceed and required significant resources to complete the business case. The Fire Authority has since the failure of the merger with West Sussex Fire and Rescue Service continued to restate its ambition of a merger of the two fire and rescue services in Sussex into a single fire authority, but has been unable to progress, as a result of the further embedding of that fire and rescue service into the West Sussex County Council.
- 3.3 The Fire Authority must now balance the requirement to co-operate with the PCC, compliance with its duties under Best Value, with its stated view that closer collaboration between the emergency services is essential, but can be achieved without elaborate structural change including change in governance from a combined fire authority to fire and rescue moving under the Police and Crime Commissioner.
- 3.4 The Fire Authority has already stated, in its response to the approach by the PCC, that it will co-operate in exploring whether or not a sound business case exists as this could prove either that there is a case or not and subsequently to a sound business case being proven there is a requirement to consult. The authority should be aware that supporting the development of a business case is likely to require significant officer time and resources at a time when the senior management restructure is taking place. The response to the PCC needs to highlight the resources needed to undertake the necessary co-operation.

**East Sussex Fire Authority Response to the Government Consultation Document:
Enabling Closer Working between the Emergency Services**

East Sussex Fire Authority welcomes the opportunity to respond to this consultation, and will seek to engage further with its constituent local authorities and other partners to fully explore all the issues involved and seek their contribution to the consultation process.

However, the Fire Authority believes that the consultation is too narrowly focused, and that, whilst close collaboration between the emergency services is essential, that can be achieved without elaborate structural change. Furthermore, the only structural change suggested in the consultation may prejudice the most promising routes to collaboration with health and social services.

The Government and others acknowledge that the Fire & Rescue Service has been extremely successful at preventing fires and other emergencies through a combination of enforcement and community safety interventions. It achieves this both as a single delivery organisation and through joint initiatives. It is recognised that the positive public image and brand of the Fire & Rescue Service is a major contributory factor to that success, as it enables firefighters to engage with vulnerable and hard to reach communities and to be welcome when visiting people's homes.

We recognise that the government is committed to maintaining separate "front line" services, but suggest there is some danger that directly associating the Police and Fire & Rescue Services will undermine not only that work and image, but the potential to work more closely with Social Services under the 'Better Together' programme to extend our partnerships with them and the CCGs. The primary and very necessary role of the Police is that of law enforcement. They are trusted to do that task but, in marked contrast with a visit from a firefighter, the initial reaction to a visit from the Police is always guarded. That does not mean that we should not work closely with the Police in improving community safety and we recognise that our partnership can be made more effective. There is also scope for bringing support services together, but we would suggest that these improvements can be secured without integrating management structures and, more importantly, that bringing the two services under one authority may lead to a concentration on emergency response to the detriment of wider partnerships that can improve the health and wellbeing of the community.

We recognise the need to find efficiencies in all public services, including Police and Fire, and reductions in senior management teams and streamlining of support services have a role to play in this. Fire & Rescue Services have already been producing significant savings by reducing staff and collaborating in these areas.

We note that, under these proposals, the government intends that the funding for Police and Fire, and their precepts, would be provided separately. It is not clear if the intention would be that funding could be combined into a single Police and Crime Commissioner's (PCC) budget and spending priorities assessed across both services. Nor is it clear whether existing budgets and reserves will be ring-fenced for fire purposes should a transfer take place.

We believe that this issue requires further thought, around the broader issue of the funding stream for the Fire Authority and how budgets between Police and Fire are kept entirely separate so that PCCs can't move money between Services for either political or operational reasons.

The complexity of removing fire-related budgets from County Councils is also acknowledged in the consultation document. This should not be underestimated. Government spending allocations may not match the total fire-related spending and there are likely to be diseconomies of scale for services as they move out of their County Council provision which will need to be offset against any perceived benefits from closer integration with Police services.

The Fire Authority is convinced that the continuing austerity affecting the public sector is a sufficient driver for collaborations to develop still further without the single employer model. In some cases fire services arguably have already captured the benefits which might be projected from a single employer model which makes the argument for the delivery of more efficient services harder to make if the expectation is further savings.

We are concerned that the consultation does not make specific proposals for governance arrangements for the Ambulance Service. This could lead to an imbalance between the three 'blue light' services which could isolate the Ambulance Service, potentially exclude them from any benefits to be derived from closer collaboration and impede closer partnership working.

The public put trust in locally elected Councillors to make decisions on their behalf. The role of the PCC has largely been met with indifference by the public. It is the Fire Authority's considered view that, through its members, the Fire Authority is more accountable to the community it serves. Merging would not only confuse but is unlikely to win public support.

We have sought to answer each of the questions in detail except for Questions 11 and 12 which we believe is a matter for consultation with the public and statutory partners and others in respect of the future proposals for the London Fire & Emergency Planning Authority.

We have also contributed to Question 13 and 14 through the Sussex Resilience Forum of which we are a statutory partner and, therefore, will not comment on that aspect of the consultation.

Question 1.

How do you think this new duty would help drive collaboration between the emergency services?

There are clear benefits to the people of East Sussex and Brighton & Hove through the three emergency services working together. The Fire Authority is supportive of any moves to further enable locally determined collaboration between emergency services. It welcomes any measures that will require other partners to collaborate with the Fire & Rescue Service. It can see no objection to the proposed duty

The Fire Authority is already working closely through the Fire & Rescue Service with the Police and Ambulance Services and, more broadly, with partners in the public, voluntary and health sectors. Indeed, East Sussex Fire & Rescue Service is recognised nationally for its success in this area. This is at operational and strategic level and across prevention, protection and response. The test of the proposed duty will be whether it achieves improved collaborative working and better outcomes beyond those already being introduced and explored and at a lower cost to taxpayers.

The Authority would strongly argue that it is already seeing many of the benefits of efficiency and effectiveness starting to emerge through its current collaborations with Sussex Police.

This Fire Authority has been explicit in its decision to relocate the current Service Headquarters to shared accommodation at the Sussex Police Headquarters site to meet our future requirements. In doing so, we will adopt modern working principles and achieve significant benefits from relocating to share a strategic partner's site.

The benefits of this decision will not only include the use of shared facilities but move the two organisations closer together for the benefit of the public through increased collaborative working in our operational services and closer alignment of support services. Over time, this will achieve even greater integration and interoperability and ultimately improved outcomes for the public.

As argued above, the Fire & Rescue Service should be looking at wider partnerships, e.g. public health and adult social care. The Fire Authority is concerned, therefore, that the proposal for the Fire & Rescue Service to be governed by the PCC will get in the way of wider partnership working and collaboration. In particular, it is a matter of concern that Governance arrangements for the Ambulance Service are excluded from this consultation. This could lead to an imbalance between the three 'blue light' services which could isolate the Ambulance service, potentially exclude them from any benefits to be derived from closer collaboration and impede closer partnership working.

It will be important to be clear against what performance criteria such a duty will be judged, and who would be responsible for enforcing it and what sanctions they might be able to exercise.

Question 2.

Do you agree that the process set out above would provide an appropriate basis to determine whether a Police and Crime Commissioner should take on responsibility for Fire & Rescue Services?

The duty to collaborate is sensible but we doubt there are substantial advantages in doing this with a PCC assuming governance responsibility for the Fire & Rescue Service if there is not local agreement supported by a robust business case.

The Fire Authority is not supportive of the proposal to allow a PCC to unilaterally make the case to take over the Fire & Rescue Service, especially if the constituent authorities and the public are not supportive of the change in how emergency services are governed and delivered. Such a move could also isolate the Ambulance Service and make collaborative working more complex and difficult.

A robust business case will be important in demonstrating the case for any change in Governance arrangements. As well as identifying the benefits of the potential change (in terms of service outcomes as well as financial) it needs to take account of the benefits already being secured, the impact of organisational structural change, the need for one-off investment to secure change and the potential impact on the benefits from other collaborations and partnership working which may need to be scaled back or cease as a result (as capacity is focussed on delivering structural change).

It will be important that the predicted outcomes and savings are realistic as expressed in any business case and that the challenges of achieving structural and cultural integration should not be underestimated. Any new governance arrangements, for example, will have a cost attached that may well exceed the cost of the current arrangements. Whilst there is a strong direction of travel in our stated desire across Police and Fire in Sussex, to work more closely together, the objectives, aims and values of each organisation are different and the

imposition of a change rather than one that has evolved locally is less likely to succeed without adverse impact on our current direction of travel.

We agree that, in the interest of transparency, where there is local agreement that a PCC should assume governance responsibility for a Fire & Rescue Service then funding streams should remain separate.

If a Fire & Rescue Service is to transfer to operate under the governance of a PCC, it will be important to consider its future legal form.

Empowering Police and Crime Commissioners to maximise opportunities for efficient, effective services

Question 3

Do you agree that the case for putting in place a single employer should be assessed using the same process as for a transfer of governance?

The Fire Authority strongly agrees that, whatever the decisions made by the Government following this consultation, there is a case for maintaining the important distinction between operational policing and firefighting. This issue requires further thought, around the broader issue of the funding stream for the Fire Authority and how budgets between Police and Fire are kept entirely separate so that PCCs can't move money from Fire to Police for either political or operational reasons.

It seems sensible that any proposal to establish a single employer should be subject to the same process as for a transfer of governance.

The Fire Authority has experience of attempting the merger of two Fire & Rescue Services with two different governance structures and the significant effort and costs associated with this proposal should not be underestimated, nor timelines.

Whereas the public accepted and were in agreement, through the public consultation exercise, that there should be a single Sussex Fire & Rescue service, the issue of whether or not a Fire & Rescue Service should be overseen by a PCC has not been tested.

It is our view that to create a single employer will potentially add little value, take the Authority off course from its agreed strategic plan for the transformation of its services and drain its organisational capacity of the ability to create the necessary structural change. This would endanger the current public facing outcomes it intends to deliver and the achievement of its agreed savings plan.

It is the Fire Authority's view that Police and Fire (and other partners) can share back office services and streamline tiers of management effectively in the light of local needs and circumstances, without additional cost and effort involved in structural change, including the potential move to a single employer, as proposed in the consultation.

The Fire Authority has considerable experiences of TUPE and the movement of staff from one employer to another through the creation of the Sussex Control Centre and has evidence of the considerable costs and impact on staff, both existing and future, with high turnover of staff and loss of experience to support the Fire & Rescue Service. Any assessment of the potential for a single employer model should be weighted to consider fully these impacts.

The Fire Authority would, therefore, like to restate its position that it does not believe a PCC should have the capacity to unilaterally decide to merge services or to create a single employer, if that is not supported by this Authority and its constituent local authorities or the public following consultation; this would seem to be inconsistent with the Government's stated desire to see a locally determined approach.

Question 4

What benefits do you think could be achieved from empowering Police and Crime Commissioners to create a single employer for Police and Fire & Rescue personnel, whilst retaining separate frontline services, where a local case has been made to do so?

Public awareness of the Office of the PCC is not as extensive as suggested in the consultation. This is evidenced by the low turnout figures (15.1%) at the PCC elections. The Fire Authority would wish to see evidence that the creation of a single organisation under one employer would not be damaging to the Fire & Rescue Service brand and reputation. It is our view that to create a single employer under one Chief Officer would potentially add little to improve service delivery to the public. It will be important to consider issues of public trust and confidence in the Fire & Rescue Service and its leadership by the workforce given that both organisations operate very differently and undertake profoundly different roles.

This proposed course of action will also divert the Authority from its agreed strategic plan for the transformation of its services and drain its organisational capacity of the ability to create the necessary structural change. This would endanger the current public facing outcomes it intends to deliver without these additional distractions.

Notwithstanding our previous comments in Paragraph 8, we agree that there may be the potential through creating a single employer to produce savings and simplify leadership arrangements, but we believe the consultation document does not address the people issues and costs of such a change.

Under the 'single employer' option, even if that were to be Fire to Fire mergers, there is the need to recognise there are significant variations in terms and conditions, training, organisational structure and culture that are not made clear in this public consultation to achieve the most expansive of responses.

The government will need to consider, despite the good work under the Joint Emergency Services Interoperability Programme banner, how operational command structures will work under a single employer and merged managerial team. Currently Fire and Police have separate commanders at incidents, and we believe it is important that this is maintained.

Police and Fire staff, uniformed and non-uniformed, have a variety of trade unions and different employee bargaining arrangements. Proposals within the business case will need to explain how these arrangements will operate under any locally selected model. A single employer, from whatever background, would need to be able to balance these differences.

This Authority has previously publically stated that we believe that Fire-Fire mergers should be a simpler process and that there should be one Sussex Fire & Rescue Service.

Question 5

Do you agree that the requirement for a chief officer to have previously held the office of constable should be removed for senior fire officers?

This Authority has a number of reservations relating to the prospect of the single employer model and the prospect of merging the roles of Chief Fire Officer and Chief Constable. Notwithstanding the professionalism of the current leadership of both Police and Fire we believe that neither a Chief Constable nor Chief Fire Officer assuming the joint role would have the training and appropriate professional support to enable them to effectively manage both services.

If the consultation proposals are implemented there will be a need to consider the arrangements for recruitment / appointment of chief and senior officers, the training and development programmes which will equip these leaders to take accountability for both high profile services and the arrangements for addressing performance issues.

The government also needs to consider how instances of a firefighter death on duty would be investigated if the Chief Officer's role and managerial and governance teams were merged. Currently Police investigate such instances, but it would be an obvious conflict of interest if the organisations were joined.

Question 6

How do you think the requirement for a Police and Crime Commissioner to have access to an informed, independent assessment of the operational performance of the fire service should best be met?

East Sussex Fire Authority supports the principle of sector led improvement and assessment, and welcomes the Operational Assessment (OpA) and Peer Review process currently in place and being reviewed. In the event that a Fire & Rescue Service is transferred to a PCC, we believe this should be retained. It is particularly important that a consistent approach to assessment is maintained between different Fire & Rescue governance models.

OpA and Peer Review will continue to be strengthened and developed, and we would welcome the input of any PCC that might assume responsibility for a Fire & Rescue Service.

We believe that it will be important to strengthen further the independent source of expertise, currently embodied in the Chief Fire & Rescue Advisor. As with our point above, there will be a range of governance models within the Fire & Rescue Service, which we believe would be important in ensuring consistency is maintained between all of them.

Question 7

Do you agree that where a Police and Crime Commissioner takes responsibility for a Fire & Rescue Service, the Police and Crime Panel should have its remit extended to scrutinise decision making in relation to fire services?

This would seem to be a pre-requisite although there may be a tendency for the focus of the panel to be towards the Police since, in most circumstances, it will be the larger service and the balance of experiences on the panel will need to be carefully considered.

An alternative would be to create a separate panel with responsibility for oversight of fire and rescue matters. This might incur additional cost but would ensure appropriate expertise could be brought to bear and sufficient time allowed to consider topics.

Local experience suggests that the Police & Crime Commissioner has no recognition in the community and that, far from strengthening accountability between elections, the current procedures have limited press coverage and feedback. An election is best seen as a complement to and not an adequate substitute for, the scrutiny that can be exercised by councillors living within the local community served.

Question 8

Do you think that where a Police and Crime Commissioner takes responsibility for a Fire & Rescue Service, the Police and Crime Panel should have its membership refreshed to include experts in fire and rescue matters?

Again this would seem to be a pre-requisite. The operational and organisational challenges faced by the Fire & Rescue Service are very different to those of the Police and, therefore, the PCC would need to be able to consider these issues from an informed position. Perhaps a panel which has a more sophisticated way to select its membership but including local views, maybe through lay persons, would achieve better scrutiny and accountability to the local council tax payers. However, it would be possible to consider such an option now without the necessity for changing governance and accountability arrangements.

Question 9

Do you think that where a Police and Crime Commissioner puts in place a single employer for Fire & Rescue and Police services personnel, complaints and conduct matters concerning Fire should be treated in the same way as complaints and conduct matters concerning the Police?

Given the satisfaction levels with the Fire & Rescue Service evidenced through public opinion expressed in a range of consultations and the scale of complaints to the Fire & Rescue Service when compared to the Police, it would seem strange to impose a new complaints and conduct arrangement.

It is the view of the Fire Authority that, although it would be possible to have two different standards for complaints and conduct for police officers and firefighters, in different service areas in one organisation, it serves no purpose to create one system.

We also believe it is important to consider the significantly different job roles of operational Police and Fire staff. As warranted officers, operational Police are "on duty" at all times, while firefighters are not. Careful consideration of how this would affect a joint complaints and conduct procedure would be required.

Enhancing collaboration between Police and Fire & Rescue

Question 10

Do you agree that Police and Crime Commissioners should be represented on Fire & Rescue Authorities in areas where wider governance changes do not take place?

This Authority would be content with the PCC being represented on the Fire Authority, especially if the duty to collaborate is progressed, and discussions on how to improve local collaboration and introduce new ideas and oversight should be welcomed.

Further detail on how this would work, for example, the voting power of a PCC, would be needed for this matter to be properly considered by the Fire Authority and how this would work if there was a different model in place within our neighbouring Services. Consideration of how this proposal would work in areas where Police and Fire & Rescue Services are not coterminous will be needed. Areas where more than one PCC would sit on an authority or one PCC would sit on multiple authorities could cause issues related to political balance and resourcing.

As mentioned elsewhere within our response, we believe that a focus on the potential for collaboration with Police is too narrow and would, therefore, argue that there are other organisations that could provide equally valid input and oversight of local Fire & Rescue Services, such as partners in health.

Question 11

Do you agree that the London Fire and Emergency Planning Authority should be abolished and direct responsibility for Fire & Rescue transferred to the Mayor of London?

Not applicable for East Sussex Fire Authority.

Question 12

In the event that the London Fire and Emergency Planning Authority is abolished, how should responsibility for Fire & Rescue be incorporated into the mayoral structure?

Not applicable for East Sussex Fire Authority.

Question 13

To what extent do you think there are implications for local resilience (preparedness, response and recovery) in areas where the Police and Crime Commissioner will have responsibility for Police and Fire?

Response provided through Sussex Resilience Forum.

Question 14

To what extent do you think there are implications for resilience responsibilities in areas where an elected metro mayor is also the Police and Crime Commissioner and responsible for the Fire & Rescue Service?

Response provided through Sussex Resilience Forum.

Question 15

Are there any other views or comments that you would like to add in relation to emergency services collaboration that were not covered by the other questions in this consultation?

With regard to Fire to Fire mergers and co-terminosity, consideration needs to be given to providing a greater degree of flexibility over the arrangements for council tax equalisation which we know from local experience can be a significant technical and practical barrier to mergers.

In our experience, and since our previous merger discussions, the gap between our Council Tax and West Sussex Fire & Rescue Service's notional Council Tax has increased, and as Revenue Support Grant levels decrease and reliance on Council Tax income increases, then the potential for alternative solutions to deliver equalisation within 5 years, with a low referendum threshold reduces.

Question 16

Do you think these proposals would have any effect on equalities issues?

There will be equalities issues that arise from this proposal which will affect both the community and Fire & Rescue Service personnel. Taking account of the available information we have regarding this consultation, it is difficult to be specific about this.

Katy Bourne
Sussex Police & Crime Commissioner

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**Sussex
Police & Crime
Commissioner**

Cllr Philip Howson
Chair
East Sussex Fire & Rescue Authority
20 Upperton Road
Eastbourne
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26 May 2016

Dear Philip

Further to our telephone call regarding the upcoming Police and Crime Bill, I am writing to seek your co-operation in exploring whether or not a sound business case exists for moving Fire and Rescue Services in Sussex under the responsibility of the Police and Crime Commissioner (PCC).

As you will be aware, the new Bill places an increased duty to collaborate between emergency services. A key part of these provisions is to enable PCCs to take on responsibility for fire and rescue, where a local case is made.

With the Home Secretary, only this week, signalling an expectation for PCCs to consider this issue in her speech on 'fire and rescue service reform', I am keen to determine at an early stage whether or not such an operating model would be right for our communities in Sussex and would seek your full support in this endeavour.

I intend to embark on this study in a timely way, as I am sure you will agree, any undue delay is only likely to cause further speculation and pose a potential barrier to progressing other reform and collaboration.

In order to move this work forward, I will shortly be looking to appoint an external business partner, to work alongside a local project manager, to develop and deliver a business case which examines all options. To aid this work, my office will establish a 'Partnership Reference Group' where senior colleagues from East and West Sussex Fire & Rescue Services, West Sussex County Council, East Sussex Fire & Rescue Authority and Sussex Police will be invited to help inform the work and bring local stakeholder expertise to the evaluation. All the work carried out under this initiative will be done in close consultation with the Home Office Police and Fire Collaboration oversight groups and draw on emerging best practice of other national programmes. Where appropriate, a Home Office representative will be invited to observe and participate in the Sussex work.

The co-operation and support of the fire and rescue services in Sussex will naturally be essential to this work and I would be most grateful for your assistance and that of your staff and members, in helping develop a business case that can fully inform what direction is best for the future governance of these services.

In order to initiate this work, I have asked my office to convene an initial planning meeting with senior partners to discuss the programme management arrangements and approach. Clearly, open and timely communication to all our staff who may be impacted by the scope of this work will be important to the successful development of the business case, whatever its findings and I would like to give assurances that I will work closely with you and the respective staff associations and unions in ensuring there is a strong understanding of the aims, objectives and ultimate outcomes.

Aligned to this, the Police and Crime Bill also contains provisions for PCCs to be represented on their local Fire and Rescue Service Authorities, subject to invitation. I very much welcome this as an opportunity to further understand the work that you do, as well as create a stronger platform for police and fire and rescue to work more collaboratively together.

I very much look forward to building on the collaborative achievements to date and through the opportunities of the new legislation, ensure oversight of our police and fire services in Sussex is best placed to meet the challenges and opportunities of the future.

Kind regards,
Katy

Katy Bourne
Sussex Police & Crime Commissioner

cc Cllr Keith Glazier
Cllr Warren Morgan
Chief Executive Becky Shaw
Chief Executive Geoff Raw
Chief Fire Officer Gary Walsh
Chief Constable Giles York
ACC Stephen Barry



Councillor Phillip Howson

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31 May 2016

please ask for
CFO Gary Walsh

our ref
GW/SS

Dear Katy

I write in response to your letter dated 26 May 2016, seeking the co-operation of the Fire Authority in exploring whether or not a sound business case exists for moving Fire and Rescue Services in Sussex under the responsibility of the Police and Crime Commissioner.

Whilst we note the 'signalling' by the Home Secretary, in her speech last week, we do not agree with all of her comments in respects to the fire and rescue service. We believe it is a generalisation, not grounded in real evidence of what Fire and Rescue Services have achieved, whilst addressing grant reductions and real budget cuts.

In respects to your specific request I have had the opportunity to consider your letter with the key Members of the Fire Authority, and the Chief Fire Officer. The Fire Authority stands by its response to the Government's consultation 'Enabling closer working between the Emergency Services' which reiterated the Authority's belief in collaboration, where it improves delivery of services to the public and creates efficiencies. Therefore the Authority is willing to co-operate with your office in respects to any approach to determine at an early stage whether there exists a case for your proposals. I would ask that any correspondence in respects to this work is copied to Gary Walsh, Chief Fire Officer who can ensure the appropriate arrangements and attendance at meeting is secured.

I have in the meantime asked the Chief Fire Officer to prepare a paper for consideration at the full Fire Authority at its meeting on 16 June 2016 and also to seek the Monitoring Officer's opinion on the appropriate arrangements for your attendance at the meeting with a view to enabling a discussion with Members on your proposals. Further details will be provided to your office in due course.

I note your wish to embark on this study in a timely way, however, I would reiterate that the capacity of the Service has been greatly reduced as a result of recent senior officer reductions. The resources to meet the expected tight deadlines of such work, whilst our transformation agenda is progressing, is a new burden for the Authority and as such request that supportive funding should be made available to the Fire Authority.

I look forward to further discussions on your proposals in regards to this matter.

Yours sincerely

Councillor Phil Howson
Chairman of the Fire Authority



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