

## **POLICY & RESOURCES PANEL**

**Minutes of the meeting of the POLICY & RESOURCES PANEL held at County Hall, East Sussex County Council, St Anne's Crescent, Lewes BN7 1UE at 11.30 am on Thursday, 25 July 2019.**

Present: Councillors Peltzer Dunn (Chairman), Boorman, Powell, Pragnell, Scott, Tutt and Barnes (In place of Councillor Galley)

Also present:

Mark Andrews (Assistant Chief Fire Officer), Mark Matthews (Assistant Director Safer Communities), Liz Ridley (Assistant Director Planning & Improvement), Duncan Savage (Assistant Director Resources/Treasurer), Ellie Simpkin (Democratic Services Officer), Warren Tricker (Finance Manager), Dawn Whittaker (Chief Fire Officer & Chief Executive) and Liz Woodley (Deputy Monitoring Officer)

### **1 Declarations of Interest**

Councillor Tutt declared a personal interest in relation to agenda item 8 as a Member of East Sussex County Council. He chose to disqualify himself from taking part in any discussion or voting on the matter.

Councillor Barnes, Councillor Scott and Councillor Boorman also declared a personal interest in agenda item 8 as Members of East Sussex County Council, however, they would not be precluding themselves from taking part in debate or voting.

### **2 Apologies for Absence/Substitutions**

Apologies had been received from Councillor Galley. Councillor Barnes was attending as his substitute. Apologies for lateness were received from Councillor Pragnell.

### **3 Notification of items which the Chairman considers urgent and proposes to take at the end of the agenda/Chairman's business items**

It was noted that a supplementary agenda regarding a report on Guaranteed Minimum Pension (GMP) Reconciliation Stalemate Cases had been circulated in advance of the meeting.

The Panel recorded their thanks to all staff who had worked on recent incidents at The George, Rye and Lydd in Kent.

### **4 Minutes of the last Policy & Resources meeting held on 5 June 2019**

**RESOLVED:** That the minutes of the meeting of the Policy & Resources Panel held on 5 June 2019 be approved as a correct record and signed by the Chairman.

### **5 Callover**

## **Unconfirmed minutes – to be confirmed at the next meeting of the Policy & Resources Panel**

Members reserved the following items for debate:

- 6 Revenue Budget & Capital Programme Monitoring 2019/20
- 8 GMP Reconciliation – Stalemate Cases

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

### **6 Revenue Budget & Capital Programme Monitoring 2019/20**

The Panel received a report from the Assistant Director Resources/Treasurer (ADR/T) on issues arising from the monitoring of the 2019/20 Revenue Budget and Capital Programme as at 30 June 2019.

It was noted that given the early stage in the financial year with the focus on financial close and the preparation of the draft accounts, the report focused principally on the risks to the revenue and capital budgets. There was currently a small forecast underspend for both revenue and capital budgets. The main risks were set out in section 5 of the report. There had been some flexibility in the corporate contingency however, this was now fully committed. It was noted that the 2019/20 capital programme of £7.4m was a significant undertaking with it being the largest programme delivery to date. Slippage in fleet and estates was expected. It was acknowledged that the treasury management forecast needed to be revisited given changes in interest rate predictions.

The Panel requested further clarification on the risks associated with the Swift Water Rescue dispute. The Chief Fire Officer (CFO), explained that the team had been established on a voluntary basis approximately 10 years ago, however, a local dispute had been registered by the FBU claiming that Additional Responsibility Allowance should be paid. The matter had been through the Advisory, Conciliation and Arbitration Service (ACAS). An offer had been made but this had been rejected and, as such, the matter had now progressed to binding arbitration. The Panel noted that Swift Water Rescue was a statutory service in both Wales and Scotland. The ADR/T confirmed that there was no requirement for a provision to be made in the 2018/19 but the matter was noted as a contingent liability. If a payment was required, it would have to be met from the revenue budget or reserves.

The Panel asked a number of questions with regards to apprenticeships and noted that a significant effort had been made by HR in the last 6 months to develop and promote the scheme. The Service offered a range of apprenticeships, the majority of uptake being existing staff utilising the development opportunities. It was hoped that professional apprenticeships for firefighters and business safety officers would be introduced, however, delays in the development of national standards meant that this had not yet been possible. The use of the apprenticeship levy funding would be monitored and the Panel updated accordingly.

## **Unconfirmed minutes – to be confirmed at the next meeting of the Policy & Resources Panel**

Discussion was had over funding opportunities both nationally, given the change in Government leadership, and locally with significant housing developments planned. The CFO confirmed that work was being undertaken on accessing alternative funding sources, such as Section 106 and Community Impact Levy funds, in collaboration with partner agencies. The recently developed area risk profiles now provided an evidence base from which the impact of housing developments could be assessed. The ADR/T added that the National Fire Chiefs Council (NFCC) was coordinating a response to the Comprehensive Spending Review (CSR). The CSR would now not be carried out in full in 2019 due to Government focus on Brexit preparations and although this allowed for additional time to provide input, it also meant that there was a risk to one-off grants. There had been two formal recommendations to Government regarding funding reform following the first tranche of Her Majesty's Inspectorate of Constabulary and Fire & Rescue Service (HMICFRS) reports. The Panel highlighted the need to ensure that the Home Office was aware that the Service was not demand but risk based.

The Panel also asked for clarification of the HR and OD budget review. The CFO informed Members that she had requested a more detailed report on the Occupation Health contract financials and that further information would be available in due course. The HR restructure proposals did not involve any reductions in staff.

The Panel asked about pension investments, given the recent press article concerning East Sussex Pension Fund investments in oil and gas companies. The ADR/T clarified that the Service ran in two schemes – the Firefighter Pension Scheme (FPS), an unfunded scheme, and the Local Government Pension Scheme (LGPS) which was backed by investments and administered by East Sussex County Council (ESCC). East Sussex Fire & Rescue Service (ESFRS) had no direct influence over the investments made by the scheme. Councillor Tutt commented that he was a member of the ESCC Pension Committee and would be happy to discuss the matter further outside of the meeting.

The Panel asked about the latest position on West Sussex County Council's (WSCC) exit from the Sussex Control Centre and the cost recovery process given the potential impact on future funding flexibility. The ADR/T highlighted that ESFRS was broadly expecting a 50/50 split in costs and officers were seeking recovery of costs where appropriate. ESFRS had now been informed that WSCC intended to charge rent for the occupation of the control centre, however, as ESFRS had funded 50% of the capital investment to make the building fit for purpose, it had been made clear that ESFRS was not willing to pay rent. The Panel agreed an additional recommendation to highlight the need for the Treasurer to consider the replenishment of reserves following the final financial settlement.

**RESOLVED:** That the Panel:

1. Notes:

## **Unconfirmed minutes – to be confirmed at the next meeting of the Policy & Resources Panel**

- (i) the risks to and the projected Revenue Budget underspend;
  - (ii) the risks to and the projected underspend in the Capital Programme;
  - (iii) the use of reserves;
  - (iv) the monitoring of savings taken in 2019/20;
  - (v) the current year investments; and the slippage in the Capital Programme.
2. Approves the variations to the Capital Programme by £70,000 for the provision of vehicle telemetry to be funded from underspends in the 2019/20 Fleet Capital Programme and £118,000 for vehicle cameras to be funded by Integrated Transport Function Grant.
  3. Directs the Treasurer to consider replenishing reserves as part of the budget setting process for 2020/21.

### **7 Provision of Finance Support Services**

The Panel considered a report from the ADR/T on the future arrangements for the provision of finance support services.

**RESOLVED:** That the Panel:

1. agrees that finance support services continue to be provided by East Sussex County Council (ESCC) for an initial period until 31 March 2022 with an option to extend for two further years until 2024;
2. delegates authority to the Assistant Director Resources / Treasurer to agree the detail of the new collaboration agreement with ESCC;
3. notes that the Authority is intending to seek an alternative public sector provider for Fire Pension Administration and Pension Payroll; and
4. notes that, in accordance with ESFA Contract Standing Orders (CSOs) 7.2, the Treasurer, after consultation with the Monitoring Officer, Procurement Manager and the relevant Member, has approved a waiver of CSO13.7-13.8 with regard to the provision of Finance Support Services and also for the provision of Fire Pension Administration and Pension Payroll.

### **8 GMP Reconciliation - Stalemate Cases**

The Panel received a report from the ADR/T which sought approval on matters in relation to the Guaranteed Minimum Pensions (GMP) Reconciliation exercise, a national exercise to reconcile pension records held by HMRC and individual pension schemes to ensure that the GMP due were being paid correctly. JLT / Mercers had been commissioned to carry out this exercise on behalf of the Authority for the Firefighters Pension Scheme.

## **Unconfirmed minutes – to be confirmed at the next meeting of the Policy & Resources Panel**

The report had, with agreement by the Chairman, been circulated as a supplementary to the original agenda as a matter of urgency in accordance with Section 100B(4)(b) of the Local Government Act 1972 as a decision on the matter was required before the next scheduled meeting of the Policy & Resources Panel.

The GMP reconciliation exercise had, inevitably, bought up some cases that could not be resolved using the standard GMP reconciliation process and had reached 'stalemate'. Advice from JLT / Mercer had been that mismatches in records were most likely due to errors in HMRC records. The Panel was being asked to agree that the Fire Authority's records were accurate and proceed on this basis. If an individual disagreed with the Authority's decision, they would be asked to provide evidence which would be considered. The Panel noted the cost of any additional GMP liability as a result of these cases would fall upon the Home Office through the Firefighter Pension Top Up Grant.

**RESOLVED:** That the Panel agrees:

1. the resolutions to stalemate cases as set out in appendix 1 to the report;
2. that no provision be made at this stage for the potential additional liabilities identified by JLT/ Mercer in appendix 1 to the report; and
3. that responsibility be delegated to the Treasurer to sign the GMP Reconciliation Stalemate Log.

The meeting concluded at 12.35 pm

Signed

Chairman

Dated this

day of

2019