

## **FIRE AUTHORITY**

**Minutes of the meeting of the FIRE AUTHORITY held at Council Chamber, County Hall, East Sussex County Council, St Anne's Crescent, Lewes at 10.30 am on Thursday, 10 February 2022.**

Present: Councillors Galley (Chairman), Lambert (Vice-Chair), Azad, Dowling, Evans, Geary, Hamilton, Maples, Osborne, Peltzer Dunn, Powell, Redstone, Scott, Taylor, Theobald, Tutt and West

Also present: D Whittaker (Chief Fire Officer & Chief Executive), D Norris (Deputy Chief Fire Officer), M Matthews (Assistant Chief Fire Officer), A Ghebre-Ghiorghis (Monitoring Officer), D Savage (Assistant Director Resources/Treasurer), L Woodley (Deputy Monitoring Officer), L Ridley (Assistant Director Planning & Improvement), J King (Assistant Director People Services), M Lloyd (Assistant Director Safer Communities) A Avery, E Curtis and A Blanshard

### **82        Declarations of Interest**

There were none.

### **83        Apologies for Absence**

Apologies were received from Cllr Marlow-Eastwood.

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

There were none.

### **85        To consider any public questions**

There were none.

### **86        To receive any petitions**

There were none.

### **87        Non-confidential Minutes of the Previous Meeting**

**RESOLVED:** That the non-confidential minutes of the meeting on 9 December 2021 be approved.

### **88        Callover**

Members reserved the following items for debate:

## **Unconfirmed minutes – to be confirmed at the next meeting of the Fire Authority**

- 152 Fire Authority Service Planning processes for 2022/23 and beyond – Revenue Budget 2022/23 and Capital Asset Strategy 2022/23 to 2026/27
- 153 Treasury Management Strategy for 2022/23
- 154 Annual Pay Policy Statement 2022/23

### **89 Fire Authority Service Planning processes for 2022/23 and beyond - Revenue Budget 2022/23 and Capital Asset Strategy 2022/23 to 2026/27**

The Fire Authority considered the report of the Chief Fire Officer (CFO) and Assistant Director Resources/Treasurer (ADR/T) which presented the Fire Authority's Revenue Budget 2022/23, Capital Strategy 2022/23-2026/27 and Medium Term Finance Plan 2022/23-2026/27 for approval. The ADR/T explained that the report set out the final budget proposals and although the Business Rates figures were still being analysed and were included here as estimates the final figures would not change either the precept or the proposed budget provision. Since the report was written, the final Local Government Finance Settlement had been announced and there were no changes to the figures in the report as a result. Confirmation of specific grants from the Home Office was still awaited but the understanding was that the largest of these, the Pension Grant, would be unchanged from the current year and this was reflected in the budget proposals. The Council tax referendum threshold remained at 2% for all fire authorities excepting those in the lowest quartile.

Whilst the Government had conducted a three year spending review the settlement was only for one year. The settlement for 2022/23 was better than anticipated primarily due to the receipt of a one off Service Grant of £0.535m. however there remained significant uncertainty for funding beyond that.

The ADR/T explained that the Authority's increase in core spending power for 2022/23 of 4.1% was the second lowest in English Fire Authorities and well below the average of 4.7%. The proposed budget was a balanced one with a proposed Council Tax increase of 1.99% - equivalent to £1.91 per week for a Band D property.

In order to balance the budget in 2022/23 a total of £0.432m of reserves would be used. Including £0.200m to support investment in protection services beyond the one-off grant funding provided by Government. Whilst the use of reserves was a legitimate approach it was not financially sustainable and therefore could not form an ongoing part of budget setting. The general balances were below the agreed policy minimum level and would be for the next couple of years.

The ADR/T noted that despite the difficult financial circumstances the Authority planned to continue to invest in its IT, Fleet and Estates. The Capital Programme over 5 years was set to increase by £4.8m to £28.2m and this included an additional investment of £3.8m in its operational training facilities to maintain firefighter competence and safety.

## **Unconfirmed minutes – to be confirmed at the next meeting of the Fire Authority**

The Authority's reserves were forecast to reduce from £16.7m to £5.2m over the next 5 years as a result of planned investment and borrowing would increase from £10.3m to £21.8m, with revenue costs of borrowing increasing by £0.9m.

The Medium Term Financial Plan (MTFP) had modelled 3 scenarios they were set out in detail within the report and represented the mid, best and worse case scenarios. These were wide ranging, including some additional measures to manage risk and provide greater financial sustainability, and the advice to the Authority was to plan for the mid case scenario whilst remembering that the forecasts were only indicative due to the risks including further reductions in public spending and proposed changes to how local government was supported centrally. The mid-case scenario forecast the need for further savings of £1.0m in 2023/24 rising to £1.5m by 2026/27.

In summary, the ADR/T said that there remained significant uncertainty for funding for 2022/23 and beyond and the Authority would need to remain flexible in its approach to its financial planning. It was the view of the Treasurer that the estimates used for the purposes of calculating the budget, revenue and capital, had been produced in a robust and transparent way and the proposed financial reserves are consistent with Fire Authority policy and are prudent and necessary. It was essential that the Authority focused on identifying additional savings enabling it to balance its revenue budget from 2023/24 onwards rather than relying on reserves. If these cannot be found from the efficiency areas of focus set out in the report the Authority will need to consider other options including the revisiting of options proposed but not adopted as part of its IRMP 2020-25.

Members thanked the ADR/T for a comprehensive report. There was concern regarding the uncertainty over the funding available over the medium term, an annual government grant was not reliable and Members sought assurance that the Service was, along with neighbouring Local Authorities making representations to government to seek longer term financial confidence. The ADR/T confirmed that representations to government were being made through both the Local Government Association (LGA) and the National Fire Chiefs Council (NFCC) and through briefings for local MPs.

Members queried the figures which demonstrated that East Sussex Fire Authority's cost for a Band D property was the 4<sup>th</sup> highest of all Combined Fire Authorities. The ADR/T confirmed that it was and had been for many years and reflected decisions made by the Authority regarding its prevention, protection and response resources. The majority of the costs faced by the Authority were relating to staffing, particularly Operational. There was also the influence of the county's geography, poor road network, high levels of elderly and vulnerable residents, high levels of deprivation coastline and number of tourists.

Members asked the ADR/T whether, if the mid case scenario outline was achieved, the Authority could make the savings that it needed to. The ADR/T drew the Authority's attention to the 8 areas of focus outlined in the report. These would continue to be developed over the next 6 months so that it was clear what these could offer but that it was not anticipated that these alone could deliver £1.5m of savings. If this was the case, officers and Members

## **Unconfirmed minutes – to be confirmed at the next meeting of the Fire Authority**

would need to work together to review other options including revisiting its IRMP 2020/25.

Members were pleased to see that abnormal weather had been included as a risk, but there was a request the risk of the climate crisis more broadly be represented. There was an increase in the number of non-response vehicles and Members queried whether we should be trying to reduce the number of vehicles. The ADR/T reminded Members that the Authority had commissioned a review of its current Carbon Footprint and was seeking suggestions for how to reduce it. The carbon footprint was mainly made by buildings and heavy fleet. There was currently no affordable, available low/no carbon Fire Appliance. More detail on this review would be given to Members at a seminar and then the Fire Authority meeting in September.

Members were satisfied with the budget proposals and reflected that ESFRS had undergone significant change over a long period of time. They felt that there were lessons to be learned in response to Covid-19. Members were mindful that whilst the rise in Council Tax precept was not significant it was part of a cumulative increase that residents of East Sussex and Brighton & Hove would feel. Increases were not desirable but there was an appreciation that people were paying for a good service. The Authority were conscious of the need to find savings opportunities but wanted assurance that these would be carefully considered.

The Fire Authority unanimously agreed to the recommendations in their entirety as set out in the report.

**RESOLVED:** The Fire Authority unanimously agreed to approve:

1. An increase in council tax of 1.99% and thus approved:
  - (i) the budget proposals set out in this Report and the net budget requirement of £41.766m for 2022/23;
  - (ii) the council tax requirement of £29.288m; and
  - (iii) the council tax and precepts as set out in Appendix F
2. The capital programme for the next five years and the capital budget of £7.250m for 2022/23 including the plans to use CIL, capital receipts, revenue contributions and new borrowing to finance capital expenditure
3. That the general balance remains below the Authority's policy minimum of 5% of the net revenue budget until 2024/25
4. The fees and charges set out in Appendix C;
5. The use of reserves as follows to balance the revenue budget in 2022/23:
  - £0.2m from Sprinkler reserve
  - £0.2m from BR Pool reserve (to fund investment in protection services)
  - £0.032m from Financial Stability reserve; and

## Unconfirmed minutes – to be confirmed at the next meeting of the Fire Authority

6. That the Assistant Director Resources/Treasurer, in consultation with the Chief Fire Officer and the Chairman be authorised to make any adjustments to the presentation of the budget to reflect the Final Local Government Settlement.

### 90 Treasury Management Strategy for 2022/23

The Fire Authority considered the report of the Assistant Director Resources/Treasurer (ADR/T) seeking approval of the Treasury Management strategy, policy statement and the Minimum Revenue Provision (MRP) Statement 2022/23. The report contained recommendations about 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 2017.

The emphasis remained on security and liquidity. As was clear from global events, it was impossible in practical terms to eliminate all credit risk however the Fire Authority sought to be prudent. The Authority was recommended to approve borrowing limits to give flexibility for any future consideration in undertaking new external long-term / replacement borrowing should the need arise or market conditions prove favourable.

The Fire Authority has always adopted a prudent approach on its investment strategy, and, in the last few years, there had been regular changes to the list of the approved organisations used for investment of short term surpluses. No further changes to the Investment Strategy were proposed for 2022/23.

Since March 2020 global economic events triggered by the COVID 19 pandemic had caused the Authority to pause consideration of entering longer duration funds.

The Fire Authority is exploring Investment options that meet Environment, Social and Governance (ESG) aims. This parameter will act as a 4th consideration to investment decisions behind Security, Liquidity and Yield. The preservation of capital remained the Authority's principal overriding priority. Members were pleased to see the stated support for ESG investment products and for the investment of £1m that had been made in 2021. It was confirmed that this represented approximately 5% of the Authority's portfolio. The current availability of ESG products was relatively narrow, but it was encouraging this investment offered a better return than other comparable non-ESG products. Members welcomed this investment and hoped that there would be increased ESG investments in the future.

**RESOLVED:** The Fire Authority agreed to:

- (i) approve the treasury management strategy and policy statement for 2022/23 (and adopt for the remainder of 2021/22);
- (ii) determine that for 2022/23 the Authorised Limit for borrowing shall be £12.767m;

## **Unconfirmed minutes – to be confirmed at the next meeting of the Fire Authority**

- (iii) adopt the prudential indicators as set out in the attached Appendix 2;
- (iv) approve the Minimum Revenue Provision (MRP) Statement for 2022/23 as set out in the attached Appendix 3; and
- (v) approve the Annual Investment strategy for 2022/23 as set out in Section 5 including the additional consideration of Environmental, Social and Governance (ESG) factors.

### **91 Annual Pay Policy Statement 2022-23**

The Fire Authority received the report of the Assistant Director People Services (ADPS) presenting the Fire Authority's Pay Policy Statement for the period 1 April 2022 to 31 March 2023. The Localism Act 2011 imposes a duty on relevant local authorities to prepare pay policy statements for each financial year and must be approved by the statutory deadline of 31 March 2022.

Members raised a query regarding the differential between the highest and lowest paid within the Service. Officers reminded the Authority that the pay grades for Senior Officers were set by Members on the Principal Officer Appointments Panel.

**RESOLVED:** That the Fire Authority approve the Pay Policy Statement as set out in the Appendix to the report.

### **92 Exclusion of the Press & Public**

**RESOLVED:** That agenda item 156 be exempt under paragraphs 2 and 3 of Part 1 Schedule 12A of 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: that they contain information that may reveal the identity of an individual and information relating to the business affairs of the Fire Authority.

### **93 Confidential Minutes of the Previous Meeting**

**RESOLVED:** That the confidential minutes of the meeting on 9 December 2021 be approved.

The meeting concluded at 11.37 am

Signed

Chairman

**Unconfirmed minutes – to be confirmed at the next meeting of the Fire Authority**

Dated this

day of

2019