

# Fire Authority

## 8 December 2022



### Membership:

Councillors: Galley (Chairman), Lambert (Vice-Chair), Azad, Dowling, Evans, Geary, Hamilton, Maples, Marlow-Eastwood, Osborne, Powell, Redstone, Scott, Taylor, Theobald, Ungar and West

**You are requested to attend this meeting to be held in the Council Chamber, County Hall, East Sussex County Council, St Anne's Crescent, Lewes at 10.30 am**

### Quorum: 6

<b>Contact:</b>	Abigail Blanshard 07950 877168, <a href="mailto:democraticservices@esfrs.org">democraticservices@esfrs.org</a>
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## Agenda

### 184. Declarations of Interest

In relation to matters on the agenda, seek declarations of interest from Members, in accordance with the provisions of the Fire Authority's Code of Conduct for Members.

### 185. Apologies for Absence

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

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.

### 187. To consider any public questions

### 188. To receive any petitions

### 189. Non-confidential Minutes of the Previous Meeting

To approve the Non-confidential Minutes of the last meeting held on

8 September 2022.

**190. 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 these items which have not been called.

**191. Medium Term Financial Plan Update - Draft Savings Proposals 13 - 20**

Report of the Deputy Chief Fire Officer

**192. Exclusion of the Press & 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 will state the category under which the information disclosed in the report is confidential and therefore not available to the public.

**193. Medium Term Financial Plan Update - Draft Savings Proposals - Confidential Appendix 21 - 24**

Report of the Deputy Chief Fire Officer

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

Date of Publication: 30 November 2022

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## 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, 8 September 2022.**

Present: Councillors Galley (Chairman), Lambert (Vice-Chair), Azad, Dowling, Evans, Geary, Hamilton, Maples, Marlow-Eastwood, Peltzer Dunn, Powell, Redstone, Scott, Taylor, Theobald, Ungar 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 Ridley (Assistant Director Planning & Improvement), J King (Assistant Director People Services), M Lloyd (Assistant Director Safer Communities), L Woodley (Deputy Monitoring Officer) and A Blanshard (Senior Democratic Services Officer)

### **108       Declarations of Interest**

There were none.

### **109       Apologies for Absence**

Apologies were received from Councillor Osborne.

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

The Chairman notified the Fire Authority of the strike ballot being undertaken by the Fire Brigades Union (FBU); this was a five week process. The FBU had rejected a 2% pay award but discussions were continuing nationally, and the Chair of the National Joint Council (NJC) was regularly updating Fire Authority Chairs and Chief Fire Officers with the progress of talks.

### **111       To consider any public questions**

There were none.

### **112       To receive any petitions**

There were none.

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

**RESOLVED** – That the minutes of the meeting held on 9 June 2022 be approved and signed by the Chairman.

### **114       Callover**

Members reserved the following items for debate:

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

- 178 Annual Performance Outcome Report 2021/22
- 179 Revenue Budget & Capital Programme Monitoring 2022/23
- 180 Strategic Service Planning & Medium Term Financial Plan 2023/24
- 181 Core Code of Ethics

**RESOLVED** – The Fire Authority agreed that all remaining reports on this Agenda be approved in full.

### **115 Annual Performance Outcome Report 2021/22**

The Fire Authority considered the report of the Assistant Director Planning & Improvement (ADP&I) presenting Members with the annual performance results for 2021/22. In total there were twenty-one indicators, but only sixteen had comparable data due to the Covid-19 pandemic. Eight of the top-level indicators improved or met the target set in 2021/22 and eight showed a decline against the previous year.

The ADP&I presented the report to Members, highlighting that comparison would remain difficult with the years affected by the Covid-19 pandemic, however, there was already a noticeable direction back to pre-pandemic levels. There had been an increase in both the number of incidents and the levels of staff sickness. There had been a reduction in serious fires and the Service was performing as expected with regards to containing a fire to the room of origin. The report contained detail on both complaints and compliments and richer detail with regards to information presented on a District level.

Members thanked the ADP&I and her team for the complex report and the updates contained within. They were keen to highlight that when dealing with statistics it was easy to forget that a small numeric change could reflect significantly in a percentage figure, the language used occasionally made the figures seem more concerning than they were. A lengthy discussion followed, Members queried what were the improvements that were so successful in Eastbourne and Rother and sought clarity on increases in Accidental Dwelling Fires (ADF) despite the significant outreach work being undertaken. The Assistant Director Safer Communities (ADSC) explained that the Covid-19 pandemic had changed and impacted how the Service had to work. The Annual Assessment of Risk was used to target those groups that were most in need of safety advice especially in the prevention of ADFs, the improvements in Eastbourne and Rother demonstrated the success of targeted initiatives.

Members sought clarity regarding attendance at Automatic Fire Alarms (AFAs) and response times. The ADSC reminded the Authority that they had taken the decision not to attend AFAs, as it was still early days it would be a while before the figures would be available on this change. The Control officers provided challenge to calls, under a nationally recognised process, to establish that it was indeed a false alarm, if there was any doubt the Service would attend. The Service had consulted with the public on how they would like to see response standards reported, there were two ways of measuring; an 'on station' response and an 'on-call' response.

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

There was a question regarding the number of vehicles, whether the increasing number of Electric Vehicles (EV) presented an increased risk due to the batteries. The Assistant Chief Fire Officer (ACFO) agreed that this was a well known risk, lithium batteries burned in a specific and difficult to control way, the National Fire Chiefs Council (NFCC) had provided national guidance and additional local guidance had been put in place. The Chief Fire Officer (CFO) added that Members could assist in the management of this risk by ensuring that their planning colleagues considered EV fires when granting permission to build underground car parks or the fitting of charging points in existing.

The Assistant Director People Services (ADPS) provided members with some reassurance that the Service was addressing the increase in staff sickness figures. During the pandemic staff sickness had reduced dramatically and was now showing a return to pre-pandemic levels. There were several factors influencing the figures, including NHS waiting times, ill-health retirements, and delays of occupational health appointments. Work was underway to improve Occupational Health facilities and the Service had introduced wellbeing hubs, wellbeing champions, and Mental Health first aiders. The CFO added that this was a national point of focus as sickness in fire and rescue services was difficult to manage due to the nature of the work we do. There were injuries that people could work with in other careers that they could not in the fire service. However, back and Musculo-skeletal injuries had been overtaken by mental health as a cause of absence. The sector had lightened equipment and de-manualised other equipment to reduce “wear and tear” and the resulting physical injuries. Staff were exposed to incidents and situations that can cause significant mental health problems and societal issues including suicide. The Service was encouraging conversations and that it was OK to say that you are not OK. The Service had improved its response to trauma, but the nature of what crews attend would always be an issue. The increased retirement age would also have an impact, and potentially there would be increased long-term sickness, being a firefighter was a difficult job at 50 and even tougher at 60.

Members requested that a presentation be made to a future Members Seminar regarding wellbeing. It was further proposed by Cllr Galley, seconded by Cllr Geary, that an additional recommendation be added to this report requesting a further widescale review of wellbeing and sickness across the Service. The Fire Authority approved this additional recommendation.

**RESOLVED** – The Fire Authority approved:

- i. the performance results and progress towards achieving the Service’s purpose and commitments;
- ii. the performance results and remedial actions that had been taken to address areas of under performance in the priority areas; and
- iii. a request for a further widescale review of wellbeing and sickness with an update provided to the Scrutiny & Audit Panel

**116 Revenue Budget & Capital Programme Monitoring 2022/23**

The Fire Authority received the report of the Assistant Director Resources/Treasurer (ADR/T) presenting Members with the findings of the Month 4 monitoring undertaken on the Revenue and Capital Budget 2022/23 and Capital Programme 2022/23 to 2026/27. It was agreed by the Fire Authority, in consultation with the Monitoring Officer, that this item could be discussed simultaneously with item 180 – Strategic Service Planning & Medium Term Financial Plan 2023/24 as there were many overlaps that would affect this report.

The ADR/T explained that the current year forecast was for a Revenue overspend of £446,000 due to pressures including being over establishment with Firefighters and costs of overtime in the Safer Communities Directorate and Training. There was an underspend/slippage of 40% regarding the Capital Programme, this affected both fleet/engineering and estates. There were worldwide supply chain disruptions affecting both programmes, both in terms of availability of vehicles and the cost of materials for estates projects. Officers described work taking place to prioritise projects and Members supported an approach that committed to a smaller number of projects, delivered them in full and then moved on to the next tranche rather than trying to deliver more than was possible at once.

The ADR/T highlighted several risks affecting the organisation these included additional pay awards and inflationary pressures on non-pay spend above the 2% budgeted. There were national pay negotiations ongoing for all staff. The offer to Green book had been £1,925 per person, currently in consultation, and the 2% offer made to Grey/Gold book staff had been rejected. Recent public sector pay awards more generally, for example to police and NHS staff had been around 5-6%. It was expected that risks resulting from both pay and non-pay inflation may be in the region of £1,300,000 to £2,000,000 on top of the forecast Revenue overspend.

Members were deeply concerned by the inflation figures and that these were predicted to rise further. There was no indication of when the rises would end, and that the Authority were clearly not in times of “business as usual” in terms of budget setting. Members were keen that the Service continue to seek additional funding from central Government.

The ADR/T explained that this year the Finance team were working closely with other departments to get more accurate budget forecasts. The Senior Leadership Team (SLT) had agreed some actions including management of vacancies and oversight of overtime claims. They would also be reviewing options to manage non-pay related spending including expenses, travel, hire of external venues and printing costs. The ADR/T reminded Members that the Authority had some contingency within the Revenue budget and reserves which it could use to fund unplanned spend in the current financial year.

The ADR/T explained that the Authority has been well managed financially and this put it in a good position when compared to some other Fire



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

Authorities, to tackle the financial challenges ahead. Because of the uncertainty surrounding both funding and costs a full update of the Medium Term Financial Plan (MTFP) was not possible this year. Instead, the paper provided an illustration of the potential funding gap the Authority faced in 2023/24. This was the third year in a row that a one year settlement had been received from Government. It was unclear what this year's settlement would look like, figures were not due until late December 2022, but the messaging from Government indicated that Local Authorities would not get any additional help on either pay or price inflation. The funding scenarios had been reviewed and were based on cash +2% (for Settlement Funding Assessment) and the spending assumptions included the full year impact of forecast pay awards for 2022/23. There was also an assumption that a pay increase of 4% for all staff for would be necessary in 2023/24. The "illustrative scenario" for next year was a potential funding gap of £3,000,000. Members were reminded that  $\frac{3}{4}$  of the Authority's expenditure was staffing with the majority of that being frontline. The ADR/T stated that if the funding gap was of the scale that had been modelled then efficiencies alone would not be sufficient to deliver a balanced budget and that the Authority would need to revisit its IRMP and consider reductions in the service it provided. For the purposes of illustration the cost of running a full-time pumping appliance was around £0.9m - £1.0m.

The Star Chamber process for this year was requiring department heads to identify unavoidable pressures, new bids and potential savings. The messaging was stark, the Authority must prioritise and be clear about where to invest, officers would be bringing back proposals to the Fire Authority at their meeting in December 2022.

The ADR/T confirmed that they were continuing, through several channels, to lobby Government regarding funding. Officers held regular meetings with the local MPs and had been very clear with them about the situation that the Authority faced. They Chairman had written to the Fire Minister and the NFCC had made submissions to Government. Officers were doing all they could but were aware too of the wider context and that all Fire Authorities were in the same position.

Members supported the suggestion that, it might be wise to reduce the number of Capital projects underway at one time, instead to seek to initiate fewer but ensure completion of those underway. The ADR/T confirmed that there was progress being made on the Capital Programme with work commenced on site. Works at Seaford to accommodate the HVP had been completed and builders were onsite at Hove and would then be starting Bohemia Road and the first of the multipurpose training hubs. Planning was progressing at Preston Circus; contractors had been appointed and they were working on updated costings.

The Authority were grateful to the ADR/T for the information and clarity and were understanding of the likely need for them to re-visit the Integrated Risk Management Plan. Support was expressed for continued lobbying for a fair and equitable funding settlement including increased council tax flexibility.

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

The Authority recognized that it was possible that they may have to consider the “core Service offer” at this challenging time.

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

- i. the risks to Revenue Budget and the projected overspend;
- ii. the risks to the Capital Programme;
- iii. the reduced net forecast drawdown from reserves;
- iv. the grants available and spending plans;
- v. the monitoring of savings taken in 2022/23; and
- vi. the current year investments and borrowing.

### **117 Strategic Service Planning & Medium Term Financial Plan 2023/24**

The Fire Authority considered the report of the Assistant Director Resources/Treasurer (ADR/T) providing Members with an update on the Authority’s financial planning position in advance of the start of the Service Planning and Budget Setting process for 2023/24 onwards. It was agreed by the Fire Authority, in consultation with the Monitoring Officer, that this item could be discussed simultaneously with item 179 – Revenue Budget & Capital Programme Monitoring 2022/23 as there were many overlaps that would affect this report. The key discussion points on this report are covered in the minutes for the previous item.

The Fire Authority agreed to accept an additional recommendation to this report, proposed by Cllr Galley and seconded by Cllr Maples, which stated:

“The Fire Authority requests a report to a future meeting outlining the range of options available to deal with the risk factors raised in the report.”

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

- i. note the report and its assessment of the potential funding gap for 2023/24;
- ii. consider and commented upon the risks set out in section 4.6 and the assumptions set out in the report;
- iii. consider their policy preferences for Council Tax should the Government set the referendum threshold higher than the 2% currently included in the MTFP;
- iv. approve the planning assumption that the Protection Grant would continue at its current level and to build this into the MTFP; and
- v. request a report to a future meeting outlining the range of options available to deal with the risk factors raised in the report.

### **118 Core Code Of Ethics**

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

The Fire Authority considered the report of the Assistant Director People Services (ADPS) providing Members with an update on progress in implementing the national Core Code of Ethics Fire Standard that had been developed in partnership with the National Fire Chiefs Council (NFCC), Local Government Association (LGA) and the Association of Police and Crime Commissioners (APCC). The Core Code of Ethics had been introduced in May 2021 and was designed to help employees of Fire and Rescue Services act in the best way towards each other and while serving the public. Those who govern fire and rescue services are asked to demonstrate their commitment to the Core Code of Ethics by championing its use.

The Service had long been committed to ensuring staff had clear guidance on expectations regarding behaviour, including the Service values of Proud, Accountable, Integrity, and Respect. This had been further enhanced with the creation and implementation of the Leadership and Behaviour Framework and rolling reviews.

Members thanked the ADPS for the update and were pleased to see that there was significant reference to equality, diversity and inclusion in the code.

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

- i. note the progress of the Service in implementing the National Code of Ethics;
- ii. note the move into business as usual as set out in section 4; and
- iii. confirm its commitment to the Code of Ethics.

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

### **120 Request to Write-Off Overpayment**

The Fire Authority considered the report of the Assistant Director People Services (ADPS) seeking Member approval to write off an overpayment that had been made to a current pensioner. An overpayment had been identified and the write-off figure was greater than that which could be delegated to the Chief Fire Officer & Chief Executive. Therefore, it was necessary for the Fire Authority to be asked to authorise this amount.

**RESOLVED** – The Fire Authority approved the write off in line with paragraph 12.8 of the Authority's Financial Regulations.

The meeting concluded at 12.28 pm

Signed

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

Chairman

Dated this

day of

2022

## EAST SUSSEX FIRE AUTHORITY

**Date** 8 December 2022

**Title of Report** Medium Term Financial Plan Update – Draft Savings Proposals

**By** David Norris, Deputy Chief Fire Officer

**Lead Officer** David Norris, Deputy Chief Fire Officer

**Background Papers** Strategic Service Planning and Medium Term Financial Plan Update 2023/24 to 2027/28 – Senior Leadership Team, 18 October 2022

2023/24 to 2027/28 Strategic Service Planning and Medium Term Financial Plan – Fire Authority, 8 September 2022

Revenue and Capital Budget 2022/23 and Capital Programme 2022/23 to 2026/27 Monitoring at Month 6 (end September) – Policy & Resources Panel, 10 November 2022

**Appendix** 1. Draft Savings Proposal Appraisal – **CONFIDENTIAL** by virtue of paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 in that the information relates to the financial or business affairs of any particular person (including the authority holding that information)

**Implications (please tick ✓ and attach to report)**

<b>CORPORATE RISK</b>	✓	<b>LEGAL</b>	✓
<b>ENVIRONMENTAL</b>		<b>POLICY</b>	✓
<b>FINANCIAL</b>	✓	<b>POLITICAL</b>	✓
<b>HEALTH &amp; SAFETY</b>		<b>OTHER (please specify)</b>	
<b>HUMAN RESOURCES</b>		<b>CORE BRIEF</b>	

**PURPOSE OF REPORT** To brief the Fire Authority on current draft savings proposals designed to address the funding gap identified in the Medium Term Financial Plan for 2023/24.

**EXECUTIVE SUMMARY** This is the first report to the Fire Authority presenting draft savings proposals following an updated Medium Term Financial Plan. These options address the potential funding gap identified in the Strategic Service Planning and Medium Term Financial Plan presented to the Senior Leadership Team on 18 October 2022, which called for urgent review of all budget areas in order to identify savings opportunities. These

proposals may be included in the next Community Risk Management Plan.

The Fire Authority is not being asked to make any decisions at this stage, however a refreshed list of draft proposals will be included as part of the budget papers that will be presented at the Fire Authority meeting on 9 February 2023.

The Star Chamber process undertaken during September identified service pressures, bids and savings proposals of £0.985m. The illustrative budget has been reviewed following Star Chamber and further analysis of price inflation resulting in a revised savings requirement of £3.262m.

The current Integrated Risk Management Plan (IRMP) was agreed by the Fire Authority at its meeting on 3 September 2020 to deliver savings and efficiencies in the revenue budget base of £0.525m by 2025/26 (£1.125m in total over the period 2020/21 – 2025/26) and a reduction in capital spend of £0.568m. These figures were subsequently revised in a report to Scrutiny & Audit Panel on 20 January 2022 with the revenue budget savings reducing to £0.349m by 2025/26 (£0.972m over the period 2020/21 – 2025/26). The saving on the revenue base budget is expected to rise to £0.578m per annum by 2028/29.

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## **RECOMMENDATION**

Fire Authority is recommended to:

- i. agree further development of the savings proposals;
- ii. agree a suite of developed savings proposals be returned to the Fire Authority at its meeting on 9 February 2023 for approval as part of the final budget proposals for 2023/24; and
- iii. agree that the proposals in (ii) above should identify where formal public consultation is required.

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## **1. INTRODUCTION**

1.1 This is the first report to Fire Authority on draft savings proposals to address the funding position identified in the revised Medium Term Finance Plan (MTFP), including the results from the Star Chamber process. These proposals may be included in the next Community Risk Management Plan.

1.2 An illustrative update for 2023/24 budget was presented to the Fire Authority at its meeting on 8 September 2022, this indicated a potential savings requirement for 2023/24 of £3.049m (Appendix 1 - CONFIDENTIAL).

1.3 Subsequently pay offers for 2022/23 have been made, these have exceeded our current budget provision but are broadly aligned with the forecast included in the September Fire Authority paper. The Green Book pay award has been agreed whilst the Grey Book pay offer has been rejected and the Fire Brigades Union is balloting for industrial action. The Government has confirmed that there will be no additional funding provided to support these pay offers.

## **2. Financial Position**

2.1 An illustrative budget for 2023/24 was presented to the Fire Authority at its meeting on 8 September 2022, indicating a savings requirement of £3.049m.

2.2 The Star Chamber process undertaken during September scrutinised all areas of the service, and has identified service pressures, bids and savings proposals of £0.985m. The illustrative budget has been reviewed following Star Chamber and further analysis of price inflation resulting in a revised savings requirement of £3.262m.

2.3 Officers are continuing to review the Star Chamber proposals for pressures, bids and savings so the resulting net position will change.

2.4 There were no direct references to the fire service in the Chancellor's Autumn Statement on 17 November 2022. Some key headlines in relation to local authority funding were:

- Increased council tax flexibilities for local authorities: 3% basic plus 2% Adult Social Care precept. Principles will be set out in the provisional local government finance settlement in December. It seems reasonable to assume that the 3% basic flexibility will also apply to fire services. An increase of 2.99% would give us £0.294m additional funding in 2023/24. The Office for Budget Responsibility assumes that this higher threshold will remain in place for 5 years but there is no confirmation of this from Government at this point.
- Funding for both the Department for Levelling Up, Housing and Communities (DLUHC) and the Home Office has increased (Local Government Resource Departmental Expenditure Limit (DEL) to increase by 33% from 2022-23 to 2023-24. The Home Office DEL to increase by 5.5% from 2022-23 to 2023-24). However the main areas mentioned for increases in spend do not include fire.
- Business Rate multipliers frozen in 2023-24 – Local authorities to be compensated in the usual way. National revaluation will be applied from 1 April 2023 but there will be transitional schemes to damp the impact of increases. Additional reliefs will also reduce Business Rate bills for many businesses. The review of Business Rates has been delayed until 2025. What this means in the round is not yet clear, however there is a risk that business rates on our estate will increase (as they did in 2017 as the burden of business rates shifted toward the south). Implications for Settlement Funding Assessment are not clear until the Provisional Local

Government Finance Settlement is published week commencing 19 December 2022.

2.5 On this basis there is no reason to assume any change to our existing modelling for 2023/24 other than the potential to increase council tax income by just under £0.3m (should the Authority agree to increase council tax by the maximum allowed).

2.6 Further key announcements are expected as follows:

- w/c 19 December 2022 – Provisional Local Government Finance Settlement (LGFS)
- 31 January 2023 – final council taxbase, business rates and collection fund figures

2.7 On that basis it remains both necessary and prudent for the Authority to plan on the reasonable worst case scenario that it will need to close a budget gap of the order of £3m in 2023/24.

2.8 The Estates and Fleet capital programme totals £31.623m over the current year and MTFP period. Further analysis is required to understand the associated ongoing revenue pressures.

#### Pay Award 2022/23

2.9 The budget provided for 2% pay awards across gold, grey and green book staff and this is the amount included within the current forecast position. However, with high inflation rates, there is pressure from representative bodies for significantly higher pay awards.

2.10 Green book staff have been offered and accepted a pay rise of £1,925. It is expected the additional pressure will be £275,000 based on the current pay forecast.

2.11 Grey book staff have been offered a pay rise of 5%. Based on the current pay forecast for grey book staff this would create an additional pressure of £410,000 in 2022/23, resulting in a full year effect pressure of £550,000.

#### Star Chambers

2.12 The Star Chamber process undertaken during September provided an opportunity for each Assistant Director (AD) along with senior managers to review their service/business plan priorities and to determine the respective financial implications.

2.13 The Star Chambers, chaired by the Treasurer, included a combination of Principal Officers, Service and Finance officers to critique and undertake constructive challenge to service proposals. Each AD was invited to present their Service priorities and financial implications in three categories: Service pressures, bids for new resources and savings proposals.



2.14 The outcomes of the Star Chambers have been consolidated and pressures up to the value of £1.238m were identified, new bids for resources of up to £0.468m and savings proposals of up to £0.721m for 2022/23. This has resulted in a net impact of £0.985m for 2022/23.

2.15 The position for each directorate for 2022/23 is shown in the following table:

	Pressures (£)	Bids (£)	Savings (£)	Total
Operational Support & Resilience	174,185	50,000	(281,300)	
People Services	232,515	101,290	(60,950)	
Planning and Improvement	4,650	191,260	(3,000)	
Resources/Treasurer	726,666	49,140	(352,560)	
Safer Communities	99,800	76,300	(23,157)	
	<b>1,237,816</b>	<b>467,990</b>	<b>(720,967)</b>	<b>984,839</b>

2.16 The 2023/24 illustrative budget has been revised to indicate Star Chamber outcomes and further analysis of price inflation. This reflects the specific excess inflation pressures identified during Star Chamber and provides a lower level of excess inflation provision for other areas. This will need some further analysis before the budget is set.

	23/24
Pressures	1,238
Bids	468
Savings	(721)
	985
Illustrative 23/24 Budget Savings Requirement	3,049
Removal of Firelink grant (included in Star Chamber)	(142)
Removal of 2022/23 Price inflation	(681)
Removal of 2023/24 Price inflation	(363)
2022/23 Price Inflation	184
2023/24 Price Inflation	230
	<b>3,262</b>

2.17 Finance is also reviewing all generic spend and income budgets to identify additional savings and pressures not identified during the Star Chamber process.

2.18 In addition, the following still need to be considered/calculated:

- Impact on budget of staff increments
- Impact on budget of vacancy factor on support staff pay
- Interest receivable on investments

- Revenue impacts of capital programme including increase in borrowing costs
- Wholetime firefighter recruitment
- Excess inflationary pressures on utilities for 2023/24

### **3. Managing Revenue Budget Pressures in 2022/23**

3.1 Whilst there is still work to be completed to understand the expected outturn forecast, reported as an overspend of £0.253m current analysis indicates additional pressures of between £0.9m and £1.2m. Although current indications suggest the pressure will be at the lower end of the scale with known pressures relating to pay.

3.2 SLT agreed the following actions at its July meeting:

- Vacancy Management would be reviewed immediately and started to be put in place in the coming months. Workforce Planning Group would be used as mechanism to:
  - approve recruitment to all vacancies
  - approve the use of agency staff
  - have oversight of overtime spend (with particular focus on Safer Communities and Training)
  - review and agree forecasts for operational (grey book) strength
- Management of discretionary spend would also be a key focus and the Senior Leadership Team agreed that as part of the Period 4 budget monitoring:
  - all budget managers would review with their Finance Business Partner opportunities to manage underspends on non-pay spend in 2022/23 with a particular focus on areas such as training, estates maintenance and equipment (Information Technology and Engineering)
  - the finance team would review corporate opportunities to manage generic spend e.g. agency staff, conferences, catering, accommodation/venue hire, printing etc.

3.3 There are a number of areas of potential flexibility within the 2023/24 revenue budget.

3.4 The proposed 2023/24 revenue budget includes:

- £1.00m contribution to the Capital Programme Reserve
- £0.274m to top up general balances following draw down from the reserve in 2021/22
- A contingency budget of £0.352m

3.5 These actions alone will not address the projected shortfall, resulting in the requirement to take significant and far-reaching measures to the structure of the Service and the activities it carries out. Use of these measures on top of funding 2022/23 pressures from reserves will significantly reduce the Authority's financial

flexibility and ability to invest. In order to ensure financial stability for the future the Authority will not only need to identify and deliver the savings needed to address the potential budget gap it will also need to consider how it rebuilds its reserves.

3.6 In addition, some of the options identified in Appendix 1 (CONFIDENTIAL) will require public and internal consultation, and it is likely that few will be able to be implemented by 1 April 2023. On this basis the Authority will need to identify one-off measures to smooth the implementation of any savings plan, for example through the use of the flexibilities identified in para 3.3 above or through a further review of investment plans and / or the use of earmarked reserves. The proposals to address the potential £3m funding gap are the principal subject of this paper and will be included in the next Community Risk Management Plan.

#### **4. Savings proposals to address the Medium Term Finance Plan**

4.1 The long-list of draft proposals is not exhaustive as further options will be identified, but has been developed following broad principles:

1. In-year temporary measures are required to deliver savings for the following year
2. Total savings requirement approximately £3m to meet reasonable worst case scenario
3. All areas of the organisation need to be reviewed to ensure savings required
4. Some options likely to require formal public consultation
5. A list of all potential areas of saving being developed, including the previous Integrated Risk Management Plan (IRMP) proposals
6. The list of potential savings assessed against:
  - Community Risk
  - Financial Saving
  - Political support
  - Time to implement
  - Staff Impact
  - Legal
7. The current IRMP may need to be refined to support the implementation of the initial £800K and remainder through the life of the MTFP
8. Some of the changes may need to move at pace to reduce budget impact to Service

4.2 Accompanying the long-list, opportunities have been identified which would enable the service to improve. These opportunities have been developed such

that selected savings options can be implemented with reduced impact, or to ensure any impact on public facing service delivery is minimised

- 4.3 The long-list of options is included in the confidential appendix of this report. Following approval, further detailed assessment of the options will take place including, where necessary, risk modelling, financial appraisal, consultation and an implementation plan will be developed.
- 4.4 The Service completed a comprehensive review of operational risk in 2019-20, modelling community risk and vulnerability across East Sussex and Brighton & Hove. This risk modelling remains current, and where necessary will be refreshed as relevant new data becomes available. There is therefore no need at this stage to develop a completely new Community Risk Management Plan (CRMP). Some of the options in the long-list, if selected to be taken for further development, may require a refresh of the risk modelling, and this will be carried out if necessary.
- 4.5 Local elections will take place in Brighton & Hove on 4 May 2023, therefore if there is any required public consultation on any proposals it will take place after the local elections are complete.

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

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