

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, 12 May 2022.

Present: Councillors Peltzer Dunn (Chairman), Evans, Galley, Lambert and Taylor

Also present: D Whittaker (Chief Fire Officer), D Norris (Deputy Chief Fire Officer), M Matthews (Assistant Chief Fire Office), D Savage (Assistant Director Resources/Treasurer), H Scott-Youlton (Assistant Director Operational Support & Resilience), J King (Assistant Director Safer Communities), L Woodley (Deputy Monitoring Officer), J Olliver (Payroll, Pensions & HR Assurance Manager) and E Simpkin (Democratic Services Officer)

31 Declarations of Interest

There were none.

32 Apologies for Absence/Substitutions

Apologies were received from Councillor Powell.

33 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.

34 Minutes of the last Policy & Resources meeting held on 20 January 2022

RESOLVED: That the minutes of the meeting of the Policy & Resources Panel held on 20 January 2022 be approved as a correct record and signed by the Chairman.

35 Callover

Members reserved the following items for debate:

36. Revenue and Capital Budget 2021/22 and Capital Programme 2021/22 to 2025/26 Monitoring at Month 11
37. Capital Programme Revision
38. Update on the Developing Situation on Firefighters' Pension Schemes (FPS) Age Discrimination, Remedy & Immediate Detriment

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

40. Update on the Developing Situation on Firefighters' Pension Schemes (FPS) Age Discrimination, Remedy & Immediate Detriment – Confidential Appendices

36 Revenue and Capital Budget 2021/22 and Capital Programme 2021/22 to 2025/26 Monitoring at Month 11

The Panel considered a report of the Assistant Director Resources/Treasurer (ADR/T) on the findings of the month 11 monitoring undertaken on the Revenue and Capital Budget 2021/22 and Capital Programme 2021/22 to 2025/26.

The Panel noted that with regard to the revenue budget, an underspend to the sum of £264,000 had been identified which was a reduction in underspend of £124,000 from the position identified in the last report to the Panel. This was mainly due to vacancies across the Service, the identification of underspends within Information Technology Governance, Finance and Operational Support & Resilience, offset by overspends in relation to being over establishment in wholetime staff, overtime, Deputy Chief Fire Officer recruitment, additional allowances for Logistics & Control Support staff, ill health retirements, firefighter recruitment, occupational health and the staff pay award. Section 31 and Tax Income Guarantee grants received had been higher than anticipated and the transfer of £136,000 from reserves to cover budgetary pressures was no longer required. The Capital plans for 2021/22 had been reviewed and slippage on the delivery of projects to the value of £511,000 (19.2%) was reported. This was primarily due to further delays within Engineering due to the global supply issues. Additionally, an underspend of £40,000 was expected against capital schemes which comprised £55,000 underspend in Engineering and £15,000 (spend in advance) overspend in Estates. Further details on the Revenue and Capital programme risks were detailed in the report.

The Panel queried whether further action could be taken to help mitigate and manage the capital programme slippage, accepting that there were national supply chain issues which were beyond the Service's control. The ADR/T agreed that the delays were very frustrating, especially given that some projects had reached the point of delivery. The tender for the first design guide project at Hove Fire Station had come in over budget but options had been identified through a process of value engineering and additional consultation was taking place on these options. There was a degree of risk and uncertainty with regard to the outcome of tenders and lessons were being learnt for projects at Eastbourne, Roedean and Bohemia Road stations. It was important that all projects were phased appropriately and carried out within the capacity of operational requirements. The Assistant Chief Fire Officer (ACFO) added that the delivery targets were ambitious targets and there may be a need to rebaseline some projects, for example, there were long delays in vehicles build times. He added that it was important to manage expectations and engage with staff to make sure the challenges were fully understood.

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RESOLVED: That the Policy and Resources Panel noted:

- (i) the risks to Revenue Budget and the projected underspend;
- (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 2021/22; and
- (vi) the current year investments and borrowing.

37 Capital Programme Revision

The Panel received a report from the ADR/T which sought approval of changes to the Capital Programme. The ADR/T explained that subsequent to the Authority's approval of the Capital Programme for 2022/23 to 2026/27 an error in the Estates Capital Programme had been identified. This error was due to an omission of a line covering general capital schemes which were essential for the maintenance and operation of the Service's fire stations. The additional cost of reinstating these schemes into the Capital Programme was £1.814m. There would also be a revenue cost as a result rising to £0.103m per annum by 2026/27.

The ADR/T offered his reassurance that the Finance Improvement Plan which was currently being implemented would increase capacity within the Finance team, as would the development of the Estates Shared Service, allowing necessary capital planning to be carried out earlier in the budget setting process and for robust checks and review before the capital programme proposals were submitted for approval.

The report additionally sought agreement for an increase in the Capital Programme of £0.214m to fund temperature control works in the new sleeping arrangements for staff at the Service's five wholetime stations, ensuring that they would be fit for purpose. This proposal had been agreed by the Senior Leadership Team and would be funded by the unbudgeted income from successful challenges to the business rates levied on Service buildings. There would be no net additional borrowing.

RESOLVED: That the Panel:

- (i) noted the reasons set out in the report for the increase in the Capital Programme;
- (ii) approved the increase in the Capital Programme of £0.721m in 2022/23 and £2.016m in total over five years; and

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(iii) noted the assessment of the revenue budget impact for 2022/23 and revenue pressure in subsequent years.

38 Update on the Developing Situation on Firefighters' Pension Schemes (FPS) Age Discrimination, Remedy & Immediate Detriment

The Panel received a report from the Assistant Director People Services (ADPS) which provided a further update on recent advice received from the National Fire Chiefs Council (NFCC) regarding the processing of retirements under the Immediate Detriment Framework.

The Panel noted that following a response from HM Treasury to the Firefighters' Pensions England Scheme Advisory Board (SAB), that NFCC had written to all Fire & Rescue Services on Immediate Detriment (ID). The letter from the Treasury had clarified and expanded on their assessment of the risks facing Services and scheme members who make payments under ID, without the statutory instruments and full guidance from HMRC in place. This information had led to a decision the Chief Fire Officer, after consultation with the other statutory officers, to pause the processing of Category 1 cases under ID in advance of full consideration of the matter by the Panel. The Panel was asked to consider the position from NFCC and Treasury advice and decide whether to continue the processing of Category 1 cases.

The ADR/T reminded the Panel that at its meeting in January 2022 it had taken the decision to pause the processing of Category 2 cases but continue with Category 1 cases for those coming up to retirement. There had been a range of risks considered in taking that decision. It was noted that there had still not been any revised tax regulation and there was now clear advice from the Treasury about the risks in connection to the payment of Category 1 cases. The ADR/T added that the number of services paying ID was dwindling. The CFO highlighted the huge level of frustration felt across the sector and reiterated that the Service would do its utmost to support its workforce and continue to sign post staff to available information.

The Panel agreed that, regrettably, given the latest advice there was no other not option but to pause the processing of Category 1 cases.

RESOLVED: That the Panel:

- i) agreed to pause the processing of Category 1 cases under ID entirely until the Full Home Office remedy is published;
- ii) agreed to delegate authority to the Chief Fire Officer in consultation with the Monitoring Officer and the Treasurer to decide whether to process a specific Ill Health Retirement case (referred to in paragraph 6.3 of the confidential report) under ID; and noted that the position on Category 2 cases was unchanged.

39 Exclusion of Press of Public

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RESOLVED: That agenda item 40 be exempt under paragraph 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: the information relates to the financial or business affairs of any particular person (including the authority holding that information).

40 Update on the Developing Situation on Firefighters' Pension Schemes (FPS) Age Discrimination, Remedy & Immediate Detriment - Confidential Appendices

RESOLVED: That the Panel noted the confidential appendices to item 38 on the agenda.

The meeting concluded at 11.59 am

Signed

Chairman

Dated this

day of

2022