

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, 10 November 2022.

Present: Councillors Evans, Galley, Lambert, Maples, Redstone and Taylor

Also present: D Whittaker (Chief Fire Officer & Chief Executive), L Woodley (Deputy Monitoring Officer), D Savage (Assistant Director Resources/Treasurer), A Blanshard (Democratic Services Manager), R Smith (Democratic Services Officer)

50 Declarations of Interest

It was noted that, in relation to matters on the agenda, no participating Member had any interest to declare under the Fire Authority's Code of Conduct for Members.

51 Election of Chairperson

RESOLVED – That Councillor Redstone be elected as Chairman of the Panel (proposed by Councillor Galley and seconded by Councillors Taylor and Lambert).

52 Apologies for Absence/Substitutions

Apologies were received from Councillor Powell. Council Maples had been appointed to attend as substitute.

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

The Chairman thanked the Panel for electing him as Chair and proposed that those present should observe a minute's silence to mark the death of the former Panel Chairman, Councillor Peltzer Dunn. The Panel acknowledged Councillor Peltzer Dunn's dedicated service to the Fire Authority, and in particular his time as Chairman of the Policy & Resources Panel.

54 Minutes of the last Policy & Resources meeting held on 21 July 2022

RESOLVED – That the minutes of the meeting of the Policy & Resources Panel held on 21 July 2022 be approved as a correct record and signed by the Chairman.

55 Callover

Members reserved the following items for debate:

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

16 Revenue Budget 2022-23 and Capital Programme 2022-23 to 2026-27 Monitoring at Month 6

17 Treasury Management Half Year Review 2022-23

56 Revenue Budget 2022-23 and Capital Programme 2022-23 to 2026-27 Monitoring at Month 6

The Panel received the report of the Assistant Director Resources/Treasurer (ADR/T) on the findings from the Month 6 monitoring undertaken on the Revenue and Capital Budget 2022/23 and Capital Programme 2022/23 to 2026/27.

The ADR/T commented on the challenging financial situation and informed the Panel that a net revenue overspend of £253,000 had been forecast. This was due to a number of pressures, including wholtime overtime and on-call training within Training, inflationary pressures on utilities and fuel, wholtime strength over establishment and overtime within Safer Communities and unachievable savings. It was also highlighted that there were additional financial risks that were not included in the forecast, including additional pay awards and price inflation of between £0.7m-£1.2m. Members were informed that the Senior Leadership Team (SLT) had agreed a range of spend controls, including vacancy management, and that the Workforce Planning Group would be involved in the approval of recruitment to all vacancies and the use of agency staff. With regards to the Capital Budget, the ADR/T informed the Panel that there was a forecast underspend against Estates and investment in fleet assets, primarily due to spend being delayed into 2023/24 as a result of supply chain disruption.

The Panel queried the expected one-off spend of £104,000 at Haywards Heath, as this was not within the East Sussex area. The ADR/T and Chief Fire Officer (CFO) advised that this was due to this location containing business critical equipment related to the Joint Fire Control service and that essential electrical upgrade work was required to ensure that this continued to function. Members were also informed that the cost of this work was split three ways between the partner services.

Members queried the Service Training Centre's expected overspend of £300,000. The ADR/T explained that this was partly due to the adjustments to training courses that were put in place due to Covid, specifically a reduction in the number of delegates able to attend each session resulting in an increased total number of courses that were required. A number of unplanned training events were also required which resulted in an overspend being incurred on overtime. The CFO informed the Panel that they had also seen an increase in the churn rate of on-call firefighters which would have had an impact on the overall overspend. Further work was underway under the leadership of the Assistant Director People Services (ADPS) to understand the drivers of the overspend and to identify corrective action.

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Members asked whether money would be taken from reserves in order to cover the overspend. The ADR/T informed them that whilst reserves enabled a degree of flexibility, this was not a long-term solution and emphasised the importance of managing the issues through monitoring and budget-setting each year. SLT planned to manage the forecast overspend down to within the existing budget and to fund the additional pay award costs from the General Balance. Further work was required on non-pay inflation and it was expected that the financial risk would reduce by Period 8.

RESOLVED – The Panel noted:

- (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.

57 Treasury Management Half Year Review 2022-23

The Panel received the Treasury Management half yearly report from the Assistant Director Resources/Treasurer (ADR/T). The report was a requirement of the Fire Authority's reporting procedures which covered the treasury activity for the first six months of 2022/23 and included an update on the first half year of Prudential Indicators which related to treasury activity.

The ADR/T confirmed that the Fire Authority had complied with its approved Treasury Management Strategy and Prudential Indicators during the first six months of the year.

The ADR/T highlighted the challenging economic situation that had been experienced during the first six months of the year as a result of global events and inflationary factors on the UK economy. Members queried whether the increase in interest rates had affected existing borrowing and were informed that existing loans were set at a fixed rate of interest. However, the ADR/T acknowledged that increases in interest rates would affect future borrowing costs and need to be considered as part of the revision of the Medium Term Finance Plan at the February budget setting meeting of the Fire Authority.

RESOLVED – The Panel noted the treasury management performance for the first half year of 2022/23.

The meeting concluded at 12.42 pm

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Signed

Chairman

Dated this

day of

2022