

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, 19 January 2023.

Present: Councillors Azad, Evans, Galley, Lambert, Powell and Taylor

Also present: D Whittaker (Chief Fire Officer & Chief Executive), D Norris (Deputy Chief Fire Officer), M Matthews (Assistant Chief Fire Officer), L Woodley (Deputy Monitoring Officer), D Savage (Assistant Director Resources/Treasurer), L Ridley (Assistant Director Planning & Improvement), M Lloyd (Assistant Director Safer Communities), H Scott-Youlton (Assistant Director Operational Support & Resilience), A Avery (Finance Manager), G O'Reilly (Protection Group Manager), E Curtis (Communications & Marketing Manager), A Blanshard (Democratic Services Manager), R Smith (Democratic Services Officer)

58 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.

59 Apologies for Absence/Substitutions

Apologies were received from Councillor Redstone. Councillor Azad had been appointed to attend as substitute.

In the absence of Councillor Redstone it was necessary for the Panel to appoint a replacement Chairman for the duration of the meeting. Councillor Galley was nominated by Councillor Lambert and this was seconded by Councillor Taylor.

60 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.

61 Minutes of the last Policy & Resources meeting held on 10 November 2022

RESOLVED – That the minutes of the meeting of the Policy & Resources Panel held on 10 November 2022 be approved as a correct record and signed by the Chairman.

62 Callover

Members reserved the following items for debate:

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23 Revenue and Capital Budget 2022/23 and Capital Programme 2022/23 to 2026/27 Monitoring at Month 8 (end November)

25 Fire Authority Service Planning processes for 2023/24 and beyond – Revenue Budget 2023/24 and Capital Asset Strategy 2023/24 to 2027/28

63 Revenue and Capital Budget 2022/23 and Capital Programme 2022/23 to 2026/27 Monitoring at Month 8 (end November)

The Assistant Director Resources/Treasurer (ADR/T) introduced the report which detailed the findings of the Month 8 monitoring undertaken on the Revenue and Capital Budget 2022/23 and Capital Programme 2022/23 to 2026/27.

The ADR/T informed the Panel that a net revenue overspend of £208,000 was forecast. This was due to a number of pressures including staffing over establishment and overtime within Safer Communities, overtime within Training, utilities and fuel due to inflationary pressures, and unachievable savings. These pressures were partially offset by additional income from business rates and Treasury Management activity, reductions in business rates and underspend in Protection, on call pay and the release of funds from the corporate contingency. The ADR/T commented that the forecast had reduced by £45,000 since Period 6 (P6) with the cost of the backdated support staff pay award and additional equipment purchased in Engineering offset by additional Treasury Management income and the release of the corporate contingency. It was highlighted that there were potential pressures in addition to the forecast overspend resulting from pay offers for grey book staff and inflationary pressures on non-pay spend above the 2% budgeted. With regards to the Capital Budget, the ADR/T informed Members that the slippage had increased since P6, in part due to global supply chain issues which had affected Fleet schemes.

The Panel discussed the additional pressure that may arise from the grey and gold book pay awards. The Chief Fire Officer (CFO) advised Members that national negotiations regarding pay awards were ongoing and the Chairman informed the Panel that the Chair of the National Joint Council (NJC) was aware of the financial pressures facing the Authority.

The Panel queried the current savings position compared to the savings requirement. The ADR/T explained that the primary reason for the underachievement of planned savings was delays in the delivery of projects including IRMP and CRM.

The Panel also questioned the increased slippage on the Capital Programme. The ADR/T informed Members that this was primarily due to worldwide supply chain issues and the impact of inflation requiring project plans to be reviewed. However, the ADR/T highlighted the success of the refurbishment that had taken place at Hove informing Members that phases 1 and 2 had been completed. The Assistant Director Safer Communities (ADSC) encouraged Members to visit the Station to see the work that had

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been carried out and informed them that feedback from staff had been positive.

Members questioned the proportion of the overspend attributed to Groups. The ADSC informed the Panel that this was largely due to wholetime pay and overtime, and pressure caused by IRMP savings which had been delayed but were expected to be delivered by mid-2023.

Members queried the overall projected overspend reported under People Services and sought clarification regarding the use of agency staff and consultants to cover periods of sickness, and whether compulsory redundancies were being considered at this stage. The Chairman advised that there were currently no plans for compulsory redundancies, and the Deputy Chief Fire Officer (DCFO) informed Members that Vacancy Management was taking place, with consideration being given to whether vacant posts were still required or whether there might be a more effective way to carry out a role.

RESOLVED – That the Panel noted:

- i. the risks to the Revenue Budget and 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.

64 Suspension of fire service attendance standards to emergency incidents during periods of strike action

The Panel received a report of the Chief Fire Officer (CFO) which asked the Panel to agree to suspending the attendance standards of fire appliances to emergency incidents during periods of strike action. The attendance standards had been agreed by the Fire Authority in June 2018, and the report informed the Panel that during periods of Industrial Action there would be reduced appliance availability. A public communications campaign would be rolled out with important safety messages and making clear that 999 calls would continue to be responded to however the public may have to wait longer for a response during periods of Industrial Action.

RESOLVED – That the Panel agreed to suspend the Authority's attendance standards during periods of industrial action.

65 Fire Authority Service Planning processes for 2023/24 and beyond - Revenue Budget 2023/24 and Capital Asset Strategy 2023/24 to

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2027/28

The Panel received a report from the Assistant Director Resources/Treasurer (ADR/T) which presented the Fire Authority's draft Revenue Budget 2023/24, Capital Strategy 2023/24 – 2027/28 and Medium Term Finance Plan (MTFP) for 2023/24 – 2027/28 for initial consideration prior to its formal consideration by the Fire Authority at its meeting on 9 February 2023. It was emphasised that the proposals put before the Panel were in draft form and that the final decision on both the budget and the precept would be taken by the Fire Authority at their meeting on 9 February 2023.

The Panel was informed that the Government had announced a one-year settlement in December 2022 for 2023/24, accompanied by a Finance Policy Statement which set out the principles on which the 2024/25 settlement would be based. However, Members noted that there remained significant uncertainty over the Authority's future funding for 2024/25 and beyond and therefore the Authority would be required to continue to consider its long-term financial sustainability when setting the budget for 2023/24 and agreeing its MTFP for the next five years. The ADR/T informed the Panel that whilst the provisional Local Government Finance Settlement had delivered a better outcome than had been expected, it would still require the Authority to use reserves to balance its budget for 2023/24 and to make significant additional savings to balance its budget for 2024/25.

It was highlighted that the increased council tax referendum threshold enabled Fire & Rescue Services to put in place a £5 increase in council tax for 2023/24 only, before reverting to 3%. The Panel also heard that there were a number of key elements that were outstanding, including confirmation of fire specific grants and final information regarding business rates from billing authorities. Members were informed that the budget proposals had been developed using modelling assumptions previously agreed by the Fire Authority and that two options were presented for 2023/24 base on a 2.99% council tax increase or a £5 council tax increase, with the budget gap reported as £1.645m for the 2.99% option, and £1.033m for the £5 option. It was proposed that the use of one-off measures during 2023/24 would be used to allow time for the additional savings proposals to be consulted on, approved, and implemented by 1 April 2024. The ADR/T emphasised that while the use of reserves was a legitimate approach to take with regards to balancing the budget, this was not financially sustainable and could not form part of an ongoing budget setting approach.

The Panel acknowledged the difficulty faced in balancing the budget and emphasised that any decisions taken regarding the recommendations would not be taken lightly.

Members discussed the options presented in the report regarding the council tax increase of either 2.99% or £5, and the impact that this could have on which tranches of additional savings would be recommended to the Fire Authority. Members deliberated the potential impact the increase in council tax could have on residents and were informed by the ADR/T that there were

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various schemes in place to support residents with lower incomes with payments. These included local Council Tax Reduction Schemes, existing discounts such as single persons and empty homes, the Council Tax Support Fund and local hardship funds. It was also highlighted that two additional staff were funded jointly by the precepting authorities to enable East Sussex Billing Authorities Revenues & Benefits team to support council tax payers. Responding to a query as to whether the £5 increase was a regressive tax, the ADR/T explained that this £5 increase was based on a band D property rather than £5 on each band, which in the East Sussex area was equivalent to 5% across all bands. With regards to the proposed tranches of additional savings, the Panel acknowledged that any of the proposals would be difficult but that savings would need to be found regardless of which option of council tax was recommended. The Chairman summarised the decision as either opting for a £5 increase in council tax and tranches one to four, or a 2.99% increase in council tax and having to consider all six tranches of savings.

The Panel noted the successful bid for Community Infrastructure Levy (CIL) funding from Lewes District Council, which would part fund the planned enhancements at Barcombe and Seaford Fire Stations. The ADR/T confirmed that work was ongoing in applying for additional CIL grants.

After a lengthy discussion the Panel carefully considered the recommendations presented in the report. When considering the recommendations with regards to increasing council tax levels, Councillor Taylor proposed that the £5 increase in council tax should be recommended to the Fire Authority. This was seconded by Councillor Azad, and the Panel voted unanimously to take forward to the Fire Authority the option involving an increase in council tax of £5 and the additional savings in tranches 1-4.

RESOLVED – That the Panel:

- 1) Noted that:
 - a) the one year settlement as set out in the Local Government Finance Settlement (LGFS) was only provisional at this stage and may be subject to change;
 - b) the East Sussex Business Rate Pool, of which the Authority was a member, had been approved as part of the LGFS, and any income would be transferred into Business Rates Pool Reserve;
 - c) that the Home Office was still to announce the quantum and allocation of fire specific grants for 2023/24; and
 - d) the final council tax and business rate bases and collection fund positions were still awaited and that the final budget proposals may change once this information was received.
- 2) Recommended that the Fire Authority, subject to any changes as a result of recommendation 1, approved:

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- a) an increase in council tax of £5 and thus approves:
- i) the budget proposals set out in this Report and the net budget requirement of £44.658m for 2023/24;
 - ii) the council tax requirement of £31.093m; and
 - iii) the council tax and precepts set out in Appendix F;
 - iv) that the General Balance remains below the Authority's policy minimum of 5% of the net revenue budget until 2025/26;
 - v) the use of reserves as follows to fund the revenue budget in 2023/24:
 - £0.116m carry forward reserve
 - £0.440m sprinkler reserve
 - £0.080m financial stability reserve
 - £0.164m improvement & efficiency reserve
 - vi) identified the savings proposals listed in tranches 1 to 4 should be taken forwards to meet the additional savings requirement of £1.014m in 2024/25, accepting that some proposals would be subject to public consultation.
- b) the capital programme for the next five years and the capital budget of £9.260m for 2022/23 including the plans to use CIL, capital receipts, revenue contributions and new borrowing to finance capital expenditure;
- c) the fees and charges set out in Appendix C; and
- d) that the Treasurer, in consultation with the Chairman and Chief Fire Officer, be authorised to make any adjustments to the presentation of the budget to reflect the final Local Government Finance Settlement.

The meeting concluded at 12.30 pm

Signed

Chairman

Dated this

day of

2023