

Policy & Resources Panel

19 January 2023



Membership:

Councillors: Redstone (Chairman), Evans, Galley, Lambert, Powell and Taylor

You are requested to attend this meeting to be held in the County Hall, East Sussex County Council, St Anne's Crescent, Lewes BN7 1UE at 11.30 am

Quorum: 3

Contact:	Rebecca Smith, Democratic Services Officer 07866 100895 democraticservices@esfrs.org
-----------------	---

Agenda

18. 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.

19. Apologies for Absence/Substitutions

20. 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.

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

5 - 8

22. 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 Panel to adopt without debate the recommendations and resolutions contained in

the relevant reports for those items which have not been called.

- | | | |
|------------|--|----------------|
| 23. | Revenue and Capital Budget 2022/23 and Capital Programme 2022/23 to 2026/27 Monitoring at Month 8 (end November) | 9 - 36 |
| | Report of Assistant Director Resources/Treasurer | |
| 24. | Suspension of fire service attendance standards to emergency incidents during periods of strike action | 37 - 40 |
| | Report of Chief Fire Officer | |
| 25. | Fire Authority Service Planning processes for 2023/24 and beyond - Revenue Budget 2023/24 and Capital Asset Strategy 2023/24 to 2027/28 | 41 - 96 |
| | Report of Chief Fire Officer and Assistant Director Resources/Treasurer | |

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

Date of Publication: 11 January 2023

Information for the public

East Sussex Fire and Rescue Service actively welcomes members of the public and the press to attend public sessions of its Fire Authority and Panel meetings.

If you have any particular requirements, for example if you require wheelchair access or an induction loop, please contact democraticservices@esfrs.org for assistance.

Agendas and minutes of meetings are available on the East Sussex Fire & Service website: www.esfrs.org.

This page is intentionally left blank

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 wholetime overtime and on-call training within Training, inflationary pressures on utilities and fuel, wholetime 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.

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

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

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

Signed

Chairman

Dated this

day of

2022

EAST SUSSEX FIRE AND RESCUE SERVICE

Meeting Policy & Resources Panel

Date 19 January 2023

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

By Duncan Savage, Assistant Director Resources/Treasurer

Lead Officer Alison Avery, Finance Manager

Background Papers Fire Authority Service Planning processes for 2022/23 and beyond – Revenue Budget 2022/23 and Capital Asset Strategy 2022/23 to 2026/27

Revenue and Capital Budget 2021/22 and Capital Programme 2021/22 to 2025/26 – Provisional Outturn

Appendices

- Appendix 1: Revenue Budget 2022/23 Objective
- Appendix 2: Savings Programme 2022/23
- Appendix 3: Grants and Spending Plans 2022/23
- Appendix 4: Capital Programme 2022/23 to 2026/27
- Appendix 5: Estates Capital Budget 2022/23
- Appendix 6: Engineering Capital Budget 2022/23
- Appendix 7: Reserves 2022/23
- Appendix 8: Staff Pay Award Pressure 2022/23

Implications (please tick ✓ and attach to report)
Any implications affecting this report should be noted within the final paragraphs of the report

CORPORATE RISK		LEGAL	
ENVIRONMENTAL		POLICY	
FINANCIAL	✓	POLITICAL	
HEALTH & SAFETY		OTHER (please specify)	
HUMAN RESOURCES		CORE BRIEF	

PURPOSE OF REPORT To report on the findings of the Month 8 monitoring undertaken on the Revenue and Capital Budget 2022/23 and Capital Programme 2022/23 to 2026/27.

EXECUTIVE SUMMARY This is the fifth report to Policy & Resources Panel for the 2022/23 financial year and highlights the findings from the

Month 8 monitoring undertaken on the Revenue Budget 2022/23 and 5 year Capital Programme 2022/23 to 2026/27, approved by the Authority in February 2022.

A net revenue overspend to the sum of £208,000 has been identified, as summarised in Appendix 1. This is due to the following pressures:

- Wholetime overtime and on-call training within Training (£328,000)
- Utilities due to inflationary pressures (£193,000)
- Fuel due to inflationary pressures (£148,000)
- Wholetime and overtime within Safer Communities (£1,186,000)
- Unachievable savings (£120,000)

These are offset by:

- On-call pay (£160,000)
- Rates reductions (£152,000)
- PMO vacancies (£99,000)
- Treasury Management interest receivable (£348,000)
- Additional funding (£399,000)
- Protection underspend (£232,000)
- Contingency (£250,000)

There are a number of other small variances which contribute to the overspend.

The forecast has reduced by £45,000 since P6, this can be attributable to:

- The backdated support staff pay award (£270,000)
- Additional equipment purchased in Engineering (£118,000)

Offset by:

- increase in Treasury Management interest receivable (£88,000)
- review of staffing and income for external services in Training (£62,000)
- Release of contingency to offset overspend (£250,000)

There are potential pressures not included within the current forecast. These include additional pay awards for grey and gold book staff and inflationary pressures on non-pay spend above the 2% budgeted. It is expected these may be in the region of £500,000 to £600,000. This is a reduction from the

position at P6 as latest indications are that non-pay inflation will be lower than originally anticipated.

Further work is required to review the forecast and management action is required in reviewing staffing and overtime forecasts.

SLT agreed additional measures to control its spending at its July meeting and these are set out in detail in section 4.

Performance against the Savings Programme is summarised in Appendix 2 and detailed in section 5.

Performance against grants and spending plans is summarised in Appendix 3 and detailed in section 5.

Revenue and Capital programme risks are detailed in section 3, focusing specifically on areas that are subject to further investigation and the outcome could result in significant additional pressures in the current and future financial years.

The original 2022/23 Capital Budget and five year Capital Strategy of £25,181,000 was approved by the Fire Authority on 10 February 2022. The Capital Strategy has been increased to £27,927,000 to include slippage of £933,000 and allocation of spend in advance of £203,000 from 2021/22 and additional budgets for Estates to cover temperature control in sleeping pods and general schemes at £2,016,000.

The current year Capital Budget was approved by the Fire Authority at £7,250,000 and updated to £8,705,000 (Property £4,395,000 and Fleet and Equipment £4,310,000) including slippage of £933,000 brought forward from 2021/22, allocation of spend in advance of £199,000 from 2021/22 and an additional £721,000 for Estates to cover temperature control in sleeping pods and general schemes.

Officers have reviewed the capital plans for 2022/23 and report slippage on delivery of projects to the value of £4,416,000 (50.7%). In addition underspend of £355,000 is expected against capital schemes. Detailed information is contained within section 8. The Estates and Engineering Capital Projects 2021/22 are detailed in Appendices 5 and 6.

The position on reserves shows an opening balance of £19,161,00. The forecast net drawdown from reserves is £6,121,000, a reduction of £5,659,000 compared to the planned drawdown of £11,780,000. This results in an estimated closing balance of £13,040,000, as detailed in section 9 and summarised in Appendix 7. This would reduce further if reserves are used to cover the inflation related risks

described elsewhere in this report. Work is ongoing to review likely drawdown of reserves (including grants brought forward) for the rest of the current year on both Revenue and Capital projects.

There is an increase in the interest receivable on the Authority's cash investments of £20,400,000 due to the Bank of England's increase in base rate. Interest receivable is projected at £348,000, resulting in a surplus of £328,000 when compared to the budget. Interest payments on fixed rate loans of £10,298,000 are unaffected.

RECOMMENDATION

The Panel is recommended 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.

1. INTRODUCTION

1.1 The Original Revenue Budget 2022/23 and Capital Strategy 2022/23 to 2026/27 was approved at the meeting of the Fire Authority on 10 February 2022.

1.2 This is the fifth report to Policy & Resources Panel for the 2022/23 financial year and highlights the findings from Month 8 (end November) monitoring undertaken on the Revenue and Capital Budget 2022/23 and Capital Programme 2022/23 to 2026/27. It should be noted the review is based on currently available information and the result may change as new information emerges during the year.

	(Month 8) £'000	(Month 6) £'000	Movement £'000
Revenue (see section 2)	208	253	(45)
Capital in year (see section 7)	(4,751)	(3,312)	(1,439)

1.3 The Revenue Budget approved by the Fire Authority in February 2022 was a net expenditure requirement of £41,766,000

1.4 A net revenue overspend to the sum of £208,000 has been identified at Month 8 (end November) and is reflected in the Revenue Budget 2022/23 objective summary at Appendix 1 and detailed in section 2.

- 1.5 The savings requirement 2022/23 is £778,000. The current position shows we have delivered or are on course to deliver £465,000 (60%) of savings. There are a number of savings at risk as detailed in Section 5.
- 1.6 The grants available total £4.2m, including grants brought forward from previous years. The quarter 2 grant claims have been submitted, as summarised in Appendix 3 and detailed in section 5.
- 1.7 The five year Capital Strategy 2022/23 to 2026/27 was approved by the Fire Authority in February 2022 at £25,181,000. The 5 year Capital Programme is projected to underspend by £356,000 as detailed in section 8.
- 1.8 The Capital Budget for 2022/23 was approved by the Fire Authority at £7,250,000 and updated to £8,705,000 including slippage of £933,000 brought forward from 2021/22, allocation of spend in advance of £199,000 from 2021/22 and an additional £721,000 for Estates.
- 1.9 A number of Revenue Budget and Capital Programme risks are set out in section 3 which will be monitored throughout the year. The updated position on Contingency, Reserves, Borrowing and Investments is provided at sections 6, 8 and 9 respectively.

2. REVENUE BUDGET COMMENTARY

- 2.1 The Revenue Budget is projected to overspend by £208,000. This is an increase of £218,000 from the position of £253,000 overspend reported at P6. This is summarised across divisions in Appendix 1 and detailed explanations are provided below.
- 2.1.1 The support staff pay award of £1,925 per FTE was agreed and was paid in November's pay and the impact is included within this forecast.
- The total pressure is £270,000 as detailed in Appendix 8.
- 2.2 **People Services:** The expected overspend is £327,000 as detailed below.
- 2.2.1 **AD People Services:** Expected underspend of £4,000 (previously reported £10,000 underspend). The underspend is due to post holder being on development rate for part of the year, with the movement from P6 attributable to backdating of competent rate pay.
- 2.2.2 **HR:** Expected overspend of £82,000 (previously reported £14,000 overspend). There is an overspend of £47,000 on staffing due to maternity and sickness cover as well as the backdated staff pay award, £32,000 relates additional occupational health collaboration charges, including for 2021/22, £25,000 in relation to unachievable Firewatch savings and £9,000 recruitment costs relating to Pension posts. These are offset by underspends of £31,000, across a number of areas, including transport, relocation and NHS costs.

There has been a delay in recruiting to the Pensions Administrator post and as such £32,000 has been transferred to the Pensions Admin reserve to fund this post into 2023/24.

A total of £85,000 has been transferred to the People Strategy reserve, relating to delayed drawdowns for Mentoring system (£15,000), Training Suite for EDI (£20,000), Korn Ferry review of salary structure (£30,000), HR Intelligence (£10,000) and HR Operating models (£10,000).

Additionally £20,000 is being drawn down from the People Strategy reserve for Staff survey (£10,000) and Grievance training (£10,000).

The movement since P6 can be attributed to the backdated staff pay award at £24,000, additional costs relating to cover for long term absence £3,000, occupational health collaboration costs at £32,000, additional case work at £4,000 and a number of other small movements.

2.2.3 **Health & Safety:** An overspend of £48,000 is expected (previously forecast to £38,000 overspend). This relates to a temporary Station Manager post within the team and increased staff costs, offset by underspends on transport and subscriptions.

The intention was to fund the Station Manager post from an underspend within Occupational Health, but this has not been possible due to increased pressures against their budget.

2.2.4 **Service Training Centre:** An overspend of £213,000 is expected (previously reported £300,000 overspend). The overspend is driven by pay and overtime at £328,000 to deliver essential training, including on-call training. This is offset by an underspend of £109,000 on external training and additional income for training provided to external services of £36,000.

There have been a number of unplanned and unbudgeted training requirements, such as L2 officers training and ship alongside. Ship alongside will be incorporated into the structural firefighting course reducing the pressure in future years.

During Covid courses had to run with a reduced number of delegates increasing the overall number of courses required, this has had a knock-on consequence into 2022/23 causing a pressure of £25,000. This pressure will not be incurred once the courses have caught up. This pressure has been covered by a transfer of £25,000 from the Covid reserve.

The movement since P6 can be attributed to staff costs following a review of established posts, with additional income from training provided to other services, the allocation from the Covid reserve and the impact of the backdated staff pay award.

2.2.5 **Workforce Development:** An underspend of £13,000 is expected (previously forecast £1,000 overspend). The underspend can be attributable to Learning Pool subscription paid in 21/22 at £22,000, offset by pressures caused by

unachievable training course income (£5,000) and instructors on zero hours contracts (£1,000).

The movement since P6 can be attributed to the Learning Pool subscription, offset by the backdated pay award of £2,800 and the extension of an agency staff member at £4,000.

2.3 **Resources/Treasurer:** Expected underspend of £84,000, as follows:

2.3.1 **AD Resources/Treasurer :** An overspend of £3,000 (previously reported £1,000 overspend) is expected relating to National Insurance, due to the allocations used at budget setting. The movement since P6 relates to the backdated staff pay award.

2.3.2 **Estates:** An overspend of £9,000 is expected (previously reporting £39,000 overspend). This can be attributed to the backdated staff pay award.

There is a pressure of £193,000 relating to utilities due to inflationary pressures and an underspend on rates due to revaluation of properties at £152,000. The net pressure is being mitigated by a reduction in spend on maintenance budgets.

Within the position above it has been assumed £326,000 (the net Business Rates rebate) will be transferred to the capital programme reserve to support potential pressures on Estates capital scheme costs.

The movement since P6 can be attributed to a reduction of £39,000 on maintenance offset by the backdated staff pay award.

2.3.3 **ITG:** Currently expecting an underspend of £65,000 (previously reported £62,000 underspend). This can largely be attributed to delay in project spend for Pagers & Alerters, Finance Improvement, Station End 4 and EDRMS at £135,000, offset by the pressure caused by the reduction of £71,000 in Firelink grant.

Since P6 the increase relating to the backdated pay award is offset by a reduction in grant funding from ESMCP for pay costs.

2.3.4 **Finance:** An underspend of £52,000 is expected (previously reporting £55,000 underspend). The underspend can be attributed to an overprovision for audit fees of £24,000 and underspend of £30,000 relating to one-off costs for the Finance Improvement Plan.

The movement from P6 can largely be attributed to the backdated staff pay award at £9,000, offset by a reduction of £11,000 in relation to insurance.

2.3.5 **Procurement:** A forecast overspend of £29,000 (previously £20,000 overspend) is attributable to workwear and uniform as we have had to change supplier which is offset by a vacancy within the team and a small underspend of £3,000 on travelling expenses. The movement since P6 is mainly

attributable to the backdated staff pay award, with an additional £1,000 relating to subscriptions.

2.3.6 **Fire Authority Legal Services:** A small underspend of £5,000 expected as previously reported.

2.4 **Planning and Improvement:** A forecast underspend of £102,000 is expected as follows:

2.4.1 **Communications:** Expected to be on budget (previously £12,000 underspend). The pressure from the backdated staff pay award offsets the previous underspend expected due to vacancies within the department.

2.4.2 **Performance:** An overspend of £12,000 is expected (previously £2,000 overspend) relating to pay costs, due to the allocation of budget for increments and on-costs during budget setting. The movement since P6 can be attributed to the backdated staff pay award.

2.4.3 **PMO:** An underspend of £99,000 is expected (previously reported £101,00 underspend) due to vacancies within the department, offset by agency staff spend. The movement since P6 relates to the backdated staff pay award.

2.4.4 **Cost of Democracy:** An underspend of £15,000 (previously £10,000 underspend) is expected due to a vacancy within the department, mileage payments and members allowances. The movement since P6 can be attributed to reduction in subscriptions and members allowances, offset by the backdated staff pay award.

2.5 **Safer Communities:** An overspend of £959,000 is expected (previously forecast £907,000 overspend). The details are below.

2.5.1 **AD Safer Communities:** An underspend of £42,000 is expected (previously £42,000 underspend) with the majority of the underspend relating to the £40,000 on-call budget allocated outside of the Groups, which is held as contingency.

2.5.2 **Flexible Crewing Pool:** There is currently an underspend reported of £348,000. The budget was allocated for the Flexible Crewing Pool based on the Pool commencing on 01 June 2022. 2 posts have been recruited to commence in January 2023, but currently the forecast is showing an underspend of the full amount as the budget currently offsets overspend within the Groups. At P10 monitoring the budget will be transferred to OSR and it is expected the pressure reported in the Groups will reduce. The budget for 10% allowances for the Crewing Pool was not included within the budget and this results in a full year pressure of £34,000.

2.5.3 **Groups:** The Groups are reporting an overspend of £1,445,000 (previously reported £1,305,000 overspend). This overspend can largely be attributed to wholetime pay and overtime.

The wholetime pay overspend is £1,171,000.

Included within this overspend is a pressure of £575,000 caused by IRMP savings that had been expected to be delivered in 2021/22 and 2022/23. This pressure is caused as posts are yet to be removed / reinvested within the business. The pay pressure within the Groups is partly offset by the underspend of £348,000 for the Flexible Crewing Pool.

Additionally the groups have been over establishment during the year, with some of the 22 new recruits remaining supernumerary and the ongoing use of fixed term contracts to cover long term sickness, suspensions and individuals on light duties. The below table shows the number of additional posts in line with financial reporting.

Month	June	July	Sept	Nov	Feb	Mar
Over-establishment	29	22	16	16	16	16

Individuals on light duties are costing £47,000 a month.

The position will continue to be reviewed with the AD Safer Communities over the remainder of the year with a workshop planned for January. The forecast will be updated accordingly so we may see a further downward trend in the forecast.

The overtime overspend is £363,000. 80% of the overtime paid to date can be attributed to crewing shortages (49%), firecalls (19%) and outposts (12%). The overtime forecast is based on extrapolation of the overtime to date.

An additional pressure of £30,000 relates to income from Dry Riser Testing, which is not being delivered.

These pressures are offset by underspends on on-call staff at £120,000 due to being under-establishment and support staff at £16,000.

Overtime and wholtime pay have increased due to an additional bank holiday in September. The backdated support staff pay award resulted in a pressure of £13,000.

2.5.6 **Protection:** An underspend of £232,000 is expected (previously forecast £186,000 overspend). The underspend relates to pay costs with a number of vacancies across grey and green book posts within the team.

There have been a number of payroll miscodings impacting Protection, which has impacted forecasting and is a reason for the movement since P6. There was a pressure of £42,000 as a result of the backdated support staff pay award.

2.5.7 **Prevention:** An overspend of £148,000 is expected (previously £177,000 overspend). There is a pressure of £89,000 relating to CRM savings relating to 2021/22 and 2022/23 not deliverable in year, £41,000 for the running costs

of the Cadet scheme and £28,000 for Child Safety income due to a budget setting error. These are offset by underspend of £8,000 across a number of areas.

The forecast has reduced as funding has been applied and non-pay budgets have been reviewed with no additional spend expected in some areas over the remainder of the year.

2.6 **Operational Support & Resilience:** A forecast overspend of £169,000 is expected as follows:

2.6.1 **AD OSR:** An overspend of £4,000 is expected (previously £1,000 overspend). The movement since P6 can be attributed to FBU overtime, for which no budget is provided.

2.6.2 **Engineering:** An overspend of £107,000 is expected (previously reporting £140,000 underspend). Currently there are pressures of £148,000 on fuel based on year to date actuals/purchasing trends and £73,000 on vehicle maintenance are offset by underspends of £60,000 on equipment as the equipment budget is based on an old replacement programme, £46,000 additional income for vehicle sales and £8,000 on travelling expenses.

The movement since P6 can be attributed to the backdated staff pay award (£26,000), fuel (£50,000) as the previous assumptions have been revisited in light of up-to-date information, BA washing machine feasibility study (£15,000), income reallocated to capital receipts (£20,000), Otter pumps (£23,000), Foam making equipment (£25,000), additional equipment not previously committed (£70,000) and other small movements.

The Engineering team are currently working with outdated equipment budgets and are working on revising these. The forecast includes equipment that has been committed, however due to supply chain issues there is the possibility that items may not be received before 31 March 2023 and this will continue to be reviewed.

2.6.3 **Ops P&P:** An underspend of £20,000 is expected (previously reported £25,000 underspend). There is underspend of £64,000 on wholetime staff, due to part year vacancies, with an underspend of £9,000 on overtime, although it is possible this is miscoded elsewhere in the service. This is offset by overspend on hydrant repairs at £12,000, shared 4F BA Project Manager at £13,000 and support staff at £17,000 due to the support staff pay award.

The significant movements since P6 are increases of £17,000 due to backdated staff pay award and £13,000 for share of BA project management resource, offset by reductions of £16,000 relating to wholetime and £22,000 relating to hydrant repairs, following a thorough review of current commitments.

2.6.4 **Control Room:** An overspend of £1,000 is expected (previously reporting £1,000 overspend). An underspend of £103,000 expected for JFC based on

the latest information provided by Surrey, with additional one off spend of £104,000 expected for upgrades and decommissioning at Haywards Heath.

The forecast does not include our share for a GM post, which is included within the budget, but is yet to be agreed.

It is likely that the JFC recharge will increase due to pay rises, maternity leave and increased overtime due to increased activity seen as a result of the summer heat waves. Surrey has indicated the pay offer of 5% would result in an additional charge of £17,000.

- 2.7 **CFO:** An underspend of £19,000 is expected (previously £35,000 underspend) due to part time appointments covering full time support roles and a number of underspends on non-pay costs for travelling, accommodation and subsistence.

The movement since P6 can be attributed to backdated pay rises for support staff and incremental pay rises for Principal Officers.

- 2.8 **Treasury Management:** This income budget is expected to overachieve by £348,000 (previously reported £260,000), with the amount receivable dependent on the amount available to invest and the interest rates available. Changes to the capital programme, through additional budget allocation and significant slippage will impact on the level of borrowing required and therefore interest payable. It is possible that this interest receivable could increase further during the year as interest rates continue to rise.

- 2.9 **Non Delegated Costs:** An overspend of £34,000 is expected (previously £42,000 overspend). The overspend largely relates to Procurement savings of £50,000, which need to be allocated across the service, £8,000 for costs incurred in relation to Industrial Action, offset by an underspend of £27,000 on pension related costs based on year-to-date charges and known ill health retirements.

- 2.10 **Corporate Contingency:** SLT has agreed that the budget of £250,000 will be used to reduce the forecast overspend.

- 2.11 **Financing:** Current information indicates that the Service will receive additional funding of £399,000.

- 2.11.1 When the budget paper was presented to the Fire Authority in February the exact position regarding business rates income was unknown. Updated information from Local Government Futures based on billing authorities NNDR1 forms indicate additional income of £412,000.

- 2.11.2 An additional £27,000 will be received from Council Tax and Business Rates Covid-19 Tax Income Guarantee following confirmation of the final amounts in the last financial year.

2.11.3 The additional income is offset by a pressure of £40,000 in Council Tax as an incorrect tax base was provided by one billing authority during the budget setting process.

3. REVENUE BUDGET AND CAPITAL PROGRAMME RISKS

3.1 **Pension Costs:** There is continued reliance on one-off grant to fund increased contributions for FPS as well as the uncertainty on the cost and funding of the remedy from the Sargent case (initial estimate of historic liability approx. £5m, ongoing costs £0.9m p.a.). For the latter it is now understood that the cost will impact through the next quadrennial scheme valuation i.e. from 2024/25 onwards. The Authority will be directly liable for the cost of any Injury to Feelings claims and any additional administrative costs of implementing the remedy. The Government has also confirmed that it will not fund non scheme costs including unauthorised tax charges and scheme sanction charges in the current tax year. A Pension Administration reserve is held to fund costs resulting from remedy implementation. It is expected the balance of this reserve as at 31 March 2023 will be £210,000, of this total £32,000 relates to funding for the Pensions Administrator post as there has been a delay to recruiting to this post during 2022/23. A total of £160,800 has been committed against this reserve in 2023/24.

3.2 **Pay Award 2022/23:** The budget provided for 2% pay awards across gold and grey 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.

3.2.2 Grey book staff have been offered and voted to reject 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.

3.3 **Worldwide Supply Chain Issues:** The impact of worldwide supply chain disruption is impacting construction projects across the nation. The dwindling supplies along with increased costs and long delivery times being experienced by the construction industry are impacting on the Capital Programme. Thus far the Estates team has worked with stakeholders to bring tender costs back within budget through value engineering where possible on those projects which the Authority committed to following the phase 1 review of the Estates Capital Programme, but this approach may not be sustainable. There are two potential impacts, firstly increases in the cost of projects and secondly slippage of projects and spend into future years (which could in itself lead to additional increased costs). The Phase 2 review which is considering all projects at Day Crewed and On Call stations will need to assess the impact of increased costs and affordability.

3.4 **Utilities and Fuel Inflationary Increases:** There have been considerable inflationary rises in utilities and fuel costs, which have been exacerbated by the ongoing conflict in Ukraine. An additional pressure of £85,000 over and above the standard 2% inflationary factor was included in the budget for 2022/23. The forecast for utilities and fuel are both reporting forecast

overspends and these budgets will continue be monitored closely with Estates and Engineering colleagues throughout the year.

- 3.5 **Inflationary Contract Increases:** In addition to utilities and fuel additional budget provision was allocated for timber (£40,575) and catering (£13,000). A standard 2% inflationary budget increase was included for all non-pay totalling £227,000. Work is ongoing with Procurement to understand the financial impact of inflation on contracts. No significant inflationary pressures within 2022-23 have been indicated during budget monitoring meetings with budget holders beyond those already noted elsewhere in this report. This position will continue to be monitored with input from Procurement.

4. MANAGING REVENUE BUDGET PRESSURES

- 4.1 As risks have crystalised the resulting pressures have been included in the revenue budget forecast. As noted earlier in the report our assessment of remaining risks total £400,000 - £500,000 comprising mainly the grey / gold book pay offers.

- 4.2 There may be opportunities to support some of this pressure from reserves. SLT have agreed to review recruitment to vacancies, however SLT need to consider whether further controls are implemented on spend.

- 4.3 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 SLT agreed that as part of the P4 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 (IT and Engineering)
 -

the finance team would review corporate opportunities to manage generic spend e.g. agency staff, conferences, catering, accommodation / venue hire, printing etc

5. SAVINGS PROGRAMME 2022/23

- 5.1 Appendix 2 summarises the net savings requirement 2022/23 of £778,000. Work is in ongoing with Service managers to identify and report actual delivery of savings compared to budgeted savings.

- 5.2 Current projections show we have delivered or are on course to deliver £465,000 (60%) of savings.

The following savings are currently rated as red and causing a pressure in the revenue budget:

- £25,000 Firewatch– due to duplication in budget
- £40,000 Education Team – although plans to deliver this saving in 23/24 have been presented to SLT
- £55,000 CRM
- £130,000 IRMP

In addition, the following savings are currently amber rated:

- £63,000 Telent contract savings – dependent on IT projects

6. **GRANTS 2022/23**

- 6.1 The Government has awarded grants for use on specific purposes and your officers will ensure these are delivered in accordance with grant conditions. These include grants awarded in year, brought forward from previous years where their spending plans fall over more than financial year and others that require development of spending plans. The amount available is £4.2m, as summarised in Appendix 3. Quarter 1 & 2 grant returns have been submitted.

- 6.2 The latest grants are detailed below:

- 6.2.1 **Covid-19:** – £95,855 has been carried forward from 2021/22. The current position is that any Covid related costs are being funded from the revenue budget. The Home Office have confirmed any outstanding balance of the 2021/22 Covid Grant can be utilised on Efficiency or Productivity. It is proposed to transfer £25,000 from this reserve to cover additional training costs incurred in 2022/23.

- 6.2.2 **Surge Protection Grant Funding:** this is specifically to deal with inspections for high rise buildings and other high-risk buildings. The grant conditions have been received. A further allocation of £358,079 has been awarded for 2022/23. A spend plan has been developed to utilise this grant and the £227,808 brought forward from 2021/22. The expected balance remaining as at 31 March 2023 is £53,000.

- 6.2.3 **Grenfell Infrastructure Fund:** £4,509 is carried forward from 2021/22 to help support FRS to put in place a local Grenfell Inquiry recommendations co-ordination function which will help co-ordinate local activity and support the national work led by the NFCC; drive progress on local improvements and ensure funding for smoke-hoods and other technical investments. This balance will be utilised in full during 2022/23.

- 6.2.4 **Accreditation & RPL Grant Funding:** £22,737 is carried forward from 2021/22 for the purposes of accrediting fire protection officers and fire safety engineers. It is anticipated this grant will be utilised over the next three years.
- 6.2.5 **Fire Fighter Pension Scheme:** this is used towards the shortfall in employer's pension contributions and £1.7m was received in June 2022.
- 6.2.6 **New Dimensions:** £31,739 is carried forward from 2021/22 and additional £27,430 grant relates to 2022/23. A spending plan needs to be developed to utilise this grant funding.
- 6.2.7 **Responding to New Risks:** £32,520 is carried forward from 2021/22, with the 2022/23 grant confirmed as £6,500. A spending plan needs to be developed to utilise this grant funding.

7. CONTINGENCY 2022/23

- 7.1 The Fire Authority maintains a contingency in order to assist it in managing one-off unforeseen pressures and making investments within the financial year. At its' meeting held in February 2022, the Fire Authority agreed a contingency of £298,000 for the 2022/23 financial year. None of the contingency has currently been allocated. If that position remains then it would reduce the forecast outturn accordingly. At this stage it is recommended that the contingency is held to help fund the pay and non-pay inflation risks set out elsewhere in this report.
- 7.2 SLT have agreed to release £48,000 to fund costs associated with Industrial Action and utilise the remainder of the budget at £250,000 to reduce the forecast overspend.

8. CAPITAL PROGRAMME COMMENTARY

- 8.1 The original 2022/23 Capital Budget and five year Capital Strategy of £25,181,000 was approved by the Fire Authority on 10 February 2022. The Capital Strategy has been increased to £27,927,000 to include slippage of £933,000 and allocation of spend in advance of £203,000 from 2021/22 and additional budgets for Estates to cover temperature control in sleeping pods and general schemes at £2,016,000.
- 8.2 The Capital Programme is funded by: Capital Receipts Reserve £4,672,000, Capital Programme Reserves £9,905,000, Community Infrastructure Levy (CIL) £289,000, and New Borrowing £12,730,000 as shown in the table below. Overall, the revised 5 year Capital Programme is forecasted to come in underspent by £356,000, as summarised in Appendix 4.

	2022/23	2023/24	2024/25	2025/26	2026/27	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Estates	3,729	3,719	2,878	2,779	1,873	14,978
Fleet & Equipment	3,521	2,105	1,763	1,599	1,215	10,203
Original Approved Programme	7,250	5,824	4,641	4,378	3,088	25,181
Slippage from 2021/22	933	0	0	0	0	933
Spend in Advance from 2021/22	(199)	0	0	0	0	(199)
Additional Estates	721	513	369	205	208	2,016
Underspend	(335)	0	0	0	0	(335)
Slippage into 2023/23	(4,416)	4,416	0	0	0	0
Updated Capital Programme	3,954	10,753	5,010	4,583	3,296	27,596
Funded by:						
Capital Receipts Reserve	3,954	718	0	0	0	4,672
Capital Programme Reserve	0	4,906	1,333	1,666	2,000	9,905
CIL	0	0	289	0	0	289
New Borrowing / Need to Borrow	0	5,129	3,388	2,917	1,296	12,730
Updated Capital Programme	3,954	10,753	5,010	4,583	3,296	27,596

- 8.3 **Capital Funding** – the sale of the old Fort Rd site in Newhaven to Lewes District Council proceeding with a 10% deposit received in 2020/21. The outstanding balance is expected during 2022/23 and will be £75,000 lower than the original offer due to issues within planning permission. The Service has also been successful in its bid for Community Infrastructure Levy (CIL) funding from Lewes District Council. £289,000 has been awarded which will part fund the planned enhancements at Barcombe and Seaford Fire Stations, reducing the need for future borrowing.
- 8.4 The **Capital Budget 2022/23** was approved by the Fire Authority at £7,250,000 and updated to £8,705,000 (Property £4,395,000 and Fleet and Equipment £4,310,000) including slippage of £933,000 brought forward from 2021/22, allocation of spend in advance of £199,000 from 2021/22 and an additional £721,000 for Estates to cover temperature control in sleeping pods and general schemes omitted from the original budget.
- 8.5 A review of the 2022/23 capital budget by officers has identified slippage to the value of £4,416,000 (50.7%). Estates are expecting slippage of £2,433,000, with Fleet and Equipment expecting slippage of £1,983,000. There is additional underspend of £355,000 expected, as summarised in Appendix 6. Since P6 the slippage has increased by £1,257,000, with additional underspend of £204,000.
- 8.5.1 The Estates / Property underspend is £2,427,000, of which £2,433,000 is slippage due to the reprioritisation and reprofiling of works. It is expected Hove, will be completed during this year. Significant work at Preston Circus, Roedean, Eastbourne, Eastbourne MPTH and Hove MPTH is now re-phased to 2023/24. Additional work on roof repairs, bay doors, floors and training towers is aligned to other work at the stations, with some delays due to the

availability of Estates and contractor resources. There is a small overspend of £6,000 relating to works at Seaford to house the High Volume Pump. The movement since P6 of an increase in slippage of £449,000 is due to the reprofiling of projects, Bohemia Road, Eastbourne MPTH and Hove MPTH.

8.5.2 The Fleet underspend is £2,345,000. Of this £1,983,000 relates to slippage due to the global supply chain issues, lead times have increased by 45% for HGV chassis and doubled for light vehicles in comparison to pre-pandemic. Underspend of £361,000 is expected in relation to a number of vehicle purchases.

The slippage has increased by £808,000 since P6 following a review of anticipated delivery dates and an additional underspend £208,000 is expected.

9 RESERVES 2022/23

9.1 The Fire Authority maintains Reserves in order to assist it in managing its specific spending plans across the financial year (Earmarked Reserves), making provisions for the financial risks it faces (General Fund Reserves) and making investments (Capital Receipts Reserve).

9.2 The opening balance at 1 April is £19,161,000.

9.3 The forecast net drawdown from reserves totals £6,121,000 compared to the original planned net drawdown of £11,780,000. This is a net reduction in drawdown of £5,659,000 resulting in an estimated balance at 31 March 2023 of £13,040,000 as summarised in the table below and detailed over individual reserves in Appendix 7.

	Balance at 1 April 2022 £'000	Original Planned Net Transfers 2021/22 £'000	Forecast Net Transfers 2021/22 £'000	Net change 2021/22 £'000	Month 8 Balance at 31 March 2023 £'000
Earmarked Reserves	12,993	(7,763)	(2,133)	5,630	10,860
General Fund	1,913	0	0	0	1,913
Total Revenue Reserves	14,906	(7,763)	(2,133)	5,630	12,773
Total Capital Reserves	4,255	(4,017)	(3,988)	29	267
Total Usable Reserves	19,161	(11,780)	(6,121)	5,659	13,040

9.4 Work continues with budget managers to confirm the planned use of revenue and capital reserves in 2022/23.

9.5 The main reasons for the overall net reduction in forecast drawdown of £5,702,000 are as follows:

Earmarked Reserves – Decrease of £5,630,000

- £555,000 – changes to Business Rates Pool Reserve following latest confirmed position from the pool for 2021/22 & 2022/23 and reduction in funding to support Protection in 2022/23
- (£5,000) – increased drawdown from Business Rates Retention Pilot – financial stability due to error in expected drawdown at budget setting
- £839,000 – reduced drawdown from the ITG Strategy Reserve
- £388,000 – reduced drawdown from Mobilising Strategy Reserve due to balance of reserve being lower than anticipated
- £3,535,000 – reduced drawdown from the Capital Programme Reserve
- (£44,000) – increased drawdown from the Improvement & Efficiency Reserve
- £229,000 – reduced drawdown from the People Strategy Reserve and underspend of £154,000 on firefighter recruitment returned to reserve
- £77,000 – reduced drawdown from the Carry Forward Reserve
- £167,000 – reduced drawdown from the Pensions Admin Reserve
- (£5,000) – increased drawdown from cadets reserve
- (£106,000) – increased drawdown in respect of grant balances carried forward

Capital Reserves – Increase £267,000

£267,000 – due to balance of Capital Receipts Reserve being higher than anticipated when the budget was set, additional capital receipts received for vehicle sales and slippage of capital programme.

10. BORROWING AND INVESTMENT

10.1 As at end November, the Authority held cash balances of £20,400,000 which are invested in accordance with the Treasury Management Strategy, as follows:

Counterparty	Duration	Amount	Interest Rate
		£m	%
Aberdeen Cash Money Market Fund	Overnight Access	4.000	3.00
DB Money Market Fund	Overnight Access	2.400	2.90
Barclays	95 Day Notice	4.000	3.05
Standard Chartered ESG	Fixed to 05/01/23	2.000	3.45
Standard Chartered ESG	Fixed to 10/02/23	1.000	3.36
Standard Chartered ESG	Fixed to 05/04/23	1.000	4.06
Goldman Sachs	Fixed to 06/02/23	2.000	2.33
Natwest	Fixed to 25/04/23	2.000	2.46
Natwest	Fixed to 02/08/23	2.000	2.61
Total Investments		20.400	

- 10.2 The Bank of England base rate has increased to 3%, a rise of 0.75% since the P6 report. It is expected this rate will rise to 3.5% in December. We are seeing an impact as Banks increase their rates on investments, resulting in higher levels of interest receivable. Latest modelling indicates the income of around £368,000 can be achieved, £348,000 above the budgeted level of £20,000. The interest income budget has been reduced to reflect the planned reduction in funds available for short term investment and the previous reduction in interest rates during Covid-19.
- 10.3 The current forecast of a reduction in reserves of £5.702m means that the Service will need to monitor its liquidity and cashflow closely during the year and this may involve giving notice on some of its existing investments. Finance continues to work with the ESCC Treasury Management team to improve cash-flow monitoring
- 10.4 The Authority has borrowing totalling £10,298,000 and there is no impact on the interest payable, as these are subject to fixed interest rate deals.

Revenue Budget 2022/23 – Objective Summary

	Original Budget	Revised Budget	Projected Outturn	Month Variance	Variance	Variance Month 6 Reported to SLT	Variance From Last Reported
	£'000	£'000	£'000	£'000	%	£'000	£'000
Peoples Services	4,337	4,337	4,664	327	7.5	344	(17)
Resources/Treasurer	8,180	8,193	8,109	(84)	(1.0)	(62)	(22)
Planning and Improvement	1,248	1,248	1,146	(102)	(8.2)	(121)	19
Total Deputy Chief Fire Officer	13,766	13,778	13,919	141	(2)	160	(20)
Safer Communities	21,939	21,750	22,709	959	4.4	907	50
Operational Support	4,566	4,543	4,634	92	2.0	(163)	255
Total Assistant Chief Fire Officer	26,505	26,293	27,343	1,050	6	744	305
CFO Staff	805	853	834	(19)	(2.2)	(35)	16
Treasury Management	870	870	522	(348)	(40.0)	(260)	(88)
Non Delegated costs	(1,108)	(1,108)	(1,074)	34	(3.1)	42	(8)
Corporate Contingency	298	250	0	(250)	(100.0)	0	(250)
Covid-19	0	0	0	0	0.0	0	(0)
Transfer from Reserves	(462)	(262)	(262)	0	0.0	0	0
Transfer to Reserves	1,092	1,092	1,092	0	0.0	0	0
Total Corporate	1,495	1,695	1,112	(583)	(145)	(253)	(331)
Total Net Expenditure	41,766	41,766	42,373	607	1.5	652	(45)
Financed By:							
RSG	(3,325)	(3,325)	(3,325)	0	0	0	0
Council Tax	(29,288)	(29,288)	(29,248)	40	(0)	40	0
Business Rates	(7,764)	(7,764)	(7,494)	270	(3)	270	0
Service Grant Allocation	(535)	(535)	(535)	0	0	0	0
Covid-19 Local Tax Support Grant	(29)	(29)	(56)	(27)	93	(27)	0
S31 Grants	(1,125)	(1,125)	(1,440)	(315)	28	(315)	0
S31 Grants BRR Relief	0	0	0	0	0	0	0
Transfer from Reserves	(836)	(836)	(906)	(70)	8	(70)	0
Collection Fund Surplus/Deficit	1,136	1,136	839	(297)	(26)	(297)	0
Total Financing	(41,766)	(41,766)	(42,165)	(399)	1	(399)	0
Total Over / (Under) Spend	0	0	208	208	0	253	(45)

Savings Programme 2021/22

Division	Team	Responsible Officer	Business Area Lead Name	Description	Savings 22/23	Projection 22/23	At Risk	R.A.G Rating
					£'000	£'000	£'000	Select Status
RT	Estates	Duncan Savage		Estates Strategy revenue maintenance savings.	(45)	(45)		Delivered
All	All	All		Travel & subsistence	16	16		Delivered
OSR	Engineering	Hannah Scott-Youldon		Fuel	15	15		Delivered
PS	HR	Jules King		Firewatch Project	(25)		(25)	Not
PS	Training	Jules King		STC Catering contract savings	(6)	(6)		Delivered
RT	ITG	Duncan Savage		IT Strategy - delay some projects from 21/22 to 22/23	100	100		Delivered
RT	Procurement	Duncan Savage		Category Strategy Savings	(25)	(25)		Delivered
SC	All ops	Matt Lloyd		IRMP Savings	(130)		(130)	Not
PS	Training	Jules King		Catering contract	(6)	(6)		Delivered
PS	Training	Jules King		Deep cleaning contract	(2)	(2)		Delivered
PS	Training	Jules King		First Aid training	(9)	(9)		Delivered
PS	Training	Jules King		IOSH training	(3)	(3)		Delivered
PS	Training	Jules King		CMI leadership	(2)	(2)		Delivered
OSR	Engineering	Hannah Scott-Youldon		C-trak extension	(5)	(5)		Delivered
OSR	AD	Hannah Scott-Youldon		Equipment	(8)	(8)		Delivered
OSR	Ops P&P	Hannah Scott-Youldon		External Training	(1)	(1)		Delivered
OSR	Ops P&P	Hannah Scott-Youldon		Equipment	(1)	(1)		Delivered
OSR	Ops P&P	Hannah Scott-Youldon		Hydrants Repairs	(2)	(2)		Delivered
OSR	Ops P&P	Hannah Scott-Youldon		Subscription (Services)	(4)	(4)		Delivered
SC	Groups	Matt Lloyd		RDSO Post	(50)	(50)		Delivered
SC	Community Safety	Matt Lloyd		Education Team	(40)		(40)	Not
SC	All	Matt Lloyd		Advert & Publicity	(43)	(43)		Delivered
P&I	PMO	Liz Ridley		Consolidation of Project Management capacity	(25)	(25)		Delivered
P&I	Comms	Liz Ridley		External Printing	(10)	(10)		Delivered
P&I	Comms	Liz Ridley		Stationery	(1)	(1)		Delivered
P&I	Comms	Liz Ridley		Postage	(4)	(4)		Delivered
P&I	P&I	Liz Ridley		Advert & Publicity	(1)	(1)		Delivered
P&I	P&I	Liz Ridley		Car Allowances	(1)	(1)		Delivered
P&I	P&I	Liz Ridley		Consultants Fees	(10)	(10)		Delivered
P&I	P&I	Liz Ridley		Officer Subsistence	(1)	(1)		Delivered
P&I	Dem Services	Liz Ridley		Subscriptions	(1)	(1)		Delivered
P&I	Dem Services	Liz Ridley		Member conferences	(1)	(1)		Delivered
RT	Finance	Duncan Savage		Non pay budgets	(10)	(10)		Delivered
RT	Procurement	Duncan Savage		Accommodation & conference fees	(2)	(2)		Delivered
RT	ITG	Duncan Savage		Password Management	(15)	(15)		Delivered
RT	ITG	Duncan Savage		CAM Management	(3)	(3)		Delivered
RT	ITG	Duncan Savage		Talent Contract	(63)		(63)	Part Delivered
Central	Contingency	Duncan Savage		Reduce contingency (one year only)	(48)	(48)		Delivered
RT	ITG	Duncan Savage		Control - IT	(218)	(218)		Delivered
RT	ITG	Duncan Savage		IT Strategy - delay some projects from 22/23 to 23/24	(33)	(33)		Delivered
SC	Prevention	Matt Lloyd		CRM	(55)		(55)	Not
				Total Net Savings	(778)	(465)	(313)	

Grants and Spending Plans 2022/23

Grants Requiring Claims	Lead AD	*Grant Brought Forward 1 April 2022	Grant 2022/23	Total Available Grant	Claim Quarter 1	Claim Quarter 2	Claim Quarter 3	Claim Quarter 4	Balance Remaining
		£	£	£	£	£	£	£	£
ESMCP - LTR Regional	Hannah Scott-Youldon	163,439	-	163,439	20,618	7,740			135,081
**ESMCP - Infrastructure	Hannah Scott-Youldon	1,425,000	-	1,425,000	-	-			1,425,000
Accreditation & RPL Funding	Matt Lloyd	22,737	-	22,737	-	-			22,737
Grenfell Infrastructure Fund	Hannah Scott-Youldon	4,509	-	4,509	-				4,509
Surge Protection Grant Funding - Protection Uplift	Matt Lloyd	227,808	358,079	585,887	70,290	72,385			443,212
		1,939,347	358,079	2,201,571	90,908	80,125	-	-	2,030,538
Grants - No Claims Requirement	Lead AD	Balance Remaining	Grant 2022/23	Total Available Grant	Comments				Balance Remaining
		£	£	£					
COVID - 19	Duncan Savage	95,855	-	95,855	Available to spend on Efficiency & Productivity				95,855
Firelink	Duncan Savage	0	191,227	191,227	Planned to use on ITG Strategy Projects in 2022/23				0
New Dimensions	Hannah Scott-Youldon	31,739	27,430	59,169	Spending plan being developed				59,169
Pensions Grant	Duncan Savage	0	1,734,984	1,734,984	Planned to use in 2022/23				0
Responding to New Risks	Hannah Scott-Youldon	32,520	6,500	39,020	Spending plan being developed				39,020
Total		1,083,975	1,960,141	2,024,400					
Overall Total Grants		3,023,322	2,318,220	4,225,971					2,030,538
Notes:									
* the grants brought forward are held in earmarked reserves (Appendix 7)									

Capital Programme 2022/23 to 2025/26

Capital Programme Expenditure 2022-23 to 2026-27	Total Budget	Total Previous Years	2022/23	2023/24	2024/25	2025/26	2026/27	Remaining Spend	Variance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Property									
Shared Investment Schemes									
Integrated Transport Project	1,000		200				800	1,000	-
Preston Circus	3,287	122	1,340	1,825				3,165	-
Total Shared Investment Schemes	4,287	122	1,540	1,825	-	-	800	4,165	-
Strategic Schemes									
- Replacement Fuel Tanks	492	450	42					42	-
- Partner contribution	(292)	(292)							-
- Replacement fuel tanks net cost	200	158	42	-	-	-	-	42	-
Design Guide	356	356							-
Hove	491	64	427					427	-
Rodean	493	45	448					448	-
Eastbourne	550	74	276	200				476	-
Bohemia Road	485	28	93	364				457	-
Security	386	67	219	100				319	-
Sustainability	171	21	40	80	30			150	-
MPTH	399	399							-
Eastbourne MPth	259	7	252					252	-
Training Centre MPth	308	7	1	300				301	-
Hove MPth	278	7	271					271	-
Bohemia Road MPth	258	8		250				250	-
Live Fire Training	4,000	48	(28)	500	2,500	980		3,952	-
Total Strategic Schemes	8,634	1,289	2,041	1,794	2,530	980	-	7,345	-
End July									
General Schemes	830	830							-
Seabrd CIL	296	3	7	5	281			293	-
Seabrd CIL partner Contribution	(133)				(133)			-	133
Barcombe CIL	392	4	1	95	292			388	-
Barcombe CIL Partner Contribution	(156)				(156)			-	156
The Ridge	508				20	488		508	-
Hailsham	184	19	(9)		10	164		165	-
Rye	532	3	2		15	512		529	-
Battle	163	1	4			52	106	162	-
Herstmonceux	50						50	50	-
Bexhill	200						200	200	-
Heathfield	280	9	9		19	243		271	-
Uckfield	494	8				99	387	486	-
Lewes	577	6	1			240	330	571	-
Seabrd HVP Alterations	85	7	84					84	6
Total General Schemes	4,302	890	99	100	348	1,798	1,073	3,418	6
Bay Doors, Floors, IT	1,535		355	398	369	205	208	1,535	-
Training Towers	279		279					279	-
Temperature Control in Sleeping Pods	201		87	114				201	-
Total Property	19,238	2,301	4,401	4,231	3,247	2,983	2,081	16,943	6
Vehicle Cameras	118		118					118	-
Grant Funds	(118)		(118)					(118)	-
Telemetry	70		70					70	-
Aenals	2,026	690	560	593				1,153	(183)
Aerial Rescue Pump	22	22							-
Fire Appliances	7,335	2,564	1,312	850	835	819	862	4,678	(93)
Ancillary Vehicles	2,750	473	1,343	391	368	112		2,214	(63)
Cars	1,937	501	395	40	272	506	206	1,419	(17)
Vans	1,935	920	232	179	288	162	148	1,009	(6)
Equipment	70		35	35				70	-
Total Fleet and Equipment	16,228	5,170	3,947	2,088	1,763	1,599	1,216	10,613	(362)
Total Expenditure	35,466	7,471	8,348	6,319	5,010	4,582	3,297	27,556	(356)

Estates Capital Budget 2022/23

Estates Capital Programme Expenditure 2022/23							
	Total Budget	Year Forecast	Variance	Under spend	Slippage		
Project	2022/23	2022/23	2022/23	2022/23	2023/24	PG Variance	
	£'000	£'000	£'000			2022/23	
						2022/23	
						£'000	
						Movement	
						2022/23	
						£'000	
Shared Investment Schemes							
Integrated Transport Project	200	200	-				
Preston Circus	1,340	453	(887)		(887)	(1,062)	175
Total Shared Investment Schemes	1,540	653	(887)		(887)	(1,062)	175
Strategic Schemes							
Replacement Fuel Tanks (Incl. Partner contribution)	42	7	(35)		(35)	(35)	-
Design Guide:							
Hove	427	427	-			7	(7)
Roedean	448	21	(427)		(427)	(427)	-
Eastbourne	276	45	(231)		(231)	(237)	6
Bohemia Road	93	40	(53)		(53)	157	(210)
Security	219	98	(121)		(121)	-	(121)
Sustainability	40	40	-			-	-
MPTH:							
Eastbourne MPTH	252	29	(223)		(223)	-	(223)
Training Centre MPTH	1	35	34		34	31	3
Hove MPTH	271	34	(237)		(237)	-	(237)
Bohemia Road MPTH	-	39	39		39	39	-
Live Fire Training	(28)	15	43		43	15	28
Total Strategic Schemes	2,041	830	(1,211)		(1,211)	(450)	(761)
General Schemes							
Seaford CIL (Incl. Partner contributions)	7	7	-			-	-
Barcombe CIL (Incl. Partner contributions)	1	9	8		8	8	-
Hailsham	(9)	8	17		17	8	9
Rye	2	45	43		43	(2)	45
Battle	4	-	(4)		(4)	(4)	-
Seaford HVP Alterations	78	84	6	6		2	4
Heathfield	9	9	-			-	-
Lewes	1	1	-			-	-
Total General Schemes	93	163	70	6	64	12	58
Total Bay Door, Floor, IT Building works	355	110	(245)		(245)	(345)	100
Total Training Tows	279	133	(146)		(146)	(131)	(15)
Total Temperature Control for Sleeping Pods	87	79	(8)		(8)	(8)	-
	4,395	1,968	(2,427)	6	(2,433)	(1,984)	(443)

Engineering Capital Budget

Engineering Capital Programme Expenditure 2022/23							
	Total Budget	Year Forecast	Variance	Underspend	Slippage		
Project	2022/23	2022/23	2022/23	2022/23	2023/24	P4 Variance	
	£'000	£'000	£'000			2022/23	
						2022/23	
						£'000	
						Movement	
						2022/23	
						£'000	
Aerials							
GX04 BMY	743	218	(525)	(183)	(342)	(183)	(342)
Total Aerials	743	218	(525)	(183)	(342)	(183)	(342)
Fire Appliances							
GX57 EUY	297	280	(17)	(17)	-	(17)	-
GX57 EUZ	297	280	(17)	(17)	-	(17)	-
GX57 EUU	297	280	(17)	(17)	-	(17)	-
GX57 EUN	171	157	(14)	(14)	-	(16)	2
GX57 EUP	171	157	(14)	(14)	-	(16)	2
GX57 EUT	171	157	(14)	(14)	-	(16)	2
Total Fire Appliances	1,405	1,312	(93)	(93)	-	(98)	5
Ancillary Vehicles							
GX51 UBM	145	109	(36)	(36)	-	(29)	(7)
GX57 EUV	353	-	(353)	-	(353)	(353)	-
GU16 LVJ	12	-	(12)	(12)	-	(12)	-
GX56 NWR	253	-	(253)	-	(253)	-	(253)
GX56 NWS	253	-	(253)	-	(253)	-	(253)
GX03 AXM	103	-	(103)	-	(103)	(103)	-
GX53 AZU	103	-	(103)	-	(103)	(101)	(2)
GX53 AZV	103	-	(103)	-	(103)	(103)	-
OU04 VNW	65	-	(65)	-	(65)	(65)	-
TR15	15	-	(15)	(15)	-	(15)	-
Total Ancillary Vehicles	1,406	109	(1,296)	(63)	(1,233)	(782)	(515)
Cars							
GU16 LUJ	12	12	-	-	-	-	-
GU16 LUL	12	12	-	-	-	-	-
SKODA KODIAQ	-	1	1	1	-	-	1
GU16 LUO	30	-	(30)	(2)	(28)	(2)	(28)
GU16 LUP	30	-	(30)	(2)	(28)	(2)	(28)
GU16 LUT	30	-	(30)	(2)	(28)	(2)	(28)
GU16 LVC	30	-	(30)	(2)	(28)	(2)	(28)
GU16 LVD	30	-	(30)	(2)	(28)	(2)	(28)
GU16 LVE	30	-	(30)	(2)	(28)	(2)	(28)
GV18 ABF	41	35	(6)	(6)	-	(6)	-
GX64 DXE	12	12	-	-	-	-	-
GX64 DXF	12	12	-	-	-	-	-
GX64 DXG	12	12	-	-	-	-	-
GX64 DXH	12	12	-	-	-	-	-
GX65 JTZ	12	12	-	-	-	-	-
GX65 JUA	12	12	-	-	-	-	-
GX65 JUC	12	12	-	-	-	-	-
GX65 JUE	12	12	-	-	-	-	-
Pool Cars						(2)	2
Pool Car 1	18	18	-	-	-	-	-
Pool Car 2	18	18	-	-	-	-	-
Pool Car 3	18	18	-	-	-	-	-
Pool Car 4	18	18	-	-	-	-	-
Total Cars	412	228	(185)	(17)	(168)	(20)	(165)
Vans							
GU16 LVH	42	38	(4)	(4)	-	(4)	-
Replace Stolen Van	17	18	1	1	-	1	0
GX64 DXZ	15	14	(1)	(1)	-	(1)	-
GX64 DYA	15	14	(1)	(1)	-	(1)	-
GX64 DYB	15	14	(1)	(1)	-	(1)	-
Fire Investigation Van	70	-	(70)	-	(70)	(70)	-
Hazmat Van	65	-	(65)	-	(65)	(65)	-
	239	98	(141)	(6)	(135)	(141)	0
Special Projects							
Vehicle Cameras	118	118	-	-	-	-	-
Vehicle Camera Grant Funding	(118)	(118)	-	-	-	-	-
Telemetry	70	-	(70)	-	(70)	(70)	-
Equipment (Operational IRMP)	35	-	(35)	-	(35)	(35)	-
Total Special Projects	105	-	(105)	-	(105)	(105)	-
Total	4,310	1,965	(2,345)	(361)	(1,983)	(1,328)	(1,017)

Reserves 2022/23

Description	Opening Balance	2022/23	2022/23	2022/23	2022/23	2022/23	2022/23	2022/23	Projected Closing Balance	Lead AD
	01/04/2022	Original Planned Transfers In	Original Planned Transfers Out	Original Planned Transfers Net	Forecast Transfers In	Forecast Transfers Out	Forecast Transfers Net	Net Change	at Month 8	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Earmarked Reserves										
Business Rate Pool Reserve*	829	0	(200)	(200)	398	(43)	355	555	1,184	Duncan Savage
Business Rates Retention Pilot - financial stability	112	0	(27)	(27)	0	(32)	(32)	(5)	80	Duncan Savage
Capital Programme Reserve	3,080	500	(3,209)	(2,709)	826	0	826	3,535	3,906	Duncan Savage
Covid-19	96	0	(64)	(64)	0	0	0	64	96	Duncan Savage
ESMCP ESFRS readiness	1,425	0	(30)	(30)	0	0	0	30	1,425	Hannah Scott-Youlton
ESMCP Regional Programme	163	0	(83)	(83)	0	(52)	(52)	31	111	Hannah Scott-Youlton
Improvement & Efficiency	809	0	(279)	(279)	0	(323)	(323)	(44)	486	Duncan Savage
Insurance	249	0	0	0	0	0	0	0	249	Duncan Savage
ITG Strategy	3,774	592	(3,188)	(2,596)	592	(2,349)	(1,757)	839	2,017	Duncan Savage
Mobilising Strategy	37	0	(425)	(425)	0	(37)	(37)	388	0	Duncan Savage
People Strategy	70	0	(15)	(15)	234	(20)	214	229	284	Julie King
Sprinklers	640	0	(200)	(200)	0	(200)	(200)	0	440	Hannah Scott-Youlton
BRR - Protection Uplift - Accreditation & RPL	23	0	0	0	0	0	0	0	23	Matt Lloyd
BRR - Protection Uplift - Grenfell / Infrastructure	5	0	0	0	0	(5)	(5)	(5)	0	Hannah Scott-Youlton
BRR - Protection Uplift - Protection	228	0	(46)	(46)	0	(175)	(175)	(129)	53	Matt Lloyd
Business Rate Tax Income Guarantee Scheme (75%)	31	0	0	0	0	(15)	(15)	(15)	16	Duncan Savage
Council Tax Income Guarantee Scheme (75%)	83	0	(29)	(29)	0	(41)	(41)	(12)	42	Duncan Savage
New Dimensions Grant	32	0	0	0	0	0	0	0	32	Hannah Scott-Youlton
Pensions Administration	190	0	(147)	(147)	32	(12)	20	167	210	Julie King
Responding to New Risks	33	0	0	0	0	0	0	0	33	Hannah Scott-Youlton
S31 Business Rate Retention Reliefs	906	0	(836)	(836)	0	(906)	(906)	(70)	0	Duncan Savage
Carry Forwards	173	0	(77)	(77)	0	0	0	77	173	Duncan Savage
Cadets	5	0	0	0	0	(5)	(5)	(5)	0	Matt Lloyd
Total Earmarked Reserves	12,883	1,092	(8,866)	(7,783)	2,082	(4,216)	(2,133)	6,830	10,880	
General Fund	1,913	0	0	0	0	0	0	0	1,913	Duncan Savage
Total Revenue Reserves	14,808	1,092	(8,866)	(7,783)	2,082	(4,216)	(2,133)	6,830	12,773	
Capital Receipts Reserve	4,255	0	(4,017)	(4,017)	417	(4,406)	(3,988)	28	267	Duncan Savage
Total Capital Reserves	4,255	0	(4,017)	(4,017)	417	(4,406)	(3,988)	28	267	
Total Usable Reserves	19,161	1,092	(12,872)	(11,780)	2,499	(8,620)	(6,121)	6,858	13,040	

Staff Pay Award Pressure 2022/23

Department	£
HR	34,037
Health & Safety	7,510
Service Training Centre	20,636
Workforce Development	2,800
AD R/T	820
Estates	8,262
ITG	9,718
Finance	9,522
Procurement	7,402
Communications	12,772
Performance Management	9,944
Programme Management	1,144
Democracy	1,809
IRMP	1553
Groups	12,963
Protection	41,836
Prevention	38,535
Engineering	25,965
Ops Planning and Policy	16,079
CFO	6,445
	269,752

This page is intentionally left blank

EAST SUSSEX FIRE AUTHORITY

Meeting Policy and Resources

Date 19 January 2023

Title of Report Suspension of fire service attendance standards to emergency incidents during periods of strike action.

By Dawn Whittaker, Chief Fire Officer

Lead Officer David Norris, Deputy Chief Fire Officer

Background Papers Integrated Risk Management Plan (IRMP) Review of Attendance Standards - Consultation Results – Fire Authority June 2018

Review of Attendance Standards Consultation – Fire Authority December 2017

Appendices None

Implications (please tick ✓ and attach to report)

CORPORATE RISK		LEGAL	
ENVIRONMENTAL		POLICY	X
FINANCIAL		POLITICAL	
HEALTH & SAFETY		OTHER (please specify)	
HUMAN RESOURCES		CORE BRIEF	
EQUALITY IMPACT ASSESSMENT			

PURPOSE OF REPORT To ask the Panel to agree to suspending the attendance standards of fire appliances to emergency incidents during periods of strike action.

EXECUTIVE SUMMARY The Fire Authority agreed its attendance standards at emergency incidents in June 2018.

During periods of Industrial Action there will be reduced appliance availability. This paper is seeking the Panel’s agreement to suspend the Service’s attendance standards during those times.

A public communications campaign will rolled out with important safety messages. It will be made clear that although there will be a reduced number of appliances available, we will still respond to 999 calls but the public may need to wait longer

for a response than at times when no industrial action is taking place.

RECOMMENDATION

To agree to suspend the Authority's attendance standards during periods of industrial action.

1. Main Issues

- 1.1 The Fire Authority agreed its attendance standards to all emergency incidents in June 2018.

The attendance standards are as follows:

- First arriving appliance at any incident from an 'On-Station response' will arrive within 10 Minutes on 70% of occasions
- First arriving appliance at any incident from an 'On-Call response' will arrive within 15 minutes on 70% of occasions

- 1.2 The Fire Authority has a statutory duty with under Section 2 of the Civil Contingencies Act 2004 to maintain plans for the purpose of ensuring, so far as is reasonably practicable, that if an emergency occurs the person or body is able to continue to perform their functions. A full review of the Service's Business Continuity Plan and arrangements to provide a response to emergencies during strike action has been completed.

- 1.3 There will be a reduction in the number of appliances available to respond to emergency incidents which will result in longer response times as the appliances that we will have available will be covering a larger area. Therefore we are unable to guarantee that we will meet the attendance standards of our first arriving appliances. Any emergency calls received during periods of industrial action will be prioritised and we will focus the resources that are available to attend incidents where a life risk has been reported.

- 1.4 A public communications campaign will rolled out with important safety messages. It will be made clear that although there will be a reduced number of appliances available, we will still respond to 999 calls but the public may need to wait longer for a response than at times when no industrial action is taking place. We will ask people to only dial 999 in a genuine emergency. The Service's website will provide information for the public to help keep themselves safe.

- 1.5 We will continue to monitor attendance times to emergency calls during any strike periods and once the period of industrial action has ceased the Service's attendance standards will be immediately reinstated. Firefighters will return to work and the number of fire engines available to respond to emergencies will return to normal.

This page is intentionally left blank

EAST SUSSEX FIRE AUTHORITY

Panel	Policy & Resources
Date	19 January 2023
Title of Report	Fire Authority Service Planning processes for 2023/24 and beyond – Revenue Budget 2023/24 and Capital Asset Strategy 2023/24 to 2027/28
By	Dawn Whittaker, Chief Fire Officer and Duncan Savage, Assistant Director Resources/Treasurer
Lead Officer	Alison Avery, Finance Manager

Background Papers	<p>Fire Authority Service Planning processes for 2022/23 and beyond – Revenue Budget 2022/23 and Capital Strategy 2022/23 to 2026/27: Fire Authority 10 February 2022</p> <p>Strategic Service Planning and Medium Term Financial Plan 2023/24: Fire Authority 8 September 2022</p> <p>Medium Term Financial Plan Update – Draft Savings Proposals: Fire Authority 8 December 2022</p> <p>Economic and Fiscal Outlook, November 2022- Office of Budget Responsibility.</p> <p>Bank of England Monetary Policy Report – November 2022</p>
--------------------------	--

Appendices	<p>A – Medium Term Finance Plan 2023/24 – 2027/28</p> <p>B – Revenue Budget Summary 2023/24</p> <p>C – Fees and Charges</p> <p>D – Capital Asset Strategy 2023/24 – 2027/28</p> <p>E – Reserves and Balances Policy</p> <p>F – Precept for 2023/24</p> <p>G – Establishment 2023/24</p> <p>H – Local Government Financial Settlement (provisional) Core Spending Power of Combined Fire Authorities</p>
-------------------	---

Implications

CORPORATE RISK	✓	LEGAL	✓
ENVIRONMENTAL		POLICY	
FINANCIAL	✓	POLITICAL	
HEALTH & SAFETY		OTHER (please specify)	
HUMAN RESOURCES		CORE BRIEF	
EQUALITY IMPACT ASSESSMENT ✓			

PURPOSE OF REPORT To present the Fire Authority's draft Revenue Budget 2023/24, Capital Strategy 2023/24 – 2027/28 and Medium Term Finance Plan for 2023/24 – 2027/28 for initial consideration prior to its formal consideration by the Fire Authority at its meeting on 9 February 2023.

EXECUTIVE SUMMARY

The Authority's budget proposals for 2023/24 and its five year Medium Term Finance Plan (MTFP) have been updated to reflect:

- The Local Government Finance Settlement (LGFS) which was announced on a provisional basis on 19 December with a consultation period to 16 January 2023
- The pressures, growth bids and savings identified through the business planning and budget setting process.
- The latest updates from the billing authorities on council tax and business rates income.

The Authority has continued to make progress in identifying and agreeing efficiencies and savings proposals over the last 12 months. The latest version of the MTFP shows that the Authority has already identified £1.536m of savings in 2023/24.

This report outlines proposals for setting a balanced revenue budget for 2023/24, including commitments, growth bids and new savings. Additional savings proposals necessary to balance the budget over the next two years are also set out with this Panel requested to determine which tranches to recommend to Fire Authority for further development and implementation, subject to appropriate public consultation.

The significant impact of worldwide supply chain disruption and levels of inflation in excess of 10% (CPI) on the Authority's current and future costs (both pay and non pay) resulted in a reasonable worst case scenario of a £3m budget gap being identified. As a result, the Authority and the local government / fire sector intensified their lobbying of central government and local MPs to secure a sustainable financial settlement for the fire service. The lobbying continued to highlight both the pressures and risks the service faces and its reliance on one off grant funding to cover significant costs. We understand that this lobbying and the evidence provided by the sector of the impact of inflation has played an important role in influencing the provisional settlement.

Although the Comprehensive Spending Review (CSR) conducted in 2021 covered a three year period, the Government only announced a one year settlement for 2022/23. In December 2022 the Government announced a further one year settlement for 2023/24 but accompanied by a Finance Policy Statement which sets out the principles on which the 2024/25 settlement will be based. The provisional LGFS delivered a better settlement than the Authority had expected, primarily because of the Government's guarantee of a 3% increase in Comprehensive Spending Power (before decisions on increases in council tax are made) and an increase in the council tax referendum threshold to 3% and in 2023/24 only additional flexibility for all fire & rescue services of up to £5. Whilst the settlement is welcome it still requires the Authority to make significant additional savings

to balance its budget for 2023/24. However there remains significant uncertainty over the Authority's future funding for 2024/25 and beyond, and the Authority must continue to consider its long term financial sustainability when setting its budget for 2023/24 and agreeing its Medium Term Finance Plan (MTFP) for the next five years.

At the time of writing a number of key elements of the budget setting process remain outstanding:

- Confirmation of fire specific grants e.g. pensions and protection surge from the Home Office (HO) (currently assumed to be cash flat)
- Final information on the council taxbase, business rates and collection fund positions from the billing authorities

The budget proposals have been developed using the modelling assumptions previously agreed with the Authority. For 2023/24 two options are presented, a 2.99% increase in council tax or a £5 increase in council tax. The MTFP sets out two scenarios for 2025/26 onwards – a higher range based on a 2% increase in Settlement Funding Assessment (SFA), and a lower range where SFA is cash flat. In both scenarios we have assumed a return to council tax increases of 1.99% from 2025/26.

The budget gap for 2023/24 is £1.033m (£5 option) or £1.645m (2.99% option). It is proposed that this is funded by one off savings and use of reserves in 2023/24 as detailed in 8.3. The amounts required to balance the budget for 2024/25 based on current modelling are £1.014m (£5 option) or £1.662m (2.99% option).

The use of one off measures in 2023/24 will allow time for the additional savings proposals set out in 6.8 to be consulted upon, approved and implemented by 1 April 2024. The Panel is asked to identify which savings tranches should be taken forward for consideration by the Fire Authority and appropriate public consultation.

The use of reserves to balance the budget is a legitimate approach where it assists with smoothing the impact/delivery of planned savings, but the approach cannot form an ongoing part of budget setting as it is not financially sustainable. This will be the second year that the Authority has used its reserves to balance its budget.

There remains significant uncertainty for funding for 2024/25 and beyond and the Authority will need to remain flexible in its approach to its financial planning. The new Prime Minister is only just beginning to set out their policy priorities for the coming years, reforms to local government funding (business rates and the funding formula) are still expected and the impact of the levelling up agenda, devolution and fire white paper remain unclear. Given this, the future for public finance remains challenging. There also remains a series of other risks for the Authority to consider in setting its budget and MTFP which are set out in this Report.

The Capital Asset Strategy (CAS) reflects the Authority's identified capital investment requirements for the next five years. As capital reserves are drawn down the Authority must now plan to enter into new borrowing over the life of the Strategy and the Treasury Management Strategy will carefully consider the options available. The Revenue impact of new borrowing is reflected in the MTFP from 2023/24 onwards. The current budget proposals and MTFP maintain the Authority's existing commitments to invest in its fleet and estate through its Capital Asset Strategy (CAS), and its IT and other assets through

revenue funding. However, should future funding be towards the lower range of our modelling, or if full council tax flexibility is not utilised then proposals to scale back this investment may need to be considered in future years.

The Authority has acted prudently in establishing reserves and balances to meet its assessed risks and to provide one off funding for specific priorities. The level of reserves held will significantly reduce over the life of the MTFP and this will bring forward the need to borrow and reduce the level of financial flexibility the Authority has outside of its Revenue Budget. The MTFP includes a number of measures to support financial sustainability over the medium term including additional contributions from the revenue budget into the General Balances to rebuild them to meet the Authority's policy minimum and a number of earmarked reserves to maintain some flexibility for future investment and reduce reliance on borrowing for maintaining and replacing existing capital assets.

The key decision for the Authority is the level of council tax it wishes to set for 2023/24. P&R Panel has two options for the Authority to consider either an increase of 2.99% or an increase of £5. It is important to note that the Authority and the fire sector has lobbied for the additional council tax flexibility of £5 for 2023/24 that has been offered in the settlement.

Any decision not to take the full flexibility in council tax offered by the Government, even for a single year has a permanent impact on the future income that the Authority can generate from council tax. The additional council tax income under the £5 option is £0.608m in 2023/24, rising to £0.689m in 2027/28.

RECOMMENDATION

The Panel is recommended to:

1. Note that:

- (a) the one year settlement as set out in the Local Government Finance Settlement is only provisional at this stage and may be subject to change;
- (b) the East Sussex Business Rate Pool, of which the Authority is a member, has been approved as part of the LGFS, and that any income will be transferred into the Business Rates Pool Reserve;
- (c) that the Home Office has 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 the collection fund positions are still awaited and that final budget proposals may change once this information is received.

2. Recommend that the Fire Authority, subject to any changes as a result of recommendation 1, approves:

Either:

(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 as 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

and

- (vi) identifies which savings proposals from those listed in 6.8 (tranches 1 to 6) should be taken forward to meet the additional savings requirement of £1.014m in 2024/25, accepting that some proposals will be subject to public consultation.

Or

(b) an increase in council tax of 2.99% and thus approves:

- (i) the budget proposals set out in this Report and the net budget requirement of £44.050m for 2023/24;
- (ii) the council tax requirement of £30.485m; and
- (iii) the council tax and precepts as set out in Appendix F(i)
- (iv) that the General Balance remains below the Authority's policy minimum of 5% of the net revenue budget until 2026/27
- (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
 - £0.311m improvement & efficiency reserve
 - £0.274m general reserve
 - £0.191m capital programme reserve

and

- (vi) identifies which savings proposals from those listed in 6.8 (tranches 1 to 6) should be taken forward to meet the additional savings requirement of £1.662m in 2024/25, accepting that some proposals will be subject to public consultation.
- (c) 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;
- (d) the fees and charges set out in Appendix C;

and

- (e) that the Treasurer, in consultation with the Chairman and the Chief Fire Officer, be authorised to make any adjustments to the presentation of the budget to reflect the final Local Government Finance Settlement.

1. INTRODUCTION

- 1.1 The report sets out the proposed Revenue Budget for 2023/24, a revised MTFP for 2023/24 to 2027/28 as well as the proposed CAS and Capital Programme for the Authority for the period 2023/24 to 2027/28 for the Panel to consider. The report is based on the latest information available, but Members should note that 2023/24 represents a one-year settlement and may be subject to change given the range of information still outstanding at the time of writing this report including the final council tax and business rate bases and the Collection Fund positions.
- 1.2 The Provisional LGFS sets a council tax referendum threshold of 3% or £5, whichever is the higher, for 2023/24 for standalone Fire Authorities. As directed by the Fire Authority this report models both £5 and 2.99% increase in council tax.
- 1.3 The Government has issued a one year Provisional LGFS for 2023/24, with the Finance Policy Statement providing an indication of funding levels for 2024/25. There is still significant uncertainty about the Authority's funding for 2025/26 onwards.
- 1.4 The Authority has continued to make good progress in identifying and delivering savings proposals over the last 12 months. Since 2010/11 total savings delivered are £10.751m, with further identified savings over the MTFP totalling

£1.627m. To produce a balanced budget further savings of £1.014m (£5 option) or £1.662m (2.99% option) are required.

- 1.5 The MTFP includes other changes to spending plans, the provisional LGFS and latest estimates on council tax and business rates. Taken together these show that the Authority can deliver a balanced budget in 2023/24 but only by reducing flexibility in terms contingency / non pay inflation and the use of reserves. It is essential that the additional savings proposals set out in this report are implemented, subject to public consultation, to the levels necessary to balance the budget in 2024/25 and support a financial sustainable position over the medium term.
- 1.6 There remains significant uncertainty for funding for 2024/25 and beyond and the Authority will need to remain flexible in its approach to its financial planning. The Authority must continue to consider its long term financial sustainability when setting its budget for 2023/24 and agreeing its Medium Term Finance Plan (MTFP) for the next five years. Whilst the Government's Finance Policy Statement indicates the principals it will adopt for the 2024/25 settlement this can only be regarded as indicative and there is no commitment to continue to offer £5 council tax flexibility to fire & rescue services beyond 2023/24. The new Prime Minister is only just beginning to set out their policy priorities for the coming years, reforms to local government funding (business rates and the funding formula) are still expected and the impact of the levelling up agenda, devolution and fire white paper remain unclear. Alongside this, the Authority can expect to see the continued impact of supply chain disruption and associated inflation, new legislation on Business Safety (including the establishment of the Building Safety Regulator), HMI findings locally and nationally, the need for cultural change across the sector, pension costs, the implementation of the existing IRMP and the new CRMP and major projects such as ESN are likely to impact on our financial position over the medium term.

2. ECONOMIC OUTLOOK

- 2.1 The general state of the economy is an important factor in setting the Authority's revenue budget and MTFP over the next five years. UK GDP is expected to decline by ¾% during the second half of 2022 reflecting the squeeze on incomes of higher global energy and tradeable goods prices. GDP is expected to continue to fall during 2023.
- 2.2 The official UK bank interest rate was increased to 3.50% from 3.00% in December 2022, having risen gradually from 0.75% at April 2022. It is expected to rise by up to a further 1% over the next 12 months before gradually reducing. The cost of borrowing through the Public Works Loan Board (PWLB) has risen over the corresponding period. The PWLB 25 year certainty rate has increased from 2.1% to 4.71% albeit the market has not yet priced in further rises following the MPC's December 2022 meeting.
- 2.3 The Government continues to set the target for CPI at 2%. The November 2022 figure was 9.3% and the OBR expects it to remain high at around 10% in the near term. CPI is then expected to fall sharply to 1.4% by November 2024 and to 0% a year later.

3. NATIONAL FUNDING

- 3.1 The Provisional LGFS announced in December 2022 set out a more positive settlement for the fire sector nationally than had been anticipated with core spending power (CSP) increasing for stand-alone fire & rescue authorities by 7.4% (up to 9.4% if full council tax flexibility is taken by all authorities). East Sussex's CSP increases by 6.6%, the second lowest of any CFA and it is one of only four CFAs that needed to receive CSP Minimum Guarantee grant. The Home Office is yet to confirm sector specific grants, but it is expected that, excepting the Firelink Grant which is being reduced to zero by 2026/27, all fire specific grants will remain at the same cash level as the current year. It is understood that the HO is reviewing the allocation of the Protection Uplift Grant which is something this Authority has lobbied for to reflect the actual risk in local communities.
- 3.2 The Provisional LGFS proposes a council tax referendum threshold of 3% or £5 whichever is higher for all standalone fire authorities in 2023/24. The Authority and the sector nationally have lobbied strongly for this increase in order both to protect existing services, to invest in protection services post Grenfell and to address the areas for improvement identified by HMI. The additional income from a £5 increase as opposed to a 2.99% increase is £0.608m in 2023/24 and £0.689m by 2027/28.
- 3.3 The Provisional LGFS was released on 19 December 2022. We have modelled on the basis of the Provisional LGFS and used the analysis provided by Local Government Futures (LGF). The main assumptions from a funding perspective are:
- SFA (including RSG, Service Grant, CSP Minimum Guarantee grant and Business Rates Top Up grant) is as set out in the provisional LGFS
 - Locally retained business rates income and S31 grant in relation to business rates reliefs and under indexation of the business rate multiplier is as forecast by LGF
 - that the council tax increase will be set at either 2.99% or £5
 - that the East Sussex Business Rate Pool continues for 2023/24 and any income will be transferred into the earmarked reserves (given current uncertainty regarding business rates the Authority does not budget for Pool income).
 - that the 2022/23 pensions grant will be extended at the same level for another year, although this is yet to be confirmed by the HO.
 - That the 2022/23 protection grant will be extended at the same level for another year, although this is yet to be confirmed by the HO.
- 3.4 Any decision to trigger a council tax referendum would incur a significant cost in actually carrying out the vote, and thereby acts as a disincentive to break the referendum ceiling. The Revenue Budget and MTFP have been prepared on the basis of a £5 increase for 2022/23 and beyond. An alternative scenario of a 2.99% increase in council tax is set out within this report.

- 3.5 The Local Government Finance Report (England) 2023/24 will be debated in Parliament at some point in February and there is a risk that final funding figures will not be announced in time for the Authority's budget setting meeting on 9 February 2023. This does not prevent the Authority setting either its budget or its precept, but it is recommended that authority is delegated to the Treasurer, in consultation with the Chairman and the Chief Fire Officer, to make any presentational changes to the budget that may be required as a result. This will not impact on the agreed precept or level of council tax.
- 3.6 There remains significant uncertainty for funding for 2024/25 and beyond and the Authority will need to remain flexible in its approach to its financial planning. The Authority must continue to consider its long term financial sustainability when setting its budget for 2023/24 and agreeing its Medium Term Finance Plan (MTFP) for the next five years. Whilst the Government's Finance Policy Statement indicates the principals it will adopt for the 2024/25 settlement this can only be regarded as indicative and there is no commitment to continue to offer £5 council tax flexibility to fire & rescue services beyond 2023/24. The new Prime Minister is only just beginning to set out their policy priorities for the coming years, reforms to local government funding (business rates and the funding formula) are still expected and the impact of the levelling up agenda, devolution and fire white paper remain unclear. Given the current and ongoing financial pressures across the whole of the public sector as a result of the current economic situation the outlook for fire funding continues to be challenging.
- 3.7 Part of the Sector's offer to Government through CSR was to deliver improvements in both productivity and efficiency and work continues through the NFCC's Productivity and Efficiency Group to develop this, particularly how to define and track improvements in operational productivity.
- 3.8 The current assumption is that as part of the one-year only LGFS, losses from central Government policy changing business rates yield will be compensated for by a section 31 grant. Previously the MTFP relied on assumptions based on data from the billing authorities however the nature of the one-year LGFS means that it is preferred to use assumptions based on the 2022/23 actual data and announcements relating to the one-year LGFS supported by modelling provided by LGF. This is likely to remain the case for the final budget papers to Fire Authority as the national deadline for the billing authorities to submit their NNDR1 returns for 2023/24 is 31 January, after the deadline for the Fire Authority papers.
- 3.9 Additional funding was provided to fire authorities in 2019/20 in order to mitigate most of the increase in the employer contribution rate for the Firefighter pensions, with the sector paying £10m of the additional costs in 2019/20. This funding was extended in 2020/21, 2021/22 and 2022/23 and was expected to be rolled into the settlement baseline for 2023/24. Whilst the Government has not yet made an announcement about sector specific grants, we understand that the pension grant will remain a direct grant from the HO for 2023/24 and in the MTFP, we have assumed that the 2022/23 grant will continue at the same value for the life of the MTFP (£1.735m).

- 3.10 There has been no announcement on specific grants for the fire service to date. The Authority has assumed cash flat for 2023/24 and beyond for ongoing grants such as Protection and New Dimensions. The Firelink grant will reduce to £0 by 2026/27 and this pressure is reflected within the MTFP.
- 3.11 The balance of the Tax Income Guarantee Scheme (TIG) grant received in 2021/22 will continue to be used to offset collection fund losses incurred as a result of Covid-19 in 2020/21 but accounted for in 2021/22, 2022/23 and 2023/24.

4. MEDIUM TERM FINANCIAL PLAN

- 4.1 The MTFP (Appendix A) reflects the modelling for 2023/24 set out in paragraph 3.3 above and then the scenarios in paragraph 4.2 for the remaining four years of the plan. Appendix A shows the detail and includes the latest information on business rates and council tax (this will not be finalised until later in January). The risks set out in paragraph 4.9 below, the potential for further reductions in public spending and proposed changes to the way local government is supported centrally makes forecasting the position beyond 2025/26 extremely difficult. For that reason, the forecast within the MTFP for 2025/26 to 2027/28 should be regarded only as indicative at this stage.
- 4.2 The MTFP reflects our initial modelling of these factors and includes the following key assumptions:
- any changes to the distribution of business rates or the funding formula will have a net nil impact on the Authority.
 - Section 31 grant to compensate authorities for the loss of income as a result of the capping of the multiplier and various reliefs will continue based on current forecasts to 2024/25 and after that date will cease on the basis that rates will be reset.
 - An increase in council tax base of 1.08% for 2023/24 and an increase of 1% pa in 2024/25 and thereafter;
 - Increases of £5 in council tax in 2023/24, 2.99% in 2024/25 and 1.99% thereafter;
 - Provision for pay increases of 4% for all staff in 2023/24, reducing to 2% pa thereafter;
 - Provision for price increases of 2% in 2023/24 (excepting specific areas where provision for excess inflation is proposed) and thereafter;
 - Delivery of savings in line with agreed plans, including those identified by SLT during the budget setting process and detailed in 6.8.
 - That additional employers' pension contributions for the Firefighter's Pension Scheme are funded through grant at the same level as in 2022/23 and that any increases at the new valuation are also funded by Government grant.
- 4.3 Following a review by the East Sussex Finance Officers Association (ESFOA) an application to continue the East Sussex Business Rate Pool in 2023/24 was made and approval was confirmed in the provisional LGFS. Any member authority can decide to withdraw from the Pool before the consultation deadline

of 16 January but this means that the whole Pool will cease. In previous years the decision to remain in the Pool has been delegated to the Assistant Director Resources / Treasurer after consultation with the Chairman and the Chief Fire Officer. This delegation was not revisited in the current cycle due to the timing of Pooling announcements. However, the Service in line with all other members of the Pool has indicated its willingness to continue with the current Pooling arrangement. The Authority has not budgeted for any Pool income in 2023/24 and any income received will be transferred into the Business Rate Pool Reserve. Members should be aware that if the Pool makes a net loss then that will be shared proportionately to the benefits set out in the MoU which is 10% for this Authority. ESFOA's view is that the risk of this is low.

- 4.4 Overall, current forecasts for Collection Funds indicate a deficit of £0.344m in 2023/24 net of the release of the remaining TIG grant, with deficits of £0.300m in 2024/25 and £0.200m thereafter.
- 4.5 For 2023/24 pay inflation for all terms and conditions is 4%. Provision is made for incremental progression and performance related pay (where applicable) and for the correction of historic anomalies and other changes in the pay budget identified through budget monitoring in the current year and an ongoing exercise to review and formalise the support staff establishment. The pay award for grey and gold book staff for 2022/23 is yet to be agreed and is assumed to be 5% in the MTFP, which is to be funded from the General reserve.
- 4.6 Price inflation has been allocated for specific items such as utilities and fuel identified during the budget setting process. The remainder of the originally allocated 2% price inflation, totalling £181,000, has been allocated to contingency for 2023/24 only, with a one year saving against the contingency budget of £233,000 supporting a balanced budget. As noted earlier in this report the OBR forecast is for CPI to remain above the Government's 2% target during 2023/24 and it is intended the contingency budget will be utilised to support any inflationary pressures.

Price inflation is included at 2% for 2024/25 and the remainder of the MTFP.

- 4.7 The MTFP presents two options for council tax as previously agreed with the Authority:
- a £5 council tax increase for 2023/24, reducing to 2.99% in 2024/25 and to 1.99% thereafter.
 - a 2.99% council tax increase for 2023/24 and 2024/25, reducing to 1.99% thereafter.
- 4.8 The MTFP also models two future funding scenarios under both council tax options:
- Higher range – SFA increases by 2% pa from 2025/26 (in line with our forecast for pay and price inflation)
 - Lower range – SFA remains cash flat at 2024/25 levels

4.9 There is a range of risks that have the potential to impact on the Authority's ability to deliver its budget plans over the medium term to which Members must give consideration, primarily:

- Our ability to identify and deliver the savings required to balance the budget over the medium term through the Efficiency Strategy, the Integrated Risk Management Plan (IRMP) and the additional savings proposed in this report;
- The significant costs likely to arise from the remedy to the successful legal challenge to the transitional arrangements for the FPS 2015 (increased employers contributions, compensation and administrative costs) and a number of other pensions cases, and a lack of clarity on whether the Government will fund those costs;
- Increased reliance on borrowing to fund future capital investment from 2023/24 onwards and the resulting impact on the revenue budget;
- Lack of clarity about the financial impact of the national Emergency Service's Mobile Communication Programme;
- The potential for pay awards to exceed the provision in the budget;
- Uncertainty about future governance and funding including:
 - the last year of the current three year Comprehensive Spending Review and the period from 2025/26 onwards
 - the impact of any changes to the funding formula
 - for the impact of any changes to the business rates system
- The impact of local growth and additional housing, road and commercial risks;
- Any further development of local devolution proposals;
- the outcomes of the White Paper on the role of Police & Crime Commissioners and any impacts locally to fire service governance in Sussex;
- Outcomes for the fire service nationally and locally from the HMICFRS inspection process including the ongoing process of cultural change and strengthening of inclusion and diversity;
- The impact of the Building and Fire Safety Bills on fire service responsibilities and the resultant costs of compliance / delivery.

4.10 The Authority has made provision to manage financial risks and in year pressures through both the Reserves Strategy and a contingency within the Revenue Budget of £0.300m in 2023/24 (including on a one off basis general non pay inflation provision of 2%) increasing to £0.325m by 2027/28.

4.11 In order to produce a balanced budget for 2023/24 a total of £0.800m will be funded by reserves. The use of reserves to balance the budget is a legitimate approach where it assists with smoothing the impact/delivery of planned savings, but the approach cannot form an ongoing part of budget setting as it is not financially sustainable.

Under the 2.99% council tax option a further £0.612m will be funded by reserves.

4.12 The following financial sustainability provisions have been added into the MTFP

- Increased contributions to the capital programme reserve, up to £3m by 2027/28 to match the expected baseline level of spend thereby reducing the need to take new borrowing
- Additional provision of £0.2m a year from 2024/25 to support further improvement and efficiency initiatives
- Provision of £0.5m to fund ESN and other IT projects beyond the current IT strategy
- Transfer of £1.076m to the general reserve to return to the reserve to the 5% policy minimum by 2025/26
- Provision of £0.3m a year to fund workforce transition including cultural change and any one off costs of the additional savings proposals set out in this report

Under the 2.99% council tax option the return to the 5% policy minimum is delayed, with a transfer of £1.087m to the general reserve by 2026/27.

4.13 In overall terms the assumptions set out in the report mean that the revised MTFP shows a balanced budget in 2023/24 with the use of one off savings and reserves and that a balanced budget is possible in 2024/25 with the delivery of savings totalling £1.014m from those proposed by SLT and detailed in section 6.8. The MTFP higher range shows a budget gap for the final three years, although these indicate that this may not require any additional base budget savings. It should be noted that there is uncertainty over funding from 2025/26 and the MTFP lower range indicates additional savings of £0.534m would be required.

Under the 2.99% council tax option further savings will have to be delivered. The higher range savings are £1.662m in 2024/25. Again the MTFP indicates a budget gap for the final three years, although these may not require any additional base budget savings. Under the lower range scenario an additional £0.689m savings are required by 2027/28.

4.14 Due to the uncertainty over funding levels from 2025/26 two scenarios have been modelled for each council tax option. Under both options for 2024/25 we have modelled based on the 3% CSP minimum guarantee and then modelled:

- Higher range – assumes there is an increase of 2% on Settlement Funding Assessment from 2025/26,
- Lower range – assumes cash flat Settlement Funding Assessment from 2025/26

Under the £5 council tax option no further base budget savings would be required under the higher range scenario. Under the lower range scenario further savings of £0.534m will be required by 2027/28.

Under the 2.99% council tax option no further base budget savings would be required under the higher range scenario. Under the lower range scenario further savings of £0.689m will be required by 2027/28.

5. PROJECTED REVENUE POSITION 2022/23

5.1 The revised Service Revenue Budget for 2022/23 is £41.766m. Based on figures to the end of November 2022, and as reported elsewhere on this Agenda, the revenue budget is forecast to overspend by £0.208m. Additionally, there are risks in the region of £400,000 to £500,000 comprising mainly the grey / gold book pay offers.

5.2 The overspend that materialises will need to be funded from reserves, which is reflected within this report.

6. REVENUE BUDGET 2023/24

6.1 **Impact of national funding changes on local position**

6.1.1 The Revenue Budget Summary for 2023/24 and the MTFP have been updated to reflect the provisional LGFS, and the most recent information advised by the billing authorities on council tax base, business rates base and Collection Fund surpluses and deficits. The position is summarised below in Table 1.

Table 1: Summary of Impact of Local Government Finance Settlement

	2023/24
	£'000
Locally Retained Business Rates	2,397
Top Up Grant	5,379
Business Rates Baseline	7,776
Revenue Support Grant	3,662
Service Grant Allocation	302
CSP Minimum Funding Guarantee	106
Settlement Funding Assessment	11,846
Estimated value of Business Rates Pool	0
S31 Grant - Business Rates Adjustment	2,063
Total for comparative purposes	13,909
As reported to Fire Authority September	12,772
Increase/(decrease) in funding	1,137

6.1.2 The Authority's council tax base for 2023/24 is calculated as 297,907.50, an increase of 1.08% on 2022/23. This increased tax base combined with a council tax increase of £5 yields additional income of £1.805m. In comparison, the tax base increased for 2022/23 by 1.46% and decreased for 2021/22 by 0.64%. Confirmation of final council tax base figures is expected by the end of January.

Under the 2.99% council tax option the additional income available is £1.197m.

- 6.1.3 Overall, current forecasts for Collection Funds indicate a deficit of £0.400m in 2023/24, albeit this is based on very limited information provided by most billing authorities.

Table 2: Movement in Resources

	2023/24 Latest position	2023/24 Fire Authority September 2022	Increase / (Decrease)
	£'000	£'000	£'000
Locally Retained Business Rates	2,397		
Business Rates Top up	5,379		
Business Rates Baseline	7,776		
Revenue Support Grant	3,662		
Service Grant Allocation	302		
CSP Minimum Funding Guarantee	106		
Settlement funding assessment	11,846	11,303	543
Section 31 Grant Business Rates adjustment	2,063	1,469	594
Collection Fund Surplus / (Deficit)	(400)	(200)	(200)
Council Tax and Business Rates			
Covid-19 Collection Fund 75% compensation	56	56	0
Collection Fund	(344)	(144)	(200)
Council Tax Requirement	31,093	30,096	997
Total Resources	44,658	42,724	1,934

- 6.1.4 Under the 2.99% council tax option the council tax requirement reduces by £608,000 to £30.485m and the total resources reduces to £44.050m

6.2 Comparative position

- 6.2.1 As part of the provisional LGFS the Government publishes an assessment of all authorities' core spending power (figures quoted are adjusted for the 3% council tax threshold). For 2023/24 this Authority's increase in core spending power is assessed as 6.6% which is lower than the average for stand-alone fire & rescue authorities of 7.4% (up to 9.4% if full council tax flexibility is taken by all authorities). It is the second lowest increase of all combined fire authorities with only Durham and Darlington at 6.5% lower. The Authority is also only one of four authorities receiving the CSP minimum guarantee grant (along with Hereford & Worcester, Devon & Somerset and Dorset & Wiltshire). Five authorities have increases of 8.0% (see Appendix H). The Government's calculation of core spending power (CSP) assumes that all authorities set a council tax increase at the referendum threshold. It also uses a five year historic average figure for council taxbase growth rather than the actual 2023/24 figure.

- 6.2.2 A comparison of Band D council tax for 2022/23 shows that this Authority ranks fourth highest out of 22 combined fire authorities. The Authority's Band D tax for

2022/23 was 8.3% higher than the authority ranked one below and 4.9% lower than the authority ranked higher.

6.3 Overview of current budget proposals

6.3.1 The Budget Strategy of the Fire Authority is to support the following policy priorities:

- (i) to fulfil the Fire Authority's statutory duties as a legally separate authority
- (ii) to ensure the Fire Authority has sufficient resources to meet its statutory responsibilities, not only for the current year, but also for the investment required primarily for the replacement of assets to ensure long-term service sustainability
- (iii) to discharge its duties, as established under the Combination Order, with regard to determining an annual budget and consulting with stakeholders of its budget proposals, as appropriate
- (iv) to deliver our Purpose and Commitments through our Integrated Risk Management Plan (IRMP) and our other key corporate strategies
- (v) to identify sufficient savings over the medium term to ensure it has a balanced budget and sustainable medium term finance plan in the light of the significant uncertainty for future funding

6.3.2 The Authority has since 2010/11 achieved £10.751m of operational and non-operational savings. The current MTFP has a savings requirement of an additional £1.627m over the period covered by the MTFP. This includes at least £1.014m (2.99% proposal requires £1.692m) relating to additional savings proposals from SLT as detailed in 6.8.

6.3.3 Precepting status means that the Revenue Budget has to be balanced within the context of the impact upon council taxpayers and demands and pressures faced by the Fire Authority in meeting its statutory obligations, commitments and requirement to maintain an effective level of Reserves and Balances. The 2023/24 Revenue Budget has been prepared against a background of continued uncertainty regarding future funding for public services.

Table 3: Summary of Net Budget Requirement

	£'000	Change %
Original Estimate 2022/23	41,766	
Pay inflation	1,280	3.06%
Non pay inflation	246	0.59%
Changes in capital financing	30	0.07%
Commitments and bids	3,429	8.21%
Savings	(1,536)	(3.68%)
Reserve funding	(557)	(1.33%)
Original Estimate 2023/24	44,658	6.92%

6.4 Consultation

6.4.1 On 23 April 2020, the Authority agreed to commence an 8-week public consultation on the draft Integrated Risk Management Plan (IRMP) 2020-2025 'Planning for a

Safer Future'. The full results of the consultation, which ended on the 19 June, were reported to the Fire Authority at its meeting on 3 September 2020 (Item 88).

The consultation programme was adapted in light of the restrictions that COVID-19 and the associated lockdown brought. Guidance was sought from professional bodies including the Consultation Institute and our consultation services provider, Opinion Research Services. In addition, the Monitoring Officer gave legal advice on the COVID guidance for local authorities.

In total, 2,047 responses were received:

- 836 questionnaire responses were received
- 620 telephone surveys were completed
- 40 residents attended the focus groups or undertook a depth interview
- 38 stakeholders attended the webinar
- 360 unique submissions, 152 standardised submissions¹ and one petition were received.

This is the highest number of responses received in any IRMP consultation exercise undertaken to date by this Authority.

6.4.2 The questionnaire included some questions related to the Authority's financial plans and the responses are summarised as follows:

The extent to which ESFRS offers value for money

- Open consultation questionnaire Around three quarters (74%) of respondents agreed that ESFRS offers value for money, whilst less than 1 in 10 (7%) disagreed, and around 1 in 5 (19%) neither agreed nor disagreed.
- Residents' Survey Almost 9 in 10 (88%) residents agreed that ESFRS offers value for money, whilst only 2% disagreed, and 1 in 10 (10%) neither agreed nor disagreed.
- Stakeholder webinar Of the 19 stakeholders who elected to answer this question, 12 agreed (7 strongly) that ESFRS offers value for money, 4 neither agreed nor disagreed and 1 disagreed. There were 2 'don't knows'.

ESFRS is considering options for future council tax rises in light of funding uncertainties beyond 2020/21

- Open consultation questionnaire More than 4 in 5 (83%) respondents would be willing to pay more in council tax for their local fire and rescue service (ESFRS) next year, whilst 17% would not be willing.
- Residents' Survey Around 4 in 5 (81%) residents would be willing to pay more in council tax for their local fire and rescue service next year, whilst around 1 in 5 (21%) residents would not.

- Public focus groups/depth interviews All but three public participants said they would be willing to pay more for ESFRS next year (one said they were not prepared to and there were two 'don't knows').

If you are willing to pay more in council tax for your local fire service next year, what level of increase would you accept?

Option A - an increase up to 3% depending on what the Government allows - Option B - an increase more than a 3%

- Open consultation questionnaire Of the respondents who would be willing to pay more in council tax for their local fire and rescue service next year, just over half (55%) preferred Option A (an increase of up to 3% depending on what the Government allows), whilst just under half (45%) preferred Option B (an increase of more than 3%).
- Public focus groups/depth interviews Among the 37 public participants who were prepared to bear an increase, opinion was almost equally split between those who would tolerate an up to 3% rise (18) and those who would tolerate an over 3% rise (19).
- Those who supported a more than 3% rise typically commented that the weekly increase would be 'less than a cup of coffee' and considered it a more than reasonable price to pay for an "essential" public service.
- Those who supported a less than 3% increase did so on the grounds of affordability, for themselves and for others – and the impact of the Covid-19 pandemic on people's finances was raised in the context of keeping increases to a minimum currently.

Stakeholder webinar 16 of the 19 stakeholders offered a view as to the level of increase they would be prepared to tolerate: 5 opted for an up to 3% rise; 4 for more than 3%; and there were 7 'don't knows'.

6.4.3 We will be consulting partners, representative bodies and business groups on our budget proposals for 2023/24 and any feedback from this process will be included in the final report to Fire Authority on 9 February 2023.

6.4.4 The Fire Authority has a legal duty under Best Value Duty to consult with relevant organisations and the public when facing difficult funding decisions. The Service has a robust process for consultation and communication to provide stakeholders, the public and staff with clear and relevant information. The Service has been recognised by His Majesty's Inspectorate of Constabulary and Fire and Rescue Services as being strong in this area. Some of the savings options proposed in 6.8 are likely to require formal public consultation. A communication and consultation plan is being developed and a tender process will need to take place for a consultation provider. The approximate costs based on previous consultations will be in the region of £30,000 - £35,000, but won't be fully known until the tender process is completed.

Local elections will take place in Brighton and Hove on 4 May 2023, therefore, public consultation on any proposals will take place after they are complete.

Further details about the specific consultation required will be reported to CFA in February.

6.5 Fees and Charges

6.5.1 The existing policy is for fees and charges to be reviewed not less than once a year and that increases should take into account the cost of providing the service, including the effects of inflation.

6.5.2 Appendix C gives details of increases in fees and charges for fire and rescue service activities. The Revenue Budget assumes that the current policy will be followed, i.e. that income will rise to ensure that net expenditure will increase by no more than the rate of inflation. The main impact on the costs of providing these services is pay related. Therefore, to reflect the nationally agreed increase in pay it is proposed to increase the fees and charges in line with this inflation.

6.6 Main Variations

6.6.1 In setting the 2023/24 Revenue Budget a number of commitments have already been agreed, either previously as part of the 2022/23 budget setting or from the 2023/24 budget setting and Star Chamber process. These add to or reduce the revenue budget as pressures and cyclical items and one-off projects are added and removed. Some are fixed sums and others are driven by assumptions. The current position is illustrated in table 4:

Table 4: 2022/23 Budget Commitments

Description	Directorate	23/24 £'000	24/25 £'000	25/26 £'000	26/27 £'000	27/28 £'000
Budget Pressures						
Existing Service Pressures approved February 2022						
Treasury Management income reduction	Central	10	0	0	0	0
ITG Strategy revenue implications	RT	0	26	(26)	0	0
New Service Pressures						
Staff Pay - impact of 22/23 pay award	All	820	0	0	0	0
Staff pay - incremental pay progression	All	45	0	0	0	0
External Audit - PSAA increase	RT	43	0	0	0	0
FireWatch Support Uplift	RT	12	0	0	0	0
PIT team Licences - minitab, Crystal reports	RT	6	0	0	0	0
Firewatch Annual Maintenance LearningPool	RT	2	0	0	0	0
Integration learning pool FW	RT	2	0	0	0	0
Fleet (Big Change to Transend)	RT	25	0	0	0	0
Airwave SAN H GBN and SAN J maintenance	RT	6	0	0	0	0
BI Mobilising database (Telent -fixed line)	RT	18	0	0	0	0
SAN-J Revenue increase	RT	4	0	0	0	0
Telent Service orders	RT	20	0	0	0	0
Infographics FW Oracle interface	RT	2	0	0	0	0
Pelion	RT	7	0	0	0	0
NCEC chemdata	RT	3	0	0	0	0
Screencloud	RT	3	0	0	0	0

Software subscriptions	RT	17	0	0	0	0
Airwave (Firelink - Reduction of Home Office Grant)	RT	119	48	48	48	0
CAM management	RT	3	0	0	0	0
Procurement Job Evaluations	RT	24	0	0	0	0
Workwear	RT	12	0	0	0	0
Estates Job Evaluations	RT	12	1	0	0	0
Utility Management Fees	RT	7	0	0	0	0
Courier Service	RT	15	0	0	0	0
Waste Disposal	RT	5	0	0	0	0
Planned Maintenance (Excess inflation)	RT	37	0	0	0	0
Term Contracts (Excess inflation)	RT	16	0	0	0	0
Reactive Maintenance (Excess inflation)	RT	17	0	0	0	0
Electricity (Excess inflation)	RT	337	0	0	0	0
Gas (Excess inflation)	RT	225	0	0	0	0
Legal Services (Excess inflation)	RT	4	0	0	0	0
Rates	RT	27	0	0	0	0
Phase 2 E-recruitment implementation (online testing)	PS	15	0	0	0	0
HR Maternity Cover (one off)	PS	8	(8)	0	0	0
Personal Protective Equipment for Firefighter recruits (one off)	PS	8	(8)	0	0	0
HR Job Evaluation	PS	8	0	0	0	0
HR Assistant Role (one off)	PS	2	(2)	0	0	0
Workforce Development training income no longer generated	PS	5	0	0	0	0
Transitional funding for training (two years only)	PS	160	0	(160)	0	0
Health & Safety income no longer generated	PS	2	0	0	0	0
Catering (Excess inflation)	PS	6	0	0	0	0
Fuel (Excess inflation)	SC	75	0	0	0	0
Joint Control Room	OSR	165	0	0	0	0
10% Allowance for Flexible Resource Pool	SC	19	12	1	1	1
Child Safety Contract income	SC	28	0	0	0	0
Dry Riser Testing income no longer generated	SC	31	0	0	0	0
Cadet units	SC	40	0	0	0	0
Performance Management Job Evaluation	P&I	5	0	0	0	0
Democracy Job Evaluation	P&I	6	0	0	0	0
Treasury Management income	Central	(140)	50	50	40	0
Workforce transition	All	184	116	0	0	0
Total Pressures		2,458	233	(88)	88	1
Budget Bids						
Bids Originating in 2022/23 budget setting process						
Top up Capital Programme Reserve	Central	500	500	500	500	500
Top Up General Reserve	Central	274	428	(602)	(100)	0
Top up I&E reserve	Central	0	200	0	0	0
Top up reserve - ESMCP	Central	0	0	250	(250)	0
Top up reserve - ITG Strategy	Central	0	0	0	250	(250)
4i	P&I	35	0	0	0	0
Comms and Engagement Strategy	P&I	30	(30)	0	0	0
Finance Improvement Plan - FBP Structure	RT	60	0	0	0	0
Finance Improvement Plan - One off costs	RT	(45)	0	0	0	0
LoB System Upgrades	RT	25	0	0	0	0

BA Washing Machine feasibility study (reversal of one off funding)	OSR	(15)	0	0	0	0
Additional pension resource (reversal of one off funding)	PS	(40)	0	0	0	0
Wholetime Recruitment	PS	(175)	25	(25)	0	0
Mentoring Scheme (reversal of one off funding)	PS	(15)	0	0	0	0
Salary Review - Korn Ferry (reversal of one off funding)	PS	(30)	0	0	0	0
HR Operating Models (reversal of one off funding)	PS	(10)	0	0	0	0
HR Intelligence (reversal of one off funding)	PS	(10)	0	0	0	0
Public consultation for CRMP	P&I	0	38	(38)	0	0
Advert and Publicity for CRMP	P&I	0	3	(3)	0	0
Technical Pensions Specialist (reversal of funding)	PS	0	(60)	0	0	0
Bids 2023/24						
Procurement additional 0.4 FTE	RT	19	0	0	0	0
Risk & Insurance shared post	RT	30	0	0	0	0
Additional pension resource (one off funding)	PS	34	(34)	0	0	0
Funding for pension resource (from People Strategy & Pension Admin reserves)	PS	(34)	32	0	0	0
EDI Training (bi-annual training)	PS	0	60	(60)	60	(60)
E-Recruitment	PS	0	4	0	0	0
Direct Entrant (Station Manager Level) - 2 years from June 2023	PS	48	18	(49)	(17)	0
Protection Grant Funding of Direct Entrant post	PS	0	(33)	33	0	0
Health & Safety - additional staff resource for 6 months	PS	42	(42)	0	0	0
Funding for Health & Safety resource (from carry forward reserve)	PS	(24)	24	0	0	0
Extending Pensions Technical Specialist - to end of 24/25	PS	4	60	(64)	0	0
Funding for Pensions Technical Specialist (from Pension Admin Reserve)	PS	(65)	0	66	0	0
Dynamic Cover Tool	OSR	23	0	0	0	0
Contribution to Mobilising Reserve	OSR	50	0	0	0	0
BA Project Manager - Unplanned one off cost	OSR	12	(12)	0	0	0
SSRI Regional post	OSR	6	(6)	0	0	0
IRMP Team	SC	30	(162)	0	0	0
Webcasting Fire Authority and Panel meetings	P&I	15	0	0	0	0
GM to support CRMP for 12 months	P&I	97	(97)	0	0	0
Officer to support HMICFRS Inspection process	P&I	42	(42)	0	0	0
Public consultation for MTFP additional savings	P&I	38	(38)	0	0	0
Advert and Publicity for IRMP - hard to reach groups	P&I	3	(3)	0	0	0
Comms and Engagement Strategy	P&I	(18)	18	0	0	0
Reversal of 4i bid from 22/23 budget setting	P&I	(35)	0	0	0	0
Gym Refurbishments (carried over from 2020/21)	PS	18	(18)	0	0	0
Drawdown from 20/21 carry forward reserve	PS	(18)	18	0	0	0
Wellbeing Projects	PS	20	(20)	0	0	0
Funding for Wellbeing Projects (from I&E reserve)	PS	(20)	20	0	0	0
Total Bids		971	853	8	443	190
Overall Total						
		3,429	1,086	(80)	532	191
Cumulative Total						
		3,429	4,515	4,435	4,967	5,158

6.6.2 The main variations reflect:

- Pay budget adjustments, including the ongoing impact of 2022/23 inflationary pay rises being higher than budgeted in 2022/23 and incremental progression for support staff
- Workforce transition to cover one off costs relating to the additional savings proposals and ongoing sectoral requirement for cultural change
- Excess inflation identified, including for utilities, fuel and maintenance
- The ongoing reduction of the Firelink grant as advised by the Home Office
- Transitional funding for training to reflect pressures on overtime whilst a review of the service delivery model is carried out
- Joint Control Room costs, offset by savings relating to historic ICT SLA for Control
- Top up of reserves to return the general reserve to 5% and provide sustainability over the medium term by topping up the capital programme, improvement and efficiency and IT strategy reserves
- Extension of IRMP team into 2023/24, with additional staff resource to support CRMP and HMI work in 2023/24
- Extension of Pensions resources into 2023/24, with allocated funding from the Pensions Admin reserve

6.7 Efficiency Strategy and Planned Savings

6.7.1 Since 2010/11 and to the end of this MTFP, the Authority has made, and has planned to make, savings totalling £13.392m of which £10.751m will have been delivered by the end of 2022/23. The MTFP includes savings of £1.536m for 2023/24 and savings of £2.640m over the duration of the MTFP. These savings are shown in table 5 below:

Table 5: Savings

Description	Directorate	23/24	24/25	25/26	26/27	27/28
		£'000	£'000	£'000	£'000	£'000
Procurement Savings	Central	(25)	(25)	(25)	0	0
Reduce contingency - one year only - reversal	Central	48	0	0	0	0
Insurance – installation of CCTV on fleet	RT	(15)	(15)	0	0	0
Projects to be re-profiled - reversal	RT	33	0	0	0	0
Telent Contract savings	RT	3	(8)	(12)	48	0
Estates Strategy savings	RT	(45)	(45)	(45)	(45)	(45)
CRM Benefits Realisation	SC	(50)	0	0	0	0
Finance Business Partner	RT	(60)	0	0	0	0
Finance Support Services Contract 1	RT	(35)	0	0	0	0
Insurance - removal of PA cover	RT	(23)	0	0	0	0
EIRS	RT	(27)	0	0	0	0
Trustmarque 0365 EA Agreement	RT	(20)	0	0	0	0
Astrium	RT	(8)	0	0	0	0
BT	RT	(22)	0	0	0	0
ITG Training	RT	(3)	0	0	0	0
SEE Phase 4	RT	(30)	0	0	0	0

Finance and Improvement	RT	(30)	0	0	0	0
Additional Rates Savings	RT	(106)	0	0	0	0
Existing Estates Savings Target	RT	45	45	16	0	0
Cleaning Contract	RT	(10)	0	0	0	0
Licenses	RT	(4)	0	0	0	0
Consultants Fees	RT	(20)	0	0	0	0
E-recruitment (Jobtrain system contract + accessibility)	PS	(4)	0	0	0	0
Firewatch Benefits Realisation - reversal of duplication of savings	PS	25	0	0	0	0
Firewatch Benefits Realisation	PS	0	(13)	(13)	0	0
HR Travel and licences budget savings	PS	(9)	0	0	0	0
NHS recharges	PS	(4)	0	0	0	0
VDU Eye Tests	PS	(2)	0	0	0	0
Occupational health third party - psychology	PS	(8)	0	0	0	0
Occupational health third party - medical fees	PS	(10)	0	0	0	0
Officers Subsistence	PS	(1)	0	0	0	0
EDI training	PS	(10)	0	10	0	0
Car allowance	PS	(4)	0	0	0	0
External Training	PS	(160)	0	160	0	0
Engineering Fitting Out	OSR	(30)	0	0	0	0
Engineering Heavy Rescue Equipment	OSR	(52)	0	0	0	0
Control ICT SLA	OSR	(199)	0	0	0	0
Budget Coding Error - CRM	SC	(54)	0	0	0	0
Reduce contingency - one year only	Central	(233)	233	0	0	0
Additional Availability Allowance	SC	(20)	(16)	0	0	0
IRMP Savings	SC	(48)	(297)	0	0	0
NI reduction	All	(230)	0	0	0	0
Support Staff Pay Vacancy Factor	All	(80)	0	0	0	0
Required savings	All	0	(1,014)	0	0	0
Overall Total		(1,536)	(1,154)	92	3	(45)
Cumulative Total		(1,536)	(2,690)	(2,598)	(2,595)	(2,640)

6.7.2 Within the MTFP it has been assumed additional savings of £1.014m will be made with effect from 1 April 2024, as shown in the table above. Under the 2.99% option a further £0.648m savings (total £1.662m) would need to be delivered.

6.8 The table below sets out several options that could be taken as savings to ensure that the Fire Authority can deliver a balanced budget in 2023/24. These are set out in six tranches or groups; it is proposed the options are considered in the order they are presented (i.e. tranche 1 first). Some of these options involve deferring or altering decisions made as part of the IRMP 2020-25. At the time the IRMP was approved it was made clear that if the Authority's budget could not be balanced through efficiencies then the IRMP may need to be revisited.

Tranche	Description	Revenue Saving £'000
	Defer the introduction of the additional pump in Hastings and continue to move to a Day crewed duty system at The Ridge fire station from a shift duty system	(635)
1	Defer moving Bexhill to a 1 pump resilience station, maintaining the second appliance as a dedicated appliance, and in doing so provide additional cover in the Hastings area	135
		(500)
2	Remove 3 Retained Duty Support Officers posts	(185)
	Remove On-call at Lewes and increase wholetime crewing from 9 to 10	(42)
3	Remove On-call at Crowborough and increase wholetime crewing from 9 to 10	(66)
		(108)
	Structural review & Related ways of working	(350)
4	Reduction of Estate	(80)
	Departmental savings (non-staff related)	(200)
		(630)
5	Closure of 1 low risk, low use On-call station and associated costs (capital receipt available)	(160)
6	1 x Day Crewed Station to On-Call	(350)
	Tranches 1 - 4	(1,423)
	Tranches 1 - 5	(1,583)
	Tranches 1 - 6	(1,933)

6.8.1 These options have been developed with feedback from a number of key stakeholders, including Members, Service Managers and Representative Bodies and work on the following assumptions and principles:

- In-year temporary measures are required to balance the budget in 2023/24
- The original modelling assumption that total savings required were in the region of £3m, but are now £1.014m (£5 option) to £1.662m (2.99% option)
- All areas of the organisation have been reviewed to prepare options
- All reasonable actions will be taken to avoid compulsory redundancies, which will be achieved through early planning and effective resourcing of the Implementation Team
- The Fire Authority will continue to lobby Government Ministers regarding sustainable funding through both Members and Officers
- Subject to the decisions taken the wider list of options that included further duty system changes, the introduction of variable crewing systems and changing the crewing model of specialist appliances may need to be revisited.

- 6.8.2 The Service completed a comprehensive review of operational risk in 2019-20 the Operational Response Review (ORR), that modelled community risk and vulnerability across East Sussex and Brighton & Hove to support the Integrated Risk Management Plan (IRMP) 2020-25. This risk modelling remains relevant. All of the options (Table at 6.8), will be considered against that risk modelling and, in some cases, a refresh of the risk modelling will be carried out if necessary
- 6.8.3 The proposals continue to support the achievement of the Operational Response Plan (ORP) introduced in the existing IRMP, concluded through the delivery of the Operational Response Review (ORR). This will ensure the provision of 18 appliances in the strategic locations previously identified by risk, supported by an additional 6 relief pumps on a delayed turnout.
- 6.8.4 The list of draft proposals has been assessed through 6 principal criteria, and used to develop the prioritisation of the savings tranches:
- Community Risk
 - Financial Saving
 - Political support
 - Time to implement
 - Staff Impact
 - Legal implications
- 6.8.5 Following approval of the list of options, further detailed assessment up to the £1.9m figure will take place including, where necessary, risk modelling, financial appraisal, consultation, and an implementation plan in terms of delivery of the financial savings will be developed.
- 6.8.6 It is anticipated consultation and other one off costs will be incurred in delivering these savings plans, which will be considered and included within the financial appraisals.

7. CAPITAL PROGRAMME

- 7.1 The Capital Asset Strategy (CAS) reflects the Authority's identified capital investment requirements for the next five years. During 2023/24 further work will be undertaken to review the sustainability of the Capital Asset Strategy and its required funding.
- 7.2 The main change in the CAS is the planned investment in replacement of Breathing Apparatus across 2026/27 and 2027/28 at £1.0m. In addition there has been re-profiling of the capital programme across Engineering and Estates.
- 7.3 As capital reserves are drawn down the Authority must now plan to enter into new borrowing over the life of the Strategy and the Treasury Management Strategy will carefully consider the options available. The Revenue impact of new borrowing is reflected in the MTFP from 2023/24 onwards. The MTFP includes the cost of financing capital expenditure with increases of £20,000 in 2023/24, £19,000 in 2024/25, £132,000 in 2025/26 and a reduction of £53,000 in 2026/27 as borrowing is delayed due to slippage and reprofiling of the capital programme alongside increases in PWLB long term borrowing rate. As at 31 March 2023 the Authority's debt will be £10.298m

and is forecast to stand at £21.708m by the end of the MTFP. The total revenue costs of borrowing (MRP and interest) will increase by £0.825m to £1.741m over the MTFP.

Under the 2.99% increase in council tax option the cost of financing capital expenditure increases by £66,000 over the period of the MTFP due to reduced contribution to the capital programme reserve required to balance the budget.

- 7.4 In order to move towards a more sustainable approach to funding the capital programme it is proposed that for planning purposes revenue funding for the CAS is increased gradually over the life of the MTFP from £1.0m (2023/24) to £3.0m (2027/28). The principal being that normal replacement and maintenance of existing capital assets can wherever possible be funded from revenue and that additional borrowing is required only to fund new projects, where a business case has been made that takes into account the cost of borrowing against any savings.

Table 6: Change in Capital Investment 2022/23 to 2027/28

	Total resource £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000
2023/24 Strategy							
Fleet	13,216	1,982	4,105	1,763	1,599	1,715	2,052
Property	18,123	1,968	5,155	4,912	2,827	2,171	1,090
IMD	0	0	0	0	0	0	0
Total Cost	31,339	3,950	9,260	6,675	4,426	3,877	3,142
2022/23 Strategy							
Fleet	10,992	4,310	2,105	1,763	1,599	1,215	
Property	16,936	4,392	4,232	3,247	2,984	2,081	
IMD	0	0	0	0	0	0	
Total Cost	27,928	8,702	6,337	5,010	4,583	3,296	
Increase / (Decrease) in planned spend							
Fleet	2,225	(2,327)	2,000	0	0	500	2,052
Property	1,187	(2,424)	923	1,665	(157)	90	1,090
IMD	0	0	0	0	0	0	0
Total Increase / (Decrease)	3,412	(4,751)	2,923	1,665	(157)	590	3,142

8. RESERVES & BALANCES

- 8.1 Reserves are an essential part of good financial management. They help authorities cope with unpredictable financial pressures and plan for their future spending commitments.

- 8.2 The Authority's Reserves Strategy is set out in Appendix E and sets out how the adequacy of the level of General Reserves has been assessed and the details of the level and purpose of the Authority's Earmarked Reserves. The format reflects

the template developed by the NFCC Finance Co-ordination Committee to promote greater consistency across the sector.

- 8.3 In order to produce a balanced budget for 2023/24 a total of £0.800m will be funded from reserves. This is a legitimate approach where it assists with smoothing the impact/delivery of planned savings, however this approach cannot form an ongoing part of budget setting as it is not financially sustainable. This is the second year in which the Authority will have used reserves to balance its budget. The Authority must take the necessary action in 2023/24 to ensure that proposed additional savings of £1.014m (£1.662m under the 2.99% option) are delivered by 1 April 2024. This will reduce the requirement, based on current modelling, to use reserves to balance the budget in future year.

Under the 2.99% council tax option a further £0.612m will be funded from reserves (i.e. £1.412m in total).

Details of the reserve funding to balance the 2023/24 budget is shown in the table below.

	£5 Option £'000	2.99% Option £'000
Carry forward reserve	116	116
Sprinkler reserve	440	440
Financial stability reserve	80	80
Improvement & Efficiency reserve	164	311
General reserve		274
Capital Programme reserve		191
Total reserve funding	800	1,412

In addition a one off saving of £233,000 has been made against the contingency budget.

- 8.4 The Authority holds a number of earmarked reserves to support the delivery of a range of strategies and projects. These are all planned to be consumed in the next year or two as these projects are delivered. The Improvement and Efficiency earmarked reserve is used to support various projects, invest to save and efficiency initiatives and stands at £486,000. Further contributions of £200,000 a year from 2024/25 will be made to the Improvement and Efficiency reserve to support further work. The I.T. reserve is topped up annually from the revenue budget (by £592,000 a year from 2023/24) to deliver the IT strategy and a one-off additional payment of £0.250m is planned for 2025/26.
- 8.5 The Authority is required to maintain general reserves sufficient to cover the key financial risks that it faces, and currently sets its policy for the General Reserve at a minimum of 5% of its net revenue budget. The detailed risk assessment in Annexe A indicates that the overall assessed risk has not changed since last year. The National Fire Framework requires authorities to explain the reasons for holding general balances above 5%. A summary of the forecast year end reserves and balances position is set out in table 7 below.

- 8.6 The general reserve is currently 3.78% of the revenue budget during 2023/24. The MTFP includes provision for increasing the reserve by £1.076m over 2023/24, 2024/25 and 2025/26 to return the reserve to the 5% minimum as per the policy.

Under the 2.99% council tax option the general reserve is 3.24% of the revenue budget during 2023/24, with the planned top up of £274,000 in 2023/24 removed to balance the budget. The MTFP includes provision for increasing the reserve by £1.087m over 2024/25, 2025/26 and 2026/27 to return the reserve to the 5% minimum as per the policy.

TABLE 7: Summary of Forecast Reserves

	31/03/2023	31/03/2024	31/03/2025	31/03/2026	31/03/2027	31/03/2028
	£'000	£'000	£'000	£'000	£'000	£'000
Capital Programme Reserve	3,906	0	0	0	0	0
Other Earmarked Reserves	6,898	3,718	2,577	1,965	2,065	2,165
Total Earmarked Reserves	10,804	3,918	2,877	2,265	2,365	2,465
General Fund	1,413	1,687	2,389	2,489	2,489	2,489
Capital Receipts	722	0	0	0	0	0
Total Useable Reserves	12,939	5,405	4,966	4,454	4,554	4,654

9. CHIEF FINANCE OFFICER STATEMENT

- 9.1 In the view of the Treasurer in line with the requirements set out in Section 25 of the Local Government Act 2003, the estimates used for the purposes of calculating the budget, revenue and capital, have been produced in a robust and transparent way and the proposed financial reserves are consistent with Fire Authority policy and are prudent and necessary. This report sets out how the Authority plans to use reserves to balance its budget in 2023/24 and whilst this is an appropriate approach in the short term, it is not sustainable over the longer term. It is essential that the Authority focuses on delivering the additional savings proposals that will enable it to balance its revenue budget from 2024/25 onwards without recourse to the use of reserves. In addition the Authority must implement the proposals made in this report to rebuild its reserves and maintain its financial sustainability over the next five years.

- 9.2 Given the continuing uncertainty around funding after 2023/24, the planned reduction in the Authority's reserves, the risks set out in this report and the nature of its business as an emergency service, the Authority needs to recognise that risks, financial and otherwise, and their consequent impact on the budget and reserves, may change during the year and will need to be continually monitored and reviewed in line with the Authority's policies.

10. EQUALITY IMPACT ASSESSMENT

- 10.1 Following the introduction of the Equality Act 2010 the Authority must, in the exercise of its functions, including the setting of its Revenue Budget and the taking of decisions on savings proposals, have due regard to its duties under the Act and in relation to certain protected characteristics. This means that Members must understand the consequences of the decisions they take for those with the relevant protected characteristics and consider these proportionately alongside other relevant factors.
- 10.2 All changes to strategy and policy and new projects are subject to individual Equality Impact Assessments. An EIA in relation to the budget proposals is being completed and will be available for the CFA meeting in February.

In relation to the savings proposals detailed in 6.8 specific EIAs will be completed prior to public consultation.

APPENDIX A

**MEDIUM TERM FINANCIAL PLAN 2023/24 – 2027/28
INCREASE COUNCIL TAX BY £5 2023/24**

	2023/24	2024/25	2025/26	2026/27	2027/28
	£'000	£'000	£'000	£'000	£'000
Gross Revenue Service Budget	45,399	44,951	45,516	46,473	47,342
Less					
Specific grants	(2,236)	(2,189)	(2,141)	(2,093)	(2,093)
Other income	(236)	(240)	(244)	(248)	(252)
Total income	(2,472)	(2,429)	(2,385)	(2,341)	(2,345)
Net Service Budget	42,926	42,523	43,132	44,132	44,997
Capital financing costs less interest receivable	765	1,100	1,440	1,626	1,636
Capital expenditure from the Revenue Account	0	0	0	0	0
Transferred from reserves	(950)	(99)	0	0	0
Transferred to reserves	1,916	3,044	3,192	3,592	3,842
Total Net Expenditure	44,658	46,568	47,764	49,350	50,474
Net Budget brought forward	41,766	44,658	46,568	47,764	49,350
Unavoidable cost pressures					
Pay inflation	1,280	655	657	665	678
Price inflation	246	248	237	241	247
Total inflation	1,526	903	894	905	924
Changes in Capital Financing	30	285	290	146	9
Budget commitments	3,429	1,086	(80)	532	191
Savings approved	(1,536)	(1,154)	92	3	0
Reserve Funding	(557)	789	0	0	0
Total Net Expenditure	44,658	46,568	47,764	49,350	50,474
Sources of Funding	2023/24	2024/25	2025/26	2026/27	2027/28
	£'000	£'000	£'000	£'000	£'000
Locally Retained Business Rates	2,397				
Business Rate Top Up	5,379				
Business Rates Baseline	7,776				
Revenue Support Grant	3,662				
Service Grant Allocation	408				
Settlement Funding Assessment	11,846	12,363	12,611	12,863	13,120
Section 31 Grant Business Rates adjustment	2,063	2,165	2,208	2,252	2,297
Collection Fund (Deficit) / Surplus	(400)	(300)	(200)	(200)	(200)
Release of S31 Reserve					
Covid-19 Collection Fund Deficit 75% compensation CT & BR	56	0	0	0	0
Collection Fund (Deficit) / Surplus (Adjusted)	(344)	(300)	(200)	(200)	(200)
local council tax support grant					
Council Tax Requirement	31,093	32,339	33,313	34,315	35,347
Total Resources Available	44,658	46,568	47,932	49,230	50,564
Additional Savings Required / (surplus)	(0)	(0)	(168)	120	(90)
Additional Savings Required - Lower Range			36	532	534

MEDIUM TERM FINANCIAL PLAN 2023/24 – 2027/28
INCREASE COUNCIL TAX BY 2.99% 2023/24

	2023/24	2024/25	2025/26	2026/27	2027/28
	£'000	£'000	£'000	£'000	£'000
Gross Revenue Service Budget	45,399	44,303	44,855	45,799	46,654
Less					
Specific grants	(2,236)	(2,189)	(2,141)	(2,093)	(2,093)
Other income	(236)	(240)	(244)	(248)	(252)
Total income	(2,472)	(2,429)	(2,385)	(2,341)	(2,345)
Net Service Budget	42,926	41,875	42,471	43,458	44,309
Capital financing costs less interest receivable	770	1,116	1,456	1,641	1,651
Capital expenditure from the Revenue Account	0	0	0	0	0
Transferred from reserves	(1,096)	(99)	0	0	0
Transferred to reserves	1,451	3,044	3,338	3,731	3,981
Total Net Expenditure	44,050	45,936	47,264	48,830	49,941
Net Budget brought forward	41,766	44,050	45,936	47,264	48,830
Unavoidable cost pressures					
Pay inflation	1,914	655	657	665	678
Price inflation	246	248	224	227	233
Total inflation	2,160	903	881	892	911
Changes in Capital Financing	34	297	289	146	0
Budget commitments	2,100	1,551	66	525	200
Savings approved	(1,306)	(1,802)	92	3	0
Reserve Funding	(704)	936	0	0	0
Total Net Expenditure	44,050	45,936	47,264	48,830	49,941
Sources of Funding	2023/24	2024/25	2025/26	2026/27	2027/28
	£'000	£'000	£'000	£'000	£'000
Locally Retained Business Rates	2,397				
Business Rate Top Up	5,379				
Business Rates Baseline	7,776				
Revenue Support Grant	3,662				
Service Grant Allocation	408				
Settlement Funding Assessment	11,846	12,363	12,611	12,863	13,120
Section 31 Grant Business Rates adjustment	2,063	2,165	2,208	2,252	2,297
Collection Fund (Deficit) / Surplus	(400)	(300)	(200)	(200)	(200)
Release of S31 Reserve					
Covid-19 Collection Fund Deficit 75% compensation CT & BR	56	0	0	0	0
Collection Fund (Deficit) / Surplus (Adjusted)	(344)	(300)	(200)	(200)	(200)
local council tax support grant					
Council Tax Requirement	30,485	31,708	32,663	33,646	34,658
Total Resources Available	44,050	45,936	47,281	48,561	49,876
Additional Savings Required / (surplus)	0	(0)	(17)	268	65
Additional Savings Required - Lower Range			187	680	689

REVENUE BUDGET OBJECTIVE SUMMARY

	2022/23 Original Estimate £'000	2023/24 Original Estimate £5 Option £'000	2023/24 Original Estimate 2.99% Option £'000
People Services	4,338	4,363	4,363
Resources/Treasurer	8,180	9,089	9,089
Planning and Improvement	1,248	1,555	1,555
Total Deputy Chief Fire Officer	13,766	15,007	15,007
Safer Communities	21,939	23,131	23,131
Operational Support	4,566	4,701	4,701
Total Assistant Chief Fire Officer	26,505	27,832	27,832
CFO Staff	805	844	844
Treasury Management	870	770	774
Non delegated costs	(1,108)	(1,061)	(1,062)
Corporate Contingency	298	300	300
Transfers from Reserves	(462)	(950)	(1,096)
Transfers to Reserves	1,092	1,916	1,451
Total Corporate	1,495	1,819	1,211
Total Net Expenditure	41,766	44,658	44,050

REVENUE BUDGET SUBJECTIVE SUMMARY

	2022/23	2023/24	2023/24
	Original Estimate	Original Estimate	Original Estimate
	£'000	£5 Option £'000	2.99% Option £'000
Salaries, Allowances and On-costs	30,187	32,769	32,769
Training Expenses	971	663	663
Other Employees Costs	47	43	43
Employee Costs	31,205	33,475	33,475
Repair, Maintenance and Other Costs	1,406	1,455	1,455
Utility Costs	1,322	1,780	1,780
Premises Costs	2,728	3,235	3,235
Vehicle Repairs and Running costs	1,058	1,063	1,063
Travel Allowances and Expenses	95	84	84
Transport Costs	1,153	1,147	1,147
Equipment and Supplies	1,433	1,428	1,428
Fees and Services	4,148	3,916	3,916
Communications and Computing	1,973	1,951	1,951
Other Supplies and Services	301	266	266
Supplies and Services	7,777	7,561	7,561
Sums set aside from revenue	412	395	395
Interest Payments	474	521	524
Capital Financing	886	916	919
Grants and Contributions	(2,270)	(2,236)	(2,236)
Interest Received	(20)	(150)	(150)
Other Income	(323)	(256)	(256)
Income	(2,613)	(2,642)	(2,642)
Transfers from reserves	(462)	(950)	(1,096)
Transfers to reserves	1,092	1,916	1,451
Total Net Expenditure	41,766	44,658	44,050
Financed By:			
Council Tax	(29,288)	(31,093)	(30,485)
Business Rates	(7,764)	(7,776)	(7,776)
Revenue Support Grant	(3,325)	(3,662)	(3,662)
Service Grant Allocation	(535)	(302)	(302)
CSP Minimum Funding Guarantee	0	(106)	(106)
S31 Grants	(1,125)	(2,063)	(2,063)
Collection Fund Surplus/Deficit	271	344	344
Total Funding	(41,766)	(44,658)	(44,050)

FEES AND CHARGES**APPENDIX C**

WITH EFFECT FROM 1 APRIL 2023

Fee	Existing Fees	New Fees
	2022/23 £	2023/24 £
The hiring of a major pumping appliance with crew per hour	315	337
The hiring of other pumping vehicles with crew per hour	254	272
The hire of hydraulic platforms or turntable ladders with crew per hour	341	365
Large animal rescue per hour	315	337
Primary Authority Scheme per hour (fees set by Business Advice and Support Partnership)	82	82
Dry Riser (subsequent test at the owner's request):		
First Dry Riser	236	253
Additional Dry Risers	154	165
Interviews: *		
- Insurance co. etc.	154	165
- After two hours	100	107
Copy of Petroleum Licences *	38	41
Copy plans *	43	46
Standby at Venue	315	337
Fire Investigation Report	338	362
Chemical Protection Suit	177	189
Commercial Training Customers Site (per session up to 20 delegates):		
- Fire Marshal / Warden training (4 hours)	620	664
- Fire Extinguisher training (3 hours)	620	664
- Fire Awareness (3 hours)	620	664
Commercial Training One day course (per delegate)	193	207
Commercial Training Fire Safety at work (1 day, per delegate)	185	198
Commercial Training Fire Talk (without practical, 1 to 3 hours)	362	388
Inspection of Plans for Marriage Act 1994 *	130	139
Environmental search fees *	122	131

*All fees and charges will have VAT added except those marked with “ * ”*

MEDIUM TERM CAPITAL STRATEGY 2022/23 - 2027/28

Overview

The Medium Term Capital Strategy has been developed in line with the Authority's purpose and commitments and its Integrated Risk Management Plan (IRMP). It aims to provide a sustainable and affordable level of investment to support our service provision to the communities of East Sussex and the City of Brighton & Hove. Where decisions have already been taken to change the service (including IRMP), which have capital investment implications, these are reflected in this strategy (.

The main areas covered within the strategy are summarised below.

Estates Strategy- Capital Programme

Since the last report the Estates Strategy has been further impacted by the sharp rise in utility costs putting pressure on the revenue budget and impacting the market costs to deliver the Capital Programme.

The December 2022 Estates Strategy Delivery Board agreed to continue with Phase 1 of the Capital Programme, that is to refurbish the Whole Time Stations to meet the Design Guide, deliver similar projects at Barcombe and Seaford as they have been allocated CIL match funding, complete a significant investment in training facilities (live fire and multi-purpose training hubs) and make health and safety improvements at our engineering workshops.

It was further agreed that the scope and programme of subsequent phases, covering all day crewed and the remaining 10 on call stations, will be reviewed in Q4 of 2023/24.

We continue to pursue options for further grant funding and collaboration to reduce the capital cost burden of updating the estate.

Estates Strategy– General Schemes

Design development for Seaford and Barcombe will commence during 2023/24 with delivery planned for 2024/25.

Some capital investment is being made at Rye to provide improved welfare facilities to support the gender diversity of the crew.

A review of subsequent Design Guide project phases will be undertaken in Q4 of 2023/24.

Estates Strategy – Strategic Schemes

Four years on from the launch of our Estates Strategy in 2018 we shall shortly complete our first Design Guide Project at Hove. The new sleeping accommodation is already in use and feedback has been very positive.

These schemes reflect the improvements necessary to deliver the standards set out in the 2018 Design Guide across our estate. The scope includes necessary reordering of internal spaces to mitigate the risk of contaminants, asset improvements to reduce energy consumption and remedial works identified in the condition surveys.

The programme for delivery of the remaining Whole Time Stations has been re-sequenced to prioritise the needs of delivering the IRMP.

Building on lessons learned from the first project at Hove a revised procurement strategy is being developed to expedite the delivery of the remaining Whole Time Stations during 2023/24, with the delivery of the new Multi-purpose training hubs (MPTH) being undertaken in parallel to achieve cost savings.

The new Access Control installation project has taken longer than expected to get under contract with works expected to start at the end of 2022/23 and conclude in the first half of 2023/24. This will provide enhanced security controls across our estate and extends the provision currently in place at Saxon House.

Enabling works are being scoped up for the replacement of the Live Fire Training facility at STC, the timing of the start of the detail design is under review to ensure the team has sufficient resource to fully commit to the scheme. Delivery will begin once Whole Time station refurbishments and MPTH are complete.

Our Carbon Footprint was established in 2022/23 and works are now underway to establish our Sustainability Strategy with a programme of betterment works to reduce energy consumption and our carbon emissions. This is a service wide initiative with communications to promote behavioural change being led by Estates. Metrics will be published regularly to demonstrate the reductions being made.

Estates Strategy – Shared Investment Schemes

The 2018 Estates Strategy had a programme of property schemes which involved shared investment with partners either through the One Public Estates Programme (East Sussex and Greater Brighton) and the Integrated Transport Function (ITF).

As reported last year, whilst dialogue and a search for opportunities remains ongoing, commitment from partners has not been forthcoming. There remains potential for SECamb to take space at Eastbourne and Roedean.

Integrated Transport Function (ITF) – South Eastern Hub Workshop

As reported last year the ITF, part of the wider Emergency Services Collaboration Project (ESCP), identified the need for a new workshop site in the South East of the Surrey / Sussex area and a grant fund was ringfenced.

Since the withdrawal from the scheme by various partners ESFRS is now progressing a further alternative which will be reviewed in early 2023.

In order to ensure the existing ESFRS engineering facilities remain compliant and fit for purpose a small capital investment is being made with improvement works being delivered in Q4 of 2022/23.

Integrated Transport Function (ITF) – Replacement Fuel Tanks

The physical works were completed in 2021/22 within the budget, including the grant funding, and the transition to the new software and administrative system is being rolled out across the service.

Preston Circus Fire Station

A main contractor has been appointed through the SCAPE framework to design and build the refurbishment works. With contracts in place for the detailed design and costing stages works are anticipated to start in Q1 2023/24 and conclude in Q2 2024/25.

There has been a prolonged period of design development and refinement to ensure that the scope can still be met against the rising construction costs. The establishment of a project specific Steering Group has ensured that all stakeholders are fully engaged and updated on progress. A further review on sequencing the works means that all works will now take place whilst the station remains operational providing a significant saving on the need to provide an alternative temporary station.

The revised cost forecast is reflected in this budget.

Fleet and Equipment Strategy

The Authority has a rolling programme of replacing its vehicle fleet in line with its agreed lifing policy. This encompasses fire appliances (approximately three each year), aerial appliances, ancillary vehicles and the light fleet (cars and vans). An interim review of the fleet replacement programme was carried out in 2018/19 and reduced the total number of appliances required by three. As a result of the IRMP it was agreed to remove the Water tenders from 5 day crewed stations including 3 water tenders from Rye, Battle and Lewes. Eastbourne has one additional appliance introduced called a P2, and there are plans to introduce a P2 at Hastings. The three Appliances from Day crewed stations Bexhill, Newhaven & Crowborough would become operational spares for use across the entire county to maintain resilience in ensuring the risk profile of having 18 ORP pumps is met. As a result of the IRMP it was agreed not to proceed with the flexible fleet review and it would remain with the fire appliance single type design.

Also as part of the IRMP it was also agreed to remove the ARP from Eastbourne and replace it in 2022/23 with a dedicated aerial appliance to mirror the same build as the new aerial appliance for Hastings.

The worldwide supply chain disruption and associated inflation continues to impact significantly on the delivery of the Fleet & Equipment Strategy. This is requiring different choices to be made to mitigate the impact of price increases where possible and increases in scheme budgets where it is not e.g. heavy appliance chassis have increased on average by c 9%. We are also experiencing significant increases in delivery times leading to further slippage on the Capital Programme (9-12 months for light fleet and up to 18 months for heavy fleet). To mitigate this we have employed a vehicle build officer to manage these processes ensuring there is adequate capacity to deliver the capital programme.

The Authority has taken on a number of national resilience assets and receives a New Burdens grant for their maintenance. Future requirements for these assets once they reach end of life in 2022/23 is being reviewed nationally by the NFCC and the Home Office. Once the outcome of the review is known and the Government confirms funding for new assets a review of local need for any assets where replacement is not funded by Government will be carried out.

Most equipment replacement is funded through our revenue budget, however, schemes can be considered for capital funding where they meet certain criteria. A business case to SLT will be prepared to detail the new policy for capitalising equipment, the pros and cons of adopting this policy and the net financial impact on both capital and revenue budgets (increase in the cost of borrowing, savings on the revenue budget etc.). A new scheme for replacement of our existing Breathing Apparatus and ancillary equipment is included to the value of £1m over 2026/27 and 2027/28. This is being managed as a joint project through the 4F group (East & West Sussex, Surrey and Kent FRS).

Detailed strategies for Estates, and Fleet and Equipment are available as separate documents.

Funding

The Capital Strategy is funded from a number of sources which are described below. In order to ensure the Strategy is sustainable and affordable we aim to maximise external funding, where it is available, so as to reduce the pressure on our own resources. This is becoming increasingly important in the light both of pressures on our revenue budget and the ending of general capital grant from central government.

- Capital Grant

General capital grant allocations from central government for fire authorities ended in 2014/15 and grant funding thereafter is on a wholly bid-for basis. The Authority has not submitted any bids for the duration of this Strategy. As noted above there is the potential for grant funding to be accessed through the ITF project. The Authority has been successful in a bid for CIL grant funding from Lewes District Council to cover 50% of the cost of Design Guide works at Barcombe and Seaford Fire Stations.

- Partner Contributions

The Authority is increasingly engaged in collaborative working with other public sector partners, particularly other emergency services. This includes capital projects, and where the Authority is lead body for a scheme this may lead to partners making contributions towards the capital costs.

- Capital Receipts

Receipts from the disposal of existing capital assets may only be used to fund expenditure on new capital assets.

Historic capital receipts from the sale of service houses and 20 Upperton Road along with the sale of the former Newhaven Fire Station in Fort Road will be used to fund the

Capital Strategy. As at 31 March 2022 it is estimated that there will be unapplied capital receipts of £0.722m (Capital Receipts Reserve), this includes the balance on the sale of Fort Road (£0.397m). It is the Authority's current policy to use capital receipts to fund the capital programme before using the Capital Programme Reserve (which is a revenue reserve).

- **Revenue Contributions**

The Authority can make revenue contributions to the cost of its capital expenditure either direct from its revenue budget or from reserves earmarked for capital schemes. As at 31 March 2023 it is estimated that there will be a balance of £3.906m in the Capital Programme Reserve (CPR). The Authority takes the opportunity to set aside additional funding from its revenue budget to help fund the costs of the Capital Programme when it can, in the absence of Government grant. An additional contribution is planned of £1.0m 2023/24 onwards, increasing over the life of the MTFP to £3.0m.

- **Community Infrastructure Levy (CIL)**

The Service has been successful in its bid for Community Infrastructure Levy (CIL) funding from Lewes District Council. £289,000 has been awarded which will part fund the planned enhancements at Barcombe and Seaford Fire Stations, reducing the need for future borrowing.

- **Prudential Borrowing**

The Authority can use prudential borrowing to fund capital expenditure spreading the cost over the life of the asset. Overall our total borrowing must be sustainable and affordable. Borrowing commits the Authority to a long term cost which has implications for our revenue budget. Broadly speaking, every £1m of additional borrowing would add £80,000,000 - £90,000 of financing costs to the Authority's revenue budget. As capital related reserves are spent down to fund the Capital Strategy, the Authority will need to recommence borrowing to fund capital investment. The borrowing needed to finance the Capital Asset Strategy over the next five years is £12.473m and this has been fed into the MTFP and our future borrowing costs.

MEDIUM TERM CAPITAL STRATEGY 2022/23 to 2026/27 – SCHEMES

Capital Programme Expenditure 2022-23 to 2026-27	Total Budget	Total Previous Years	Estimated Spend 2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	Remaining Spend
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Property									
Shared Investment Schemes									
Integrated Transport Project	1,000		200				800		800
Preston Circus	3,287	122	453	1,062	1,650				2,712
Total Shared Investment Schemes	4,287	122	653	1,062	1,650	-	800	-	3,512
Strategic Schemes									
- Replacement Fuel Tanks	492	450	7	35					35
- Partner contribution	(292)	(292)							-
- Replacement fuel tanks net cost	200	158	7	35	-	-	-		35
Design Guide	356	356							-
Hove	491	64	427						-
Roedean	493	45	21	427					427
Eastbourne	600	74	45	480					480
Bohemia Road	535	28	40	466					466
Security	386	67	98	221					221
Sustainability	171	21	40	80	30				110
Eastbourne MPTH	259	7	29	223					223
Training Centre MPTH	308	7	35	266					266
Hove MPTH	278	7	34	237					237
Bohemia Road MPTH	258	8	39	211					211
Live Fire Training	4,000	48	15	457	2,500	980			3,937
Total Strategic Schemes	8,335	890	830	3,103	2,530	980	-	-	6,613
General Schemes									
General Schemes	830	830							-
Seaford CIL	296	3	7	5	281				286
Seaford CIL partner Contribution	(133)				(133)				(133)
Barcombe CIL	392	4	9	5	374				379
Barcombe CIL Partner Contribution	(156)				(156)				(156)
The Ridge	408				20	388			408
Hailsham	184	19	8		10	147			157
Rye	532	3	45		17	467			484
Battle	163	1				56	106		162
Herstmonceux	279						50	229	279
Bexhill	460						200	260	460
Heathfield	280	9	9		19	243			262
Uckfield	494	7				100	387		487
Lewes	577	6	1			241	330		571
Pevensey	181						30	151	181
Forest Row	197						30	167	197
Mayfield	203						30	173	203
Broad Oak	30							30	30
Burwash	30							30	30
Wadhurst	50							50	50
Seaford HVP Alterations	85	7	84						-
Total General Schemes	5,382	889	163	10	432	1,642	1,163	1,090	4,337
Bay Doors, Floors, IT	1,535		110	712	300	205	208		1,425
Training Towers	279		133	146					146
Temperature Control in Sleeping Pods	201		79	122					122
Total Property	20,019	1,901	1,968	5,155	4,912	2,827	2,171	1,090	16,155
Vehicle Cameras	150		75	75					75
Grant Funds	(118)		(59)	(58)					(58)
Telemetry	70			70					70
Breathing Apparatus							500	500	1,000
Aerials	1,843	690	218	935					935
Aerial Rescue Pump	22	22							-
Fire Appliances	8,311	2,564	1,312	850	835	819	862	1,069	4,435
Ancillary Vehicles	2,749	473	111	1,624	368	112		61	2,165
Cars	2,102	501	227	225	272	506	206	182	1,391
Vans	2,169	920	98	314	288	162	148	240	1,152
Equipment	70			70					70
Total Fleet and Equipment	16,228	5,170	1,982	4,105	1,763	1,599	1,716	2,052	11,235
Total Expenditure	36,247	7,071	3,950	9,260	6,675	4,426	3,887	3,142	27,390

MEDIUM TERM CAPITAL STRATEGY 2023/24 to 2027/28 – FUNDING

	2023/24	2024/25	2025/26	2026/27	2027/28	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Fleet and Equipment	4,105	1,763	1,599	1,716	2,052	11,235
Estates	5,155	4,912	2,827	2,171	1,090	16,155
Original Capital Programme	9,260	6,675	4,426	3,887	3,142	27,390
Funded by:						
Capital Receipts Reserve	722	-	-	-		722
Capital Programme Reserve	4,906	1,500	2,000	2,500	3,000	13,906
New Borrowing / Need to Borrow	3,632	5,175	2,426	1,387	142	12,762
Updated Capital Programme	9,260	6,675	4,426	3,887	3,142	27,390

Funding – Use of Reserves					
	2023/24	2024/25	2025/26	2026/27	2027/28
	£'000	£'000	£'000	£'000	
Capital Receipts Reserve					
Opening Balance	722	0	0	0	0
Transfers In	0	0	0	0	0
Transfers Out	(722)	0	0	0	0
Closing Balance	0	0	0	0	0
Capital Programme Reserve					
Opening Balance	3,906	-	-	-	-
Transfers In	1,000	1,500	2,000	2,500	3,000
Transfers Out	(4,906)	(1,500)	(2,000)	(2,500)	(3,000)
Closing Balance	0	0	0	0	0

Reserve Strategy

Introduction and Background

Section 43 of the Local Government Finance Act 1992 requires that, when setting the budget for the forthcoming year, precepting authorities should have regard to the level of reserves needed to provide sufficient resources to finance estimated future expenditure, plus any appropriate allowances that should be made for contingencies.

Best practice on the use and management of reserves and balances is provided by CIPFA and the Local Authority Accounting Panel (LAAP) guidance, specifically LAAP Bulletin 99 - 'Local Authority Reserves and Balances'. This was issued in July 2014, but since then many references have been made to the scale of public sector reserves by various parties.

In May 2018 the Government published the New Fire and Rescue Services Framework which introduced a requirement for Combined Fire and Rescue Authorities to publish a Reserve Strategy on their website and outlined the detail which should be included. The Reserves Strategy can form part of the Medium Term Financial Plan or be a stand-alone document.

In reviewing medium-term financial plans and preparing annual budgets, the Authority will consider the establishment and maintenance of reserves for the general fund. There is no statutory minimum or maximum level of reserves. The nature and level of reserves will be determined formally by the Authority, informed by the judgement and advice of the Assistant Director Resources / Treasurer. This will be based on an assessment of what is appropriate and necessary in the light of the circumstances facing the Authority.

Strategic Context

There are a number of reasons why a Local Authority might hold reserves, these include to:

- (a) Mitigate potential future risks such as increased demand and costs;
- (b) Help absorb the costs of future liabilities;
- (c) Temporarily plug a funding gap should resources be reduced suddenly;
- (d) Enable the Authority to resource one-off policy developments and initiatives without causing an unduly disruptive impact on council tax;
- (e) Spread the cost of large scale projects which span a number of years.

Reserves only provide one-off funding so the Authority aims to avoid using reserves to meet regular and ongoing financial commitments, other than as part of a sustainable medium-term budget plan.

Long-Term Sustainability - Reserves are an essential tool to ensure long term budget stability particularly at a time when the Authority is facing significant uncertainty about its grant funding over the medium term. Due to the fact that funding for future Capital Projects and the IT Strategy is held as Earmarked Reserves, the current

overall historically high level of reserves held by the Authority will reduce significantly as these programmes are delivered.

Reserve balances have been identified as a key indicator of financial health and the Authority continues to have an appropriate level of reserves to deal with identified risks. As a minimum, there are sufficient balances to support the budget requirements and provide an adequate contingency for budget risks.

There are two different types of reserve, and these are:

Earmarked Reserves – these reserves are held to fund a specific purpose and can only be used to fund spending associated with that specific purpose. Should it transpire that not all of the agreed funds are required then the agreement of the Authority would be sought to decide how any remaining balance is to be utilised.

General Reserve – usage from this Reserve is non-specific and is held to fund any unforeseen spending that had not been included in the base budget e.g. excessive operational activity resulting in significant retained pay costs.

Provisions

In addition to reserves the Authority may also hold provisions which can be defined as follows: a Provision is held to provide funding for a liability or loss that is known with some certainty will occur in the future, but the timing and amount is less certain.

Unusable Reserves

The Authority will also maintain a number of other reserves that arise out of the interaction between legislation and proper accounting practices. These reserves, which are not resource-backed, will be specified in the annual Statement of Accounts.

Governance

The Authority will agree the level of General Reserves and the purpose and level of Earmarked Reserves.

Business cases for the establishment of new Earmarked Reserves will be subject to initial consideration by the Senior Leadership Team.

The Assistant Director Resources / Treasurer shall advise SLT and the Authority on the adequacy of both General and Earmarked Reserves, approve any drawdown from reserves and will monitor and report upon their use through regular financial monitoring reports.

Risk Assessment to Determine the Adequacy of the General Reserve

A well-managed multipurpose authority will strive to maintain as low a level of General Reserve as possible, whilst still covering its financial risks. As a single-purpose authority, the Authority has no opportunity to use cross-service subsidies to meet unanticipated expenditure and so, proportionally, its General Reserve may be slightly higher than for a multi-purpose authority.

The Authority has a robust approach to managing risk and there are effective arrangements for financial control in place. That said, given the high level of influence

that third parties, such as the Local Government Employers and Government departments have on its income and expenditure, there is always a risk that the Authority will unexpectedly become liable for expenditure that it has not budgeted for.

The Authority currently sets its policy for the General Reserve at a minimum of 5% of its net revenue budget. The detailed risk assessment is attached at Annexe A and indicates that the overall assessed risk has not changed since last year. Given that not all assessed risks are likely to crystallise in a single year it is deemed appropriate to maintain the minimum level of 5%. Capital Reserves are used to support the financing of the Capital Asset Strategy and will be exhausted by the end of 2022/23.

At the start of 2023/24, the General Reserve is forecast to represent 3.78% of the Authority's net revenue budget which is a negative variance. Due to varying revenue budgets, maintaining a consistent level of General Reserve will result in the percentage varying over time. Transfers in or out of the General Reserve to conform to the 5% indicator will be considered annually as part of the budget setting process.

The prudential indicator is a useful control measure but is a rudimentary way of assessing the adequacy of the general reserve and a more meaningful approach is to develop a risk assessment. The Authority will consider both measures as part of its annual reserve strategy.

A risk assessment of the adequacy of the Authority's General Reserve is carried out annually to determine the extent to which the Authority is exposed to uninsured and unbudgeted losses. The risk assessment for the coming financial year, 2023/24, has been prepared as part of the budget setting process and is shown in Annexe A. The impact and scale of potential losses has been estimated to calculate a potential net financial impact of £2.488m. The current policy minimum of 5% equates to £2.233m. At the start of 2022/23 the General Reserve is expected to be £1.413m and it is planned to increase by £1.076m over 2023/24, 2024/25 and 2025/26 to return the balance to £2.489m by 31 March 2026 and meet the policy minimum by this date.

Annual Review of Earmarked Reserves

The Authority has a number of earmarked reserves which have been established for specific purposes where there have been timing differences at budget setting or year end, or emerging risks or cost pressures. The relevance of, and balance in, each of these is reviewed annually and the Authority is informed of the latest plans for the balances held in such reserves over the medium term via the Reserves Strategy. When the Authority endorses the Reserves Strategy for publication it will be made available on its website.

A commentary on the purpose and planned use of each of the existing earmarked reserves is detailed below and a full listing together with phasing of drawdown is set out in Annexe B:

- **Business Rate Pool:** This reserve holds the balance of income from the East Sussex Business Rate Pool which is to be used to fund Business Safety initiatives, in support of the Pool's aim to promote economic growth. The Pool has been utilised to support investment in the Authority's protection (business

safety) services. The balance on this reserve includes accruals for 2020/21 and 2021/22 as delays in completing the external audits for a number of our billing authorities has delayed the distribution of the cash surpluses for these years.

- **Business Rates Retention Pilot:** holds the additional income from the East Sussex Pilot and is split between financial stability and economic development as set out in the Memorandum of Agreement with other partners. Following the decision of the Fire Authority in July 2019 the majority of the financial stability element (£0.480m) was transferred into the Mobilising Strategy Reserve to fund investment in Project 21, with a proportion (£0.027m) being utilised to balance the 2022/23 budget. The economic development element was fully utilised in 2021/22 to finance estates capital spend. The balance of the reserve will be used to balance the Authority's revenue budget in 2023/24.
- **ESMCP Readiness:** this is grant funding from central government is ring-fenced to fund the IT upgrades to mobilising systems that are required as part of the Emergency Services Mobile Communications Project (ESMCP). The timing of drawdown is dependent on national programme timescales (which have been significantly delayed). Further discussion with the Home Office will be required to determine use of the grant as it was originally intended in part to fund improvements jointly for East and West Sussex through our joint control service which ended 4 December 2019.
- **ESMCP Regional Programme:** the Authority acts as regional lead for ESCMP implementation and holds grant funding for regional and local resourcing on behalf partner FRAs. The actual drawdown is dependent on regional business cases made to the Home Office.
- **Improvement & Efficiency:** This reserve is to enable the Authority to develop its collaborative approach to service delivery, support changes to services that will deliver efficiencies and respond to priority areas for service improvement. This includes support for the Authority's transformation programme and any costs that may arise from it including redundancy payments. The Authority has identified a number of areas of future focus for the potential delivery of efficiencies. These areas are built into business plans and it is anticipated that they will require additional resources to progress. Provision has been made in the MTFP for contributions of £0.2m to be made into this Reserve in 2024/25, 2025/26 and 2026/27. It is proposed that £0.164m (£0.311m under the 2.99% proposal) is utilised from this reserve to balance the 2023/24 budget.
- **Insurance:** The Authority has joined the Fire and Rescue Indemnity Company (FRIC) from 1 April 2019 to both improve its risk management practice and provide insurance cover. This reserve is intended to cover the financial costs of: in-year supplementary payments to the FRIC pool should these be necessary; additional costs from the increase in some deductibles; and, investment in pro-active risk management initiatives resulting from best practice benchmarking through FRIC.

- **IT Strategy:** The Authority has set aside funds to support the delivery of its IT Strategy including the contractual transformation milestones delivered by Telent. A Revenue contribution is made into this reserve each year and as agreed at Fire Authority in September 2020 this will continue and will fund the IT Strategy 2020-25. The MTFP includes a one-off additional payment into this reserve of £0.250m in 2025/26 to fund additional investment in new IT beyond the current Strategy.
- **Mobilising Strategy Reserve:** to facilitate to delivery of the Authority's mobilising strategy – as agreed at the Fire Authority in January 2020 this reserve holds the one off funding for Project 21 (P21) which includes the delivery of a tri-partite mobilising service with Surrey and West Sussex County Fire Authorities and associated investment in other aspects of our mobilising such as pagers & alerters and MDT replacement (outside of that already planned in the IT Strategy and funded from the IT Strategy Reserve). The reserve is expected to be fully drawn down by the end of 2022/23.
- **People Strategy:** this Reserve is utilised to hold funds for the implementation of the People Strategy 2020-25. Where projects within the Strategy that are funded from the revenue budget slip or underspend, any unutilised balances will be held in this reserve.
- **Sprinklers:** as part of its policy of promoting the use of sprinklers the Authority has made provision for match-funding the retro-fitting of sprinklers in high risk / high rise residential premises. The Authority (P&R Panel Nov 2021) agreed in principle that the remaining balance of £0.640m should be re-purposed as a Community Safety Intervention Fund, subject to the budget setting process. The MTFP proposes using £0.200m of the balance to assist in balancing the 2022/23 revenue budget with the remainder being available for the Community Safety Intervention Fund. It is recommended as part of the budget proposals that the balance of this reserve is used to balance the Authority's revenue budget in 2023/24.
- **BRR – Protection Uplift:** this Reserve holds the balance of grant received from Government for investment in protection services as a result of the Moore Bick and Hackett inquiries. The balance is expected to be spent in 2023/24.
- **Tax Income Guarantee Scheme (TIG):** these reserves hold the balance of the grant provided by Government to offset that impact of Covid-19 on business rates and council tax collected in 2020/21. The remaining balance will be utilised in 2023/24.
- **Pension Administration:** this is funding set aside from the revenue budget to fund some of the one-off costs of implementing the Remedy to the discrimination case brought against the Firefighter Pension Scheme, including software costs and tax charges and other costs not funded by the Pension Fund Account or Government. It is planned to be used during 2023/24 and 2024/25 to provide additional capacity within the Payroll & Pensions Team to resource the additional workload associated with implementing the Remedy process.

- **Responding to New Risks:** holds the unspent balance of the Marauding Terrorist Attack grant which will be used for the replacement of specialist equipment and training.
- **Carry Forwards:** comprises the balance of the revenue budget underspends from previous financial years which it has been agreed to carry forward to fund specific expenditure. The balance of this reserve will be used in 2023/24 to balance the Authority's revenue budget.
- **Capital Programme:** To support the provision of the capital infrastructure required to deliver the Authority's strategic priorities. There has been no core capital grant from Government since 2014/15 so the Authority must fund its own investment in capital assets. £1.0m is paid into this reserve from the Authority's revenue budget in 2023/24. The MTFP proposes to increase the payment into the Capital Programme Reserve in stages of £0.5m to £3.0m by 2027/28. This is part of a strategy to achieve greater financial sustainability by revenue funding the replacement and maintenance of existing assets and seeking only to borrow where a new capital asset is proposed.
- **Capital Receipts:** Capital receipts not yet applied to capital expenditure. Under statute capital receipts may only be used to finance capital expenditure. Having disposed of its stock of service houses and its HQ building the Authority has only one surplus property, Fort Road, Newhaven and this has been sold to Lewes District Council – subject to LDC obtaining planning permission for development. This process has been delayed and it is possible that the sale will not complete in 2022/23. No further disposals are currently planned and this reserve will be fully utilised over the life of the current Capital Asset Strategy, with the balance remaining at 31 March 2023 primarily being used to fund investment in the new Estates Strategy to bring our property assets up to the standard set out in the Design Guide.

Together the use of the Capital Programme Reserve and the Capital Receipts Reserve, along with other revenue funding, grants and contributions from partners has meant that the Authority has been able to finance its capital investment requirements without recourse to external borrowing since 2008.

Annexe A – Risk Assessment of the Adequacy of General Reserves

Risk type	RISK	Likelihood	Impact	Net Impact
			£m	£m
Abnormal weather conditions	A long hot summer, flooding in autumn and winter and heath land fires in the spring have all occurred in previous years resulting in excessively high operational costs (retained pay, overtime) and other support costs. In worst-case scenarios for civil emergencies, the Bellwin Scheme funding is available to support qualifying expenditure in excess of 2% of Revenue Budget	Medium	0.300	0.150
Pension Costs	With an ageing workforce and the increase in the normal retirement age the risk of ill health retirements is increasing and may exceed the existing budget provision.	Medium	0.100	0.050
External contracts	The Authority has a wide range of contractual arrangements which could see a financial loss in the event of the bankruptcy of a supplier or a customer. Based on aged debtor analysis the Authority does not currently hold a bad debt provision to fund a loss from a major contract. Additionally, Public Sector procurement processes and contracts are coming under increasing scrutiny and could be open to legal challenge.	Low	0.500	0.125
Capital Programme / Projects	The Authority has a range of both revenue and capital projects planned for the next five years - there is the risk of cost overruns for a variety of reasons e.g. unforeseen ground conditions, planning approvals, technology risk, supply chain disruption.	Medium	1.000	0.500

Risk type	RISK	Likelihood	Impact	Net Impact
			£m	£m
Loss of income	Income targets are set within the budget for a number of functions, for example commercial and service training, and the Authority also receives income from the investment of its cash balances where rates achieved remain low. Amounts invested will reduce significantly over the next few years. Although the amounts involved are small relative to the overall budget they continue to present a risk in year	Low	0.250	0.063
Delivery of savings	The Authority is developing its savings plans for the next 5 years and has already agreed a range of measures for implementation. However, it is possible that implementation may take longer than anticipated or savings may be less than originally estimated, leading to an in-year budget pressure.	Low	0.500	0.125
Legal Issues	As a service provider and an employer the Authority faces the potential that legal action could be taken against it on a range of grounds, including equal pay, discrimination, unfair dismissal and corporate negligence / manslaughter. Awards and legal costs in such cases can be significant	Low	1.000	0.250
Service delivery failure	Given the nature of the work of the Authority there is a possibility that it could suffer a major health and safety or environmental failure.	Low	1.000	0.250
System/ Infrastructure Issues	In the event that a key system, such as the control mobilising system or system networks, were to fail, it is possible that urgent consultancy or replacement equipment would be required within short time constraints.	Low	0.500	0.125

Risk type	RISK	Likelihood	Impact	Net Impact
			£m	£m
Funding Issues	The changes to the funding mechanism for local government, introduced following the Local Government Resource Review, transferred potentially significant levels of financial risk to the Authority.	Medium	0.500	0.250
Inflation	Whilst allowances for inflation have been made within specific budget lines, the uncertainty surrounding the UK economy might lead to increased inflation. This may include the impact of new tariffs on the cost of goods purchased from the EU for example vehicle chassis.	Medium	0.200	0.100
Employment Issues	Issues that might arise in respect of pay settlements or other factors which might lead to industrial action would, in the first instance, be managed within the revenue budget. Prolonged Action or issues would require funding from Reserves. This risk also addresses the potential for actual pay awards to be higher than that budgeted.	Medium	1.000	0.500
Estimated Reserve Requirement				2.488

The planned movement on each of the earmarked reserves is shown in the following table:

Description	2023/24	2023/24	2023/24	Projected Closing Balance	Projected Closing Balance	Projected Closing Balance	Projected Closing Balance	Projected Closing Balance
	Opening Balance 01/04/23	Planned Transfers In	Planned Transfers Out	31/03/24	31/03/25	31/03/26	31/03/27	31/03/28
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Earmarked Reserves								
Improvement & Efficiency	486	0	(214)	272	372	472	572	672
Sprinklers	440	0	(440)	0	0	0	0	0
Insurance	249	0	0	249	249	249	249	249
ESMCP ESFRS readiness	1,425	0	0	1,425	712	0	0	0
ESMCP Regional Programme	111	0	0	111	0	0	0	0
BRR – Accreditation & RPL	23	0	(12)	11	0	0	0	0
BRR - Protection Uplift	96	0	(96)	0	0	0	0	0
New Dimensions	32	0	(32)	0	0	0	0	0
Responding to New Risks	33	0	(33)	0	0	0	0	0
IT Strategy	2,097	592	(2,199)	490	250	250	250	250
People Strategy	130	0	(130)	0	0	0	0	0
Business Rates Retention Pilot - financial stability	80	0	(80)	0	0	0	0	0
Business Rate Pool	1,184	0	(200)	984	884	884	884	884
Tax Income Guarantee Scheme (75%) CT & BR	56	0	(56)	0	0	0	0	0

Covid-19	71	0	0	71	71	71	71	71
Carry Forwards	173	0	(173)	0	0	0	0	0
Pensions Administration	210	0	(105)	105	0	0	0	0
Capital Programme Reserve	3,906	1,000	(4,906)	0	0	0	0	0
Total Earmarked Reserves	10,804	1,592	(8,678)	3,718	2,577	1,965	2,065	2,165
General Fund	1,413	274	0	1,687	2,389	2,489	2,489	2,489
Total Revenue Reserves	12,217	1,866	(8,478)	5,605	5,266	4,754	4,854	4,954
Capital Receipts Reserve	722	0	(722)	0	0	0	0	0
Total Capital Reserves	722	0	(722)	0	0	0	0	0
Total Usable Reserves	12,939	1,866	(9,400)	5,405	4,966	4,454	4,554	4,654

EAST SUSSEX FIRE AUTHORITY: PRECEPT FOR 2022/23
REF: S43 LOCAL GOVERNMENT FINANCE ACT 1992
COUNCIL TAX OPTION – £5

	£	£
NET BUDGET REQUIREMENT		44,658,000
Forecast Business Rates retained	2,379,000	
Top Up grant	5,379,000	
Total Base Line funding	7,776,000	
Add Revenue Support Grant	3,662,000	
Add Service Grant Allocation	302,000	
Add CSP Minimum Funding Guarantee	106,000	
Total Grant funding (excluding transitional/freeze grant)	11,846,000	
Section 31 Grant Business Rates adjustment	2,063,000	
Previous Year's Surpluses/(Deficits)	(344,000)	
Total Council Tax required		31,093,000
Tax base	297,907	
Basic Council Tax (Band D equivalent)		104.37
Basic Council Tax from above calculation		<u>Council Tax</u>
Band A	6/9	69.58
Band B	7/9	81.18
Band C	8/9	92.77
Band D	9/9	104.37
Band E	11/9	127.56
Band F	13/9	150.76
Band G	15/9	173.95
Band H	18/9	208.74
	<u>Tax Base</u>	<u>Precept</u>
Brighton and Hove	91,986.30	9,600,610
Eastbourne	35,294.80	3,683,718
Hastings	26,473.00	2,762,987
Lewes	37,839.40	3,949,298
Rother	38,520.80	4,020,416
Wealden	67,793.20	7,075,576
	297,907.50	31,092,606

EAST SUSSEX FIRE AUTHORITY: PRECEPT FOR 2022/23
REF: S43 LOCAL GOVERNMENT FINANCE ACT 1992
COUNCIL TAX OPTION – 2.99%

	£	£
NET BUDGET REQUIREMENT		44,050,000
Forecast Business Rates retained	2,379,000	
Top Up grant	5,379,000	
Total Base Line funding	7,776,000	
Add Revenue Support Grant	3,662,000	
Add Service Grant Allocation	302,000	
Add CSP Minimum Funding Guarantee	106,000	
Total Grant funding (excluding transitional/freeze grant)	11,846,000	
Section 31 Grant Business Rates adjustment	2,063,000	
Previous Year's Surpluses/(Deficits)	(344,000)	
Total Council Tax required		30,485,000
Tax base	297,907	
Basic Council Tax (Band D equivalent)		102.34
Basic Council Tax from above calculation		Council Tax
Band A	6/9	68.23
Band B	7/9	79.60
Band C	8/9	90.97
Band D	9/9	102.34
Band E	11/9	125.08
Band F	13/9	147.82
Band G	15/9	170.57
Band H	18/9	204.68
	Tax Base	Precept
Brighton and Hove	91,888.03	9,412,958
Eastbourne	35,294.80	3,612,070
Hastings	26,473.00	2,709,246
Lewes	37,839.40	3,872,484
Rother	38,520.80	3,942,219
Wealden	67,793.20	6,937,956
	297,809.23	30,484,874

FUNDED STAFFING ESTABLISHMENT

	FTE @ 1/4/2023	FTE @ 1/4/2024
Principal Officers	3	3
Wholetime Firefighter	337	326
RDS firefighter Units	192	192
Control Room Staff	3	3
Support staff	153.42	153.42

Local Government Financial Settlement (provisional) Core Spending Power of Combined Fire Authorities

Standalone FRA	CSP 2022- 23	CSP 2023- 24	Change %
Avon	47.37	51.00	7.7%
Bedfordshire	32.76	35.05	7.0%
Berkshire	38.26	41.29	7.9%
Buckinghamshire	31.19	33.73	8.1%
Cambridgeshire	32.27	34.89	8.1%
Cheshire	47.18	50.76	7.6%
Cleveland	29.43	31.70	7.7%
Derbyshire	41.36	44.51	7.6%
Devon & Somerset	82.42	88.01	6.8%
Dorset & Wiltshire	60.79	65.43	7.6%
Durham	31.49	33.55	6.5%
East Sussex	41.67	44.39	6.6%
Essex	77.52	83.60	7.8%
Hampshire & Isle of Wight	81.15	87.48	7.8%
Hereford & Worcester	34.49	36.97	7.2%
Humberside	47.89	51.47	7.5%
Kent	77.75	83.58	7.5%
Lancashire	61.95	66.74	7.7%
Leicestershire	39.90	43.13	8.1%
Merseyside	66.85	71.89	7.5%
North Yorkshire	33.67	36.23	7.6%
Northamptonshire	25.90	28.09	8.5%
Nottinghamshire	46.01	49.45	7.5%
Shropshire	24.30	25.92	6.7%
South Yorkshire	55.46	59.82	7.9%
Staffordshire	44.72	48.08	7.5%
Tyne & Wear	53.08	56.97	7.3%
West Midlands	108.77	117.63	8.1%
West Yorkshire	91.25	98.53	8.0%