

Policy & Resources Panel

18 January 2024



Membership:

Councillors: Evans (Chair), Galley, Goddard, Maples, Redstone and Ungar

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:	Abigail Blanshard, Democratic Services Manager 07950 877168 democraticservices@esfrs.org
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Agenda

50. 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.

51. Apologies for Absence/Substitutions

52. Notification of items which the Chair considers urgent and proposes to take at the end of the agenda/Chair's business items

Any Members wishing to raise urgent items are asked, wherever possible, to notify the Chair before the start of the meeting. In so doing, they must state the special circumstances which they consider justify the matter being considered urgently.

53. Minutes of the last Policy & Resources meeting held on 9 November 2023

5 - 12

54. Callover

The Chair 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 Chair 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.

- 55. Revenue & Capital Budget 2023/24 and Capital Programme 2023/24 to 2027/28 Monitoring at Month 8 (End November)** **13 - 38**
Report of the Assistant Director Resources/Treasurer
- 56. Fire Authority Service Planning processes for 2024/25 and beyond - Revenue Budget 2024/25 and Capital Asset Strategy 2024/25 to 2028/29** **39 - 90**
Report of the Chief Fire Officer and Assistant Director Resources/Treasurer

ABRAHAM GEBRE-GHIORGHIS
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c/o Brighton & Hove City Council

Date of Publication: 10 January 2024

Information for the public

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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, 9 November 2023.

Present: Councillors Evans (Chair), Galley, Maples, Redstone and Ungar

Also present: D Whittaker (Chief Fire Officer/Chief Executive), D Norris (Deputy Chief Fire Officer), L Woodley (Deputy Monitoring Officer), D Savage (Assistant Director Resources/Treasurer), L Ridley (Assistant Director Planning & Improvement), M Lloyd (Assistant Director Safer Communities), J King (Assistant Director People Services), H Scott-Youlton (Assistant Director Operational Support & Resilience), N Boruch (Interim Head of Estates), J Olliver (Pensions, Payroll and HR Assurance Manager) and A Blanshard (Democratic Services Manager)

80 Declarations of Interest

There were none.

81 Apologies for Absence/Substitutions

None received.

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

There were none.

83 Minutes of the last Policy & Resources meeting held on 20 July 2023

RESOLVED – That the minutes of the meeting of the Policy & Resources Panel held on 20 July 2023 be approved as a correct record and signed by the Chair.

84 Callover

Members reserved the following items for debate:

- 45 Revenue and Capital Budget 2023/24 and Capital Programme 2023/24 to 2027/28 Monitoring at Month 6 (end September)
- 46 Treasury Management
- 47 Preston Circus – Request to proceed to RIBA Stage 5 – Contract Award, with approval for additional funding
- 49 Firefighters' Pension Scheme (FPS) Age Discrimination Remedy & Immediate Detriment Briefing Note

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

RESOLVED - The Policy & Resources Panel agreed that the remaining report on this Agenda be approved in full.

85 Revenue and Capital Budget 2023/24 and Capital Programme 2023/24 to 2027/28 Monitoring at Month 6 (end September)

The Policy & Resources Panel received the report of the Assistant Director Resources/Treasurer (ADR/T) reporting the findings of the Month 6 monitoring undertaken on the Revenue and Capital Budget 2023/24 and Capital Programme 2023/24 to 2027/28. The ADR/T explained that there was a net revenue underspend to the sum of £7,000 and was summarised in Appendix 1. The major variance was a forecast overspend of £896,000 within Safer Communities, this had reduced since the last report as SLT had agreed to the use of contingency to cover the impact of the pay award on the on-call and overtime budgets. This was offset by overachievement of Treasury Management income (£573,000) and the Corporate Contingency (£298,000). There was a range of other variances across the Service.

The Panel thanked the ADR/T for a comprehensive report and a lengthy discussion followed. Members asked for some clarity on the overspend within Safer Communities, the Assistant Director Safer Communities (ADSC) explained that the use of fixed term contracts was more preferable than to rely on overtime. Members were reminded that in previous reports there have been over 30 individuals off long-term who were being covered, there had been significant work to reduce this number and it was now down to the mid-20's, and a new board had been created in the department to track progress on this issue. The ADR/T confirmed that a more vigorous vacancy management process was in place across the Service this year, managed through the Workforce Planning Group, with the business impact of not filling a vacant post being a key consideration.

There was a query about whether there was a risk that staff, having perhaps become reliant on additional income, may choose to leave the Service if overtime was reduced. The Chief Fire Officer (CFO) explained that the view of the Representative bodies and the Service was that it was dangerous to rely on overtime. There was an absolute commitment from officers to support the Fire Authority in their fiduciary duty and part of that was to reduce overtime. The greater welfare concern would be those staff on green book conditions who are on average on lower salaries and have no option for undertaking overtime. With regards to those on grey book conditions it was of course hard for the management teams to predict, but the use of fixed term contracts was better than overtime. There were issues regarding sickness, extended periods of high demand and the sector wide issues with recruiting on-call staff and consequential issues with their primary employers.

The Panel asked whether the Pension reserve, as set out in para. 3.1 was sufficient. The ADR/T reminded Members that the situation regarding Pensions and particularly the impact of the Remedy (as set out in detail later in this Agenda) was complex. The Service relied on a number of Pension

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

Grants, after significant lobbying the current annual grant was expected to be rolled into the baseline funding. It was expected that the Government would provide a new one off grant to cover the cost of increases in employer's pension contributions in 2024/25 resulting in part from the impact of Remedy. The Pension Administration reserve had been held to fund costs resulting from remedy implementation, it had supported the provision of additional resources in the pension team. The balance was being held against any future resourcing requirements or other costs. The cost of software upgrades for Remedy was being recovered by West Yorkshire Pension Fund as part of their annual charge and was lower than had been originally anticipated.

Members asked for some more information on the position relating to Grant funding more widely, as set out in section 6 of the report, particularly the Surge Protection Grant. The ADR/T reminded Members that this was intended to support investment in protection to enable it to meet new requirements post Grenfell. In the Service's view it was not sufficient to meet the additional resources required and officers had met with the Home Office and the National Fire Chiefs Council to lobby for a change to the criteria for allocation to ensure that it reflected the risk relating to the very high number of high and medium rise buildings within East Sussex.

RESOLVED – The Panel agreed to note:

- i. the risks to the Revenue Budget and the projected underspend;
- ii. the forecast slippage and risks to the Capital Programme;
- iii. the ITG strategy position;
- iv. the reduced net forecast drawdown from reserves;
- v. the grants available and spending plans;
- vi. the monitoring of savings taken in 2023/24; and
- vii. the current year investments and borrowing.

86 Treasury Management - Half Year Review for 2023/24

The Panel received the half yearly report of the Assistant Director Resources/Treasurer (ADR/T) which was a requirement of the Fire Authority's reporting procedures and covered the treasury activity for the first six months of 2023/24 and included an update on the Prudential Indicators which related to treasury activity. The ADR/T confirmed that there had been no new borrowing undertaken in 2023/24 to date. There had been no beneficial opportunities to reschedule existing debt so far during the year, however opportunities would be considered if they were both prudent and affordable. A training session had been delivered at the September Member's Seminar covering Treasury Management issues in the context of the Authority's financial position.

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

The Panel were grateful to officers for the report but queried para. 4.4 at which Environmental, Social and Governance (ESG) investment products were referred to as “relatively immature”. There was some concern amongst some members that unless investments were made in them they would never progress to being mature and whether there was any other criteria that could be considered. The ADR/T explained that there were not many ESG investment opportunities currently that met the Authority’s agreed criteria for security and liquidity and offered comparable or better returns than non ESG products. Officers would continue to review ESG opportunities and it was agreed that they would look at whether the term “immature” could be replaced with something that better reflected the Authority’s criteria.

RESOLVED – The Policy & Resources Panel agreed:

- i. to note the treasury management performance for the first half year of 2023/24; and
- ii. that there was no further reassurance required in relation to the delivery of the Treasury Management Strategy beyond those addressed in the body of the minutes.

87 Preston Circus - Request to Proceed to RIBA Stage 5 - Contract Award, with approval for additional funding

The Panel considered the report of the Assistant Director Resources/Treasurer (ADR/T) formally requesting approval to conclude RIBA Stage 4 by formalising the NEC Contract with Morgan Sindall and to proceed to RIBA Stage 5 Construction, which would require a budget uplift. The ADR/T reminded members that the Authority had previously approved a business case for the refurbishment of Preston Circus Fire Station to ensure that it was fit for purpose and reflected the Authority’s design guide. The RIBA Stage 4 design and market costing process had been completed in July 2023 and despite many iterations of alternative plans in order to achieve the key objectives it was not possible to deliver within the original budget. To meet these, primarily the provision of individual temperature-controlled sleeping pods, the management of contaminants and gender appropriate welfare facilities, an additional £1.6m was required. The ADR/T added that the plans for a partner to use the top floor had been removed as, despite many years of discussions, there were no partners wanting the space. The Panel were informed that, whilst the decant strategy had been outlined in the report the final decision on this would be taken by SLT as it was an operational issue, but Members would of course be informed.

The Panel thanked Officers for the report and asked if the financial information included a contingency, the ADR/T confirmed that there were two contingency funds included and were being monitored. In response to a question from Members it was confirmed that there was a suitable solution available for decant that would allow the Service to provide the same level of cover. The Assistant Director Safer Communities added that a Task & Finish

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

Group had been established in July to ascertain the most viable way to achieve a full station decant if required, this group included the Station crews and would be reporting their recommendations to SLT. The suggestion of decanting the station had been made by the crews and they had gone out to actively seek and consider available options.

There was some concern about whether the delivery programme was achievable. The ADR/T confirmed that it was an achievable timetable, a contractor had already been appointed and a contract document would be agreed as soon as possible after this meeting if the Panel approved the recommendations. The contract met the industry standard, including programme management, and included clauses relating to slippage of timescales and build quality and would be monitored closely.

Members asked whether the design guide remained achievable or did it aim too high. The ADR/T responded that the design guide had always been aspirational and was subject to the constraints of the existing buildings and available funding. Officers had learnt a lot through the recently completed works at Hove Fire Station and the intention was to update the guide next year alongside a full review of the Estates Strategy and Capital Programme.

RESOLVED – The Policy & Resources Panel agreed to note:

- i. that 'Scope A' issued in the Morgan Sindall Stage 4 pack met the brief as set out on the Design Guide and had been signed off by the Preston Circus Steering Group;
- ii. that the revised scheme removed the provision of a dedicated entrance and lift to the 2nd floor and the fitting out of surplus space but retained the potential to deliver this at a later date;
- iii. that the programme duration for the works can be reduced by approximately 6 months if the station was fully decanted, which would also reduce costs;
- iv. that a formal proposal regarding decant options would be brought back to SLT for decision in due course; the revenue consequences of the proposed increase in the scheme budget and that this be considered in the wider context of review of the Estates Capital Programme including affordability that will be carried out in 2024/25 as part of the review of the Estates Strategy;

and approved:

- v. a variation to the Capital Programme to increase the scheme budget for Preston Circus from £3.346m to £4.946m and that the budget be reprofiled as set out in para. 6.1 of the report.

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The Panel considered the report of the Assistant Director Resources/Treasurer (ADR/T) seeking approval to continue to participate in the East Sussex Business Rates Pool. The East Sussex Business Rate Pool includes the County Council, five Districts and Boroughs and East Sussex Fire Authority. The Chief Finance Officers had reviewed the position for 2024/25 and building on analysis provided by Local Government Futures and consideration of the performance of and risks associated with the Pool applied to DLUHC to continue. Formal approval would be announced as part of the Provisional Local Government Finance Settlement (LGFS) expected in late December. Any authority may withdraw from the Pool during the consultation period for the LGFS, but this would result in the whole Pool ceasing to operate. It was likely that the consultation period would end before the next meeting of the Panel and therefore it was suggested that responsibility be delegated as detailed in resolution (ii).

RESOLVED – The Panel agreed to:

- i. approve the Authority's continued membership of the East Sussex Business Rates Pool;
- ii. delegate the final decision on whether to participate in the Pool to the Assistant Director Resources/Treasurer after consultation with the Chairman and the Chief Fire Officer; and
- iii. authorise the Assistant Director Resources/Treasurer to take any steps necessary to give effect to the decision in (ii) above.

89 Firefighters' Pension Scheme (FPS) Age Discrimination, Remedy & Immediate Detriment Briefing Note

The Panel received the report of the Assistant Director People Services (ADPS) presenting Members with an update on the situation relating to the McCloud/Sargeant judgement on Age Discrimination and the on-going process of correcting pension scheme members records and payments, known as Remedy, that came in to force on 1 October 2023. The Payroll, Pensions & HR Assurance Manager (PPHRAM) reminded the Panel of the pathway of the Age Discrimination Remedy following the McCloud/Sargeant Employment Tribunal following the court ruling in December 2019 and the work that the Service's pensions team had undertaken to prepare and share data with the administrators West Yorkshire Pension Fund (WYPF). The PPHRAM explained that affected individuals had all been written to and there had been additional internal communications to keep Pension members informed.

Guidance provided by the Local Government Association (LGA) and the Home Office (HO) had set out a priority order for the application of Remedy which allowed pension administrators to resolve cases in a consistent manner. The legislation allowed approximately 18 months for pension scheme managers to complete this process, although the intention would be

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

to address each category as soon as was possible. The PPHRAM added that those individuals who had had to wait for their legacy scheme benefits would be entitled to compensation in the form of interest for which the Government Actuaries Department had provided a calculator, it was not possible to provide the actual costs associated with these payments at this stage as they would be reliant on the timing of resolution.

Members queried the priority order that had been applied by the LGA/HO in their guidance, the PPHRAM explained Remedy would have a greater effect on those who had retired more recently as they had been protected for less time, those who had been retired longer would generally be less financially impacted. Members thanked the pensions team and WYPF for their hard work on this matter.

RESOLVED – The Policy & Resources Panel agreed to note the contents of the Report.

The meeting concluded at 12.40 pm

Signed

Chairman

Dated this

day of

2024

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EAST SUSSEX FIRE AUTHORITY

Meeting	Policy & Resources Panel
Date	18 January 2024
Title of Report	Revenue and Capital Budget 2023/24 and Capital Programme 2023/24 to 2027/28 Monitoring at Month 8 (end November).
By	Duncan Savage – Assistant Director Resources/Treasurer
Lead Officer	Alison Avery - Finance Manager

Background Papers	<p>Fire Authority Service Planning processes for 2023/24 and beyond – Revenue Budget 2023/24 and Capital Asset Strategy 2023/24 to 2027/28</p> <p>Revenue and Capital Budget 2022/23 and Capital Programme 2022/23 to 2026/27 – Provisional Outturn</p>
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Appendices	<p>Appendix 1: Revenue Budget 2023/24 Objective Analysis</p> <p>Appendix 2: Savings Programme 2023/24</p> <p>Appendix 3: Grants and Spending Plans 2023/24</p> <p>Appendix 4: Capital Programme 2023/24 to 2027/28</p> <p>Appendix 5: Estates & Engineering Capital Budgets 2023/24</p> <p>Appendix 6: Reserves 2023/24</p> <p>Appendix 7: ITG Strategy 2023/24</p>
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Implications

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 2023/24 and Capital Programme 2023/24 to 2027/28.
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EXECUTIVE SUMMARY	This is the fourth report to Members for the 2023/24 financial year and highlights the findings from the Month 8 monitoring undertaken on the Revenue Budget 2023/24 and 5 year Capital Programme 2023/24 to 2027/28, approved by the Authority in February 2023.
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A net revenue underspend to the sum of £42,000 has been identified, as summarised in Appendix 1. This is due to the following underspends:

- Treasury Management (£723,000)
- Corporate contingency (£222,000)
- Additional funding (£159,000)
- Protection vacancies (£128,000)
- CPD for wholetime and on-call (£107,000)
- IT Project delays (£98,000)
- Communications vacancies (£54,000)
- CRM & Airbus licences (£51,000)

These are offset by the following pressures:

- Wholetime overtime within Groups (£516,000)
- Wholetime pay within Groups (£428,000)
- On-call within Groups (£157,000)
- CRM unachieved savings (£104,000)
- Payroll posts due to budget error (£98,000)
- Firelink contract uplift (£79,000)
- Unfunded pensions (£73,000)
- Procurement unachieved savings (£66,000)
- Primary datacentre relocation (£50,000)

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

Safer Communities are forecasting an overspend of £842,000, with the forecast overspend in Groups totalling £970,000. The forecast within Groups has not changed since P6 and whilst it was hoped overtime would start to reduce the actual spend incurred since P6 is in line with the previous forecast. There is the potential that overtime will reduce now the Flexible Resourcing Pool (FRP) is fully established and additional on-call staff are providing FRP cover. The Service must maintain a significant focus on delivering the Safer Communities action plan to reduce pressures within the department. It is anticipated some pressures will continue into 2024/25 and further analysis will be undertaken to understand what this pressure is likely to be.

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

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 6.

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 2023/24 Capital Budget and five year Capital Strategy of £28,280,000 was approved by the Fire Authority on 9 February 2023. The Capital Strategy has been increased to £28,793,000 to include slippage of £975,000 and allocation of spend in advance of £462,000 from 2022/23.

The current year Capital Budget was approved by the Fire Authority at £8,421,000 and updated to £8,934,000 (Property £5,665,000 and Fleet and Equipment £3,279,000) including slippage of £975,000 brought forward from 2022/23, allocation of spend in advance of £462,000 from 2022/23.

Officers have reviewed the capital plans for 2023/24 and report slippage on delivery of projects to the value of £3,911,000 (43.8%) and spend in advance of £211,000. In addition underspend of £478,000 is expected against capital schemes. The underspend has reduced by £234,000, although there are significant movements within Estates and Engineering. Detailed information is contained within section 8. The Estates and Engineering Capital Projects 2023/24 are detailed in Appendix 4.

The position on reserves shows an opening balance of £14,460,00. The forecast net drawdown from reserves is £5,724,000, a reduction of £1,569,000 compared to the planned drawdown of £7,293,000. This results in an estimated closing balance of £8,736,000, as detailed in section 10 and summarised in Appendix 6. 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 £17,290,000 due to the Bank of England's increase in base rate. Interest receivable is projected at £800,000, resulting in a surplus of £650,000 when compared to the budget. Interest payments on fixed rate loans of £9,817,000 are unaffected. Loans totalling £0.4m are due to be repaid this financial year.

RECOMMENDATION

The Policy & Resources Panel is recommended to note:

- (i) the risks to Revenue Budget and the projected underspend,
- (ii) the forecast slippage and risks to the Capital Programme,
- (iii) the ITG strategy position
- (iv) the reduced net forecast drawdown from reserves,
- (v) the grants available and spending plans,
- (vi) the monitoring of savings taken in 2023/24; and
- (vii) the current year investments and borrowing.

1. **INTRODUCTION**

- 1.1 The original Revenue Budget 2023/24 and Capital Strategy 2023/24 to 2027/28 was approved at the meeting of the Fire Authority on 9 February 2023.
- 1.2 This is the fourth report to Members for the 2023/24 financial year and highlights the findings from Month 8 (end November) monitoring undertaken on the Revenue and Capital Budget 2023/24 and Capital Programme 2023/24 to 2027/28. It should be noted the review is based on currently available information and the result may change as new information emerges during the year.

	This P&R (Month 8)	Last P&R (Month 6)	Movement
	£'000	£'000	£'000
Revenue (see section 2)	(42)	(7)	(35)
Capital in year (see section 7)	(4,178)	(4,402)	224

- 1.3 The Revenue Budget approved by the Fire Authority in February 2023 was a net expenditure requirement of £40,057,000
- 1.4 A net revenue underspend to the sum of £42,000 has been identified at Month 8 (end November) and is reflected in the Revenue Budget 2023/24 objective summary at Appendix 1 and detailed in section 2.
- 1.5 The savings requirement 2023/24 is £1,295,000. The current position shows we have delivered or are on course to deliver £1,230,000 (95%) of savings. There are two savings at risk, which also relate to prior year savings, as detailed in Section 5.
- 1.6 The grants available total £3.983m, including grants brought forward from previous years, as summarised in Appendix 3 and detailed in section 6.
- 1.7 The five year Capital Strategy 2023/24 to 2027/28 was approved by the Fire Authority in February 2023 at £28,280,000. The Capital Strategy has been increased to £28,793,000 to include slippage of £975,000 and allocation of

spend in advance of £462,000 from 2022/23. The 5 year Capital Programme is projected to underspend by £478,000 as summarised in Appendix 4 and detailed in section 8.

- 1.8 The Capital Budget for 2023/24 was approved by the Fire Authority at £8,421,000 and updated to £8,934,000 including slippage of £975,000 brought forward from 2022/23, allocation of spend in advance of £462,000 from 2022/23.
- 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 7, 10 and 11 respectively.

2. REVENUE BUDGET COMMENTARY

- 2.1 The Revenue Budget is projected to underspend by £43,000. This is summarised across directorates in Appendix 1 and detailed explanations are provided below.
- 2.2 In the previous report a forecast of £150,000 had been included for the green book pay award, based on an award of 6%.

The pay award was agreed at £1,925 and directorate forecasts have been updated to include the impact of the pay award. Budget of £120,000 has been transferred from contingency to departments to cover the pressure of the pay award above the 4% provided within the original 2023/34 budget.

- 2.3 The total additional cost incurred in relation to the fire at the Royal Albion Hotel in Brighton is £19,000 and this is included within the forecast. Overtime costs were £6,000, with a further £7,000 on-call costs providing support and standby moves and £3,500 on recall to duty. Other spends were incurred for fuel, equipment and fireground feeding. This figure does not include costs already included within the revenue budget e.g. crews already on duty during the incident. There are no additional costs relating to over the border assistance provided by other fire & rescue services.

- 2.4 **People Services:** Expected overspend of £79,000, as follows:

- 2.4.1 **HR:** Expected underspend of £50,000 (previous forecast £54,000 underspend). The underspend can be attributed to staff vacancies (£31,000), drawdown from People Strategy reserve to cover EDI training (£20,000), NHS prescriptions (£3,000), training (£3,000), offset by pressures due to maternity leave cover (£3,000), interview expenses in relation to the Direct Entrant post (£2,000). There are some other small variances within the department.
- 2.4.2 **AD Admin Support:** Expected underspend of £37,000 (previous forecast £36,000 underspend). The underspend relates to a vacancy, with the movement since P6 relating to the pay award.
- 2.4.3 **Service Training Centre and Workforce Development:** An overspend of £72,000 is expected (previous forecast £53,000 overspend). The overspend

can be attributed to on-call training (£78,000), instructor overtime (£28,000), loss of commercial training income (£27,000) and wholetime covering absences (£21,000), offset by vacancies (£69,000), timber (£5,000) where excess inflation was provided and reduced usage of scrap cars (£4,000).

The movement since P6 can be attributed to a reduction in vacancies.

- 2.4.4 **Payroll:** An overspend of £80,000 is expected (previous forecast £77,000 overspend). The pressure is caused by an error in the budget for Pensions posts (£98,000) and pension advisory & interest charges (£5,000), offset by an underspend of £23,000 relating to vacancies.

The increase since P6 can be attributed to staff pay, with an individual increasing their hours.

- 2.4.5 **Occupational Health:** Expected overspend of £27,000 (previous forecast to £27,000 overspend). The overspend relates to medical fees with an increased usage this year.

- 2.5 **Resources/Treasurer:** Expected underspend of £57,000, as follows:

- 2.5.1 **Estates:** An underspend of £1,000 is expected (previously forecast £46,000 underspend). The underspend can be attributed to pressures on reactive maintenance (£55,000) and RAAC surveys (£40,000), offset by underspends on planned maintenance (£58,000) and staffing due to vacancies (£30,000). There are a number of small variances across the department.

The movement since P6 can be attributed primarily to RAAC surveys (£40,000) with other small movements on maintenance and staffing, where a vacancy has been filled earlier than previously anticipated.

- 2.5.2 **ITG:** Currently expecting an underspend of £11,000 (previous forecast £120,000 underspend). The underspend relates to project delays in Paging & Alerting, Health & Safety Management system and EDRMS (£98,000), delay in the rollout of MLL WAN services (£13,000), a reduction in CRM and Airbus licences (£51,000), reduced charges from JFC (£10,000) and reduced charges from BT due to cease dates being earlier than anticipated (£17,000). These are offset by pressures for Firelink charges, where inflation of 13.5% has been applied (£79,000), primary datacentre relocation (£50,000), additional Webex and Office 365 licences (£24,000), additional SIM cards for portable devices, caused by CRM tablets and increased mobile working (£18,000), assumed reduction in printing not realised (£8,000), staff vacancy factor not realised (£4,000), along with other small overspends and underspends across the department.

The reduction in underspend since P6 can be attributed Primary datacentre relocation (£50,000), increased WAN costs due to the faster rollout of new MLL service (£35,000) and shared MLL implementation costs not previously forecast (£27,000), CRM and Airbus licences (£37,000) offset by reductions due to BT lines being ceased (£17,000) and a reduction in Webex and Office 365 licences (£12,000) and other small movements across the department (£9,000).

2.5.3 **Procurement:** An underspend of £12,000 is expected (previously forecast £36,000 overspend). Underspend of £42,000 is attributable to staff pay due to a vacancy and £15,000 against the consultancy budget. This is offset by an overspend of £45,000 relating to PPE where there is an expected inflationary increase of 17.1%.

The movement since P6 can be attributed to an error in the calculation of backdated pay awards and an adjustment to the vacancy period.

2.5.4 **Finance:** An underspend of £25,000 is expected (previously forecast to budget). Underspend of £19,000 relates to insurance where savings for CCTV on vehicles were delivered earlier than anticipated and a surplus of £9,000 has been distributed by FRIC, with a further £4,000 attributable to a part time vacancy.

2.5.6 **Legal Services:** A underspend of £10,000 is expected (previously forecast £12,000 underspend). The forecast has been amended now the Q2 invoice has been received.

2.6 **Planning and Improvement:** A forecast underspend of £132,000 is expected as follows:

2.6.1 **Communications:** An underspend of £64,000 is expected (previously forecast £63,000 underspend). Underspend of £54,000 relates to vacancies within the team, with a further £12,000 underspend on advert & publicity. There are small variances over a number of categories.

Since the P6 forecast additional staffing costs to support Future Foundations (£12,000) are offset by a reduction in advert & publicity (£12,000).

2.6.2 **Performance:** An underspend of £48,000 is expected (previously forecast £92,000 underspend). The underspend can be attributed to a vacancy within the team.

The movement since P6 can be attributed to an unused budget of £44,000 for an officer to support HMICFRS inspection being moved to contingency as agreed by Senior Leadership Team (SLT).

2.6.3 **Cost of Democracy:** An underspend of £20,000 is expected (previously forecast £13,000 underspend). Underspends on webcasting (£15,000), members allowances (£11,000) and travelling (£2,000) are offset by an overspend of £8,000 on staffing relating to a backdated pay award and maternity cover.

The movement since P6 can be attributed to a member vacancy and updates to pay forecasting.

2.7 **Safer Communities:** An overspend of £842,000 (previously forecast £896,000 overspend) is expected with the variance detailed below.

Significant focus needs to be maintained on the Safer Communities action plan to reduce the forecast pressure for 2023/24 and to ensure that the position does not impact on the 2024/25 budget. These actions include:

- Fixed term contracts being reviewed by workforce planning to ensure they are only used when absolutely necessary and considered in conjunction with overtime risks of not doing so to minimise the pressure.
- Performance measures need to be reported to ensure highly effective monitoring and approval of requests for overtime.
- Overtime is closely monitored through the year, managers should be sighted on overtime dashboard reporting.
- Review outstanding CRM savings to identify amount deliverable.
- The annual leave, sickness and light duties policies are reviewed.
- Occupational health contract is reviewed to ensure the process is conducive to ensuring staff return to work at the earliest opportunity.

Finance are attending Group meetings on a monthly basis and are working with Station Managers to support their financial understanding and provide more detailed analysis of their station expenditure.

2.7.1 **AD Safer Communities:** An overspend of £104,000 is expected (as per P6 forecast). This pressure relates to savings as detailed in section 5.

2.7.2 **Groups:** The Groups are reporting an overspend of £970,000 (previous forecast overspend £970,000).

The forecast for the Groups includes the IRMP changes, although there are a number of moves still in progress. Finance and HR are working closely to ensure changes are reflected within the forecast.

Whilst re-profiled last financial year, the on-call budget does not appear to reflect current activity and spend patterns across the stations and work will be completed to re-allocate these budgets in January 2024.

In November 2023 there were a total of 13 individuals on light duties, 21 individuals on long term absences and a total of 12 FTCs. It is anticipated the number of FTCs will reduce, with FTCs falling to 10 in December, with 8 FTCs currently forecasted as at March 2024. There are 5 potential ill health retirements, however the timing of these is uncertain and they remain forecasted for the remainder of the financial year.

Overtime levels have remained consistent across 2023/24 and demonstrate a reliance on overtime to cover crewing shortages. The current forecasting model which extrapolates year to date overtime based on prior year overtime profiling appears to be effective as actual costs since P6 are in line with the previous forecast and have not reduced as hoped. The Flexible Resource Pool within OSR is now fully established and is supported by on-call staff. It is not yet clear the impact that this will have in reducing overtime but it is anticipated we will have a better understanding once these individuals have been in post for a couple of months.

It is likely that some pressures will continue into 2024/25 and further analysis needs to be undertaken to understand the potential level of this pressure.

West: An overspend of £591,000 is expected. Overspend of £305,000 relates to wholetime pay, with an average over-establishment of 8.83 during the year. Additionally £234,000 overspend is due to overtime with a further £81,000 relating to on-call spend, offset by an underspend of £33,000 across wholetime and on-call.

Central: An overspend of £119,000 is expected. Overspend of £78,000 relates to wholetime pay, with an average over-establishment of 2 during the year. Additionally £150,000 overspend is due to overtime and this is offset by an underspend of £48,000 relating to on-call spend and £71,000 relating to CPD across wholetime and on-call.

East: An overspend of £260,000 is expected. Overspend of £45,000 relates to wholetime pay, with an average over-establishment of 2.33. Additionally £132,000 overspend is due to overtime with a further £124,000 relating to on-call spend, offset by an underspend of £36,000 on CPD for wholetime and on-call.

- 2.7.3 **Prevention:** An underspend of £25,000 is expected (previous forecast £17,000 underspend). An underspend of £60,000 relates to vacancies within the department. These are offset by an overspend of £18,000 relating to Cadets, £17,000 overtime for Home Safety Visits and £5,000 for Soloprotect service charge which supports lone working. There are a number of other variances within the department.

The movement since P6 can be largely attributed to allocation of additional budget for pay award which includes those posts are vacant.

- 2.7.4 **Protection:** An underspend of £128,000 (previously forecast £116,000 underspend). The underspend mainly relates to vacancies within the department.

The movement since P6 can be attributed to additional budget provided for the pay award.

- 2.7.5 **IRMP:** An underspend of £79,000 is expected (previous forecast £45,000 underspend). This is due to a temporary Group Manager position being held vacant. The movement since P6 is a result of a decision not to recruit to the post for the remainder of the financial year.

- 2.8 **Operational Support & Resilience:** A forecast overspend of £19,000 is expected as follows:

- 2.8.1 **AD OSR:** An overspend of £5,000 is expected (previous forecast £5,000 overspend). The overspend can be attributed to FBU overtime for which there is no budget.

- 2.8.2 **Engineering:** An underspend of £66,000 is expected (previous forecast £126,000 underspend). The underspend can be attributed to equipment, including heavy rescue equipment (£188,000), fuel (£49,000), staff (£20,000),

offset by overspends on vehicle maintenance and repairs (£146,000), departmental restructuring costs (£43,000) and breathing apparatus (£4,000). There are small variances across a number of other categories.

The forecast spend has increased by £60,000 since P6, this is due to departmental restructuring costs (£43,000), which had previously been expected to be incurred in 2024/25, equipment (£19,000) including the purchase of command support wallets and specialist PPE, with a reduction for fuel based on latest prices (£8,000). There were a number of other variations where outstanding commitments were reviewed.

2.8.3 Ops P&P: An overspend of £38,000 is expected (previous forecast £63,000 overspend). The overspend can be attributed to pressures in relation to hydrants (£105,000) and water rescue training (£3,000), offset by vacancies within the department (£66,000).

The movement since P6 can be attributed to a reduction in staff costs (£38,000), which mainly relates to additional budget provided for the Flexible Resource Pool, offset by an increase on hydrants (£18,000).

There was a significant peak in spend on hydrants during August (£60,000), which is the reason for the increase in forecast, which is significantly higher than previous years where hydrants have been underspent. The spend had reduced in September but has risen again since. The team are working to understand the true impact on the revenue budget.

2.8.4 Control Room: An overspend of £41,000 is expected (previous forecast £101,000 overspend) based on the latest forecast received from Surrey FRS. The overspend can be attributed to staffing costs and IT systems.

Staff costs are higher than budgeted due to overtime, with additional costs for holiday pay and an extra bank holiday. The reasons for the overtime will be interrogated to determine whether there are controllable factors that can reduce future overtime levels. It is hoped the recent recruitment of bank staff will help to lower the amount.

There is also overspend on IT systems. Some of the overspend is due to the systems not being included within the budget and part is due to inflationary increases being higher than budgeted.

The movement since P6 can be attributed to a reduction in staffing costs (£10,000) and the transfer to mobilising reserve contribution (£50,000) which had been duplicated and is included within transfers to reserves budget.

2.9 CFO: An overspend of £37,000 is expected (previous forecast £38,000 overspend). Overspend of £44,000 relates pay and is mainly due to the gold book pay award backdated to 1 January 2022. Additionally underspend of £9,000 is expected across a number of non-pay budgets.

The movement since P6 can be attributed to a review of non-pay budgets.

2.10 **Treasury Management:** This budget is reporting an underspend of £723,000 (previous forecast £573,000 underspend). The interest receivable for cash investments is expected to overachieve by £650,000 due to rising interest rates, with further underspends of £70,000 on interest payable and £2,000 on MRP due to slippage of the capital programme.

The movement since P6 can be attributed to additional interest receivable of £150,000 being forecast.

2.11 **Non-Delegated Costs:** An overspend of £275,000 is expected (previous forecast £139,000 overspend). The overspend is attributable to ill health retirements (£137,000), unfunded pension costs (£73,000) and unachieved procurement savings (£66,000) where it has not been possible to allocate against service budgets. Other small variances within non-delegated offset one another.

The movement from P6 relates to ill health retirements, with anticipated future retirements now included within the forecast. If the retirements do not happen before 31 March 2024 this will impact the outturn position. The position will continue to be monitored with HR as the year progresses.

The non-delegated budget includes the remainder of the Workforce transition budget at £77,000. This is currently forecast to budget. At this stage a total of £18,925 has been committed for 2023/24, this covers:

- £16,000 – Benenden trial
- £2,600 – DBS checks
- £325 – 360 degree feedback

Budget of £6,150 for Independent Reporting Lines has been transferred to People Services

The non-delegated budget includes the £300,000 budget for Future Foundations. This is currently forecast to budget, with a total of £267,000 committed.

It is intended any in-year underspends from Workforce transition and Future Foundations are transferred to a Future Foundations reserve at year end to fund any implementation costs.

2.12 **Corporate Contingency:** A contingency budget of £222,000 is currently forecast to underspend and is supporting the overall forecast position.

Further information is provided in section 10.

2.13 **Financing:** Current information indicates that the Service will receive additional funding of £159,000 (as per previous forecast).

Based on forecasts from Local Government Futures it is expected an additional £74,000 will be received for Business Rates, with a further £86,000 received in relation to council tax surpluses.

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 following the last quadrennial valuation. The most significant risk is the impact of Remedy for both McCloud / Sargeant and Matthews / O'Brien cases on the scheme valuation and employer's contribution rates from 2024/25, which we understand the Government will cover through an additional one off grant. The Authority will be liable for any non-scheme costs including interest and unauthorised tax charges as well as any additional administrative costs. 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 2024 will be £144,000, with £72,000 committed in 2023/24 as funding for Pensions posts.
- 3.2 **Pay Award 2023/24:** The budget provided for 4% pay awards across gold, grey and green book staff.
- 3.2.1 Gold book pay awards backdated to January 2022 are included within the reported forecast position.
- 3.2.2 Grey book staff have been awarded 7% from 1 July 2022 and 5% from 1 July 2023, which is included within the forecast position.
- 3.2.3 Green book staff have been awarded £1,925 from 1 April 2023, which is included within the forecast position. £120,000 has been allocated from contingency to cover the pay award.
- 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 Estates Team has completed an initial review of the capital programme and SLT has agreed priorities for delivery to the end of 2024/25 (which will be reflected in the draft budget report to January P&R Panel) and will carry out a full review of the Estates Strategy in 2024/25. Additional funding has been agreed to address inflationary pressures on the Preston Circus project (£1.6m) and new funding for Fort Rd Engineering Workshop (£0.5m). These will be reflected in the 2024/25 budget papers.
- 3.4 **Inflationary Contract Increases:** In addition to utilities and fuel additional budget provision was allocated for maintenance and term contracts (£70,000), legal services (£4,000) and catering (£6,000). A standard 2% inflationary budget increase was included for all non-pay totalling £181,000. This there is a risk

pressures will arise across non pay spend budgets that cannot be absorbed. This position will continue to be monitored with input from Procurement.

4. MANAGING REVENUE BUDGET PRESSURES

4.1 As risks crystallise the resulting pressures will be included within the revenue budget forecast. A number of areas require further analysis to identify further pressures or opportunities.

4.2 SLT has agreed the following controls are put in place for 2023/24:

- Workforce Planning Group will be used as a mechanism to:
 - Approve recruitment to all vacancies
 - Approve the use of agency staff
 - Have oversight of overtime spend (with a particular focus on Safer Communities & Training)
 - Review and agree forecasts for operational (grey book) strength.
- Management of discretionary spend to be a key focus, with Finance Business Partners working with budget managers to review opportunities to manage underspends on non-pay spend in 2023/24 with particular focus on areas such as training, estates maintenance and equipment (IT and Engineering).

5. SAVINGS PROGRAMME 2023/24

5.1 Appendix 2 summarises the net savings requirement 2023/24 of £1,295,000. 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 £1,230,000 (95%) of savings.

Procurement savings of £66,000 (£15,000 2023/24 and £51,000 prior year) have not been allocated and are causing a pressure. It has been agreed this saving will be removed as part of 2024/25 budget setting.

A pressure of £104,000 within Safer Communities (£50,000 2023/24 and £54,000 prior year) relating to CRM will be removed as part of budget setting for 2024/25. The CRM project resulted in a reduction in 4 posts, however these budget reductions were not allocated correctly against CRM at the time. There will be a further review through Future Foundations to identify any further efficiencies.

6. GRANTS 2023/24

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 £3.983m, as summarised in Appendix 3.

6.2 The latest grants are detailed below:

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 2023/24. A spend plan has been developed to utilise this grant and it is expected £104,000 will be drawn down from the £125,645 brought forward from 2022/23.

6.2.4 **Accreditation & RPL Grant Funding:** £22,737 is carried forward from 2022/23 for the purposes of accrediting fire protection officers and fire safety engineers. It is anticipated this grant will be utilised over the next two years.

6.2.5 **Fire Fighter Pension Scheme:** this is used towards the shortfall in employer's pension contributions.

6.2.6 **New Dimensions:** £47,667 is carried forward from 2022/23 and additional £27,430 grant relates to 2023/24. A spending plan has been developed and it is expected £54,231 will be spent this year, with the balance of £20,866 carried forward to 2024/25.

6.2.7 **Responding to New Risks:** £31,355 is carried forward from 2022/23, and additional £6,500 grant relates to 2023/24. A spending plan has been developed and it is expected £37,111 will be spent this year, with the balance of £744 carried forward to 2024/25.

7. CONTINGENCY 2023/24

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 2023, the Fire Authority agreed a contingency of £533,000 for the 2023/24 financial year. This included the general 2% inflation provision of £181,000 which has not been allocated out to relevant non pay spend budgets.

7.2 The contingency increased by £336,000 as approved by SLT and brings the total amount available to £913,000.

Commitments approved to date total £691,000 for the grey and green book pay awards, leaving a contingency balance of £222,000 as at the end of November as detailed in the table below:

	£'000
Opening Balance 1 April 2023	533
Utilities underspend agreed by SLT in July	120
Wholetime recruitment underspend agreed by SLT in July	175
MTFP consultation underspend agreed by SLT in July	41
HMICFRS Officer underspend agreed by SLT in September	44
Available	913
Allocations	
Grey book pay award	(571)
Green book pay award	(120)
Total Allocated	(691)
Amount Remaining end November 2023	222

8. CAPITAL PROGRAMME COMMENTARY

8.1 The original 2023/24 Capital Budget and five year Capital Strategy of £28,280,000 was approved by the Fire Authority on 9 February 2023. The Capital Strategy has been increased to £28,793,000 to include slippage of £975,000 and allocation of spend in advance of £462,000 from 2022/23.

8.2 The Capital Programme is funded by: Capital Receipts Reserve £626,000, Capital Programme Reserves £13,895,000, and New Borrowing £13,794,000 as shown in the table below. Overall, the revised 5 year Capital Programme is forecasted to come in £478,000 underspent.

	2023/24	2024/25	2025/26	2026/27	2027/28	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Estates	4,680	2,849	4,347	3,151	1,090	16,117
Fleet & Equipment	3,741	2,529	1,741	1,928	2,224	12,163
Original Approved Programme	8,421	5,378	6,088	5,079	3,314	28,280
Slippage from 2022/23	975					975
Spend in Advance from 2022/23	(462)					(462)
Slippage to 2024/25	(3,911)	3,911				0
Spend in Advance from 2024/25	211	(211)				0
Underspend	(478)					(79)
Updated Capital Programme	4,756	9,078	6,088	5,079	3,314	28,714
Funded by:						
Capital Receipts Reserve	626	0	0	0	0	626
Capital Programme Reserve	4,130	2,265	2,000	2,500	3,000	13,895
New Borrowing / Need to Borrow		6,813	4,088	2,579	314	13,794
Updated Capital Programme	4,756	9,078	6,088	5,079	3,314	28,315

8.3 **Capital Funding** – 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 2023/24** was approved by the Fire Authority at £8,421,000 and updated to £8,934,000 (Property £5,655,000 and Fleet and Equipment £3,279,000) including slippage of £975,000 brought forward from 2022/23 and allocation of spend in advance of £462,000 from 2022/23.

8.5 A review of the 2023/24 capital budget by officers has identified slippage to the value of £3,911,000 (46.4%) and spend in advance of £211,000. There is additional underspend of £478,000 expected, as summarised in Appendix 4.

8.5.1 The Estates / Property underspend is £2,985,000, of which £3,088,000 is slippage due to the reprioritisation and reprofiling of works and £103,000 relates to spend in advance. Work has been delayed in relation to Preston Circus, Roedean, Eastbourne, Bohemia Road, the four MPTH, Security, Sustainability, Training Towers, Bay Doors, Floors and IT Building works.

The underspend has reduced by £1,234,000 since P6, which can be attributable to work at Preston Circus expected to start earlier than previously anticipated against an increased scheme budget, with a number of other smaller movements across the programme.

8.5.2 The Fleet underspend is £1,193,000. There is slippage of £823,000, relating to 3 ancillary vehicles, 6 vans including the Fire Investigation and Hazmat vans, and £67,000 relates to a decision to pause the purchase of pool cars whilst a review is undertaken, with a further £35,000 relating to IRMP equipment. Spend in advance of £1208,000 relates to the water carrier, where budget was previously slipped to 2024/25 during budget setting. Underspend of £478,000 relates to six vehicle purchases, CCTV installation and equipment.

The forecast position includes the decision to capitalise 80% of the Vehicle Build Officer costs, however at this stage this is shown separately and will be allocated against projects in due course.

The forecast spend has reduced by £1,000,000 since P6. Underspend of £371,000 relates to two aerial purchases which have now been completed. Additional slippage of £646,000 relates to a number of vehicles, some of which will not now be delivered until the new financial year and some of which are as a result of the decision by SLT to extend the useful life of light fleet, thus deferring the replacement purchases.

9 IT STRATEGY 2023/24

9.1 A review of the 2023/24 IT Strategy forecasts indicates a total of £2.030m will be drawn down from the reserve this year, against an original plan of £5.268m. The main slippages relate to Process Digitisation (£301,000), ESN (£1.425m), Finance System Improvement/Replacement (£172,000), Health & Safety system (£123,000), Pagers and Alerters (£428,000), Telephony (£270,000) and Laptop Lifting (£250,000). The full breakdown can be seen in Appendix 7.

There has been a reduction of £262,000 since P6, which can be attributed to Finance System Improvement/Replacement (£172,000), Information Security (£56,000) and IT outsources re-tender (£34,000) due to project delays, with spend expected to be incurred in 2024/25 and 2025/26.

10 **RESERVES 2023/24**

10.1 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).

10.2 The opening balance of reserves at 1 April 2023 is £14.460m.

10.3 The forecast net drawdown from reserves totals £5,724,000 compared to the original planned net drawdown of £7,293,000. This is a net reduction in drawdown of £1,569,000 resulting in an estimated balance at 31 March 2024 of £8,736,000 as summarised in the table below and detailed over individual reserves in Appendix 6.

		Original Planned Net Transfers	Forecast Net Transfers	Net change	
	Balance at 1 April 2023	2023/24	2023/24	2023/24	Balance at 31 March 2024
	£'000	£'000	£'000	£'000	£'000
Earmarked Reserves	12,384	(7,086)	(5,667)	1,419	6,717
General Fund	1,556	319	463	144	2,019
Total Revenue Reserves	13,940	(6,767)	(5,204)	1,563	8,736
Total Capital Reserves	520	(526)	(520)	6	0
Total Usable Reserves	14,460	(7,293)	(5,724)	1,569	8,736

10.4 Work continues with budget managers to confirm the planned use of revenue and capital reserves in 2023/24.

10.5 The main reasons for the overall net reduction in forecast drawdown of £1,542,000 are as follows:

Earmarked Reserves – Decrease of £1,473,000

- £627,000 – changes to drawdown from Business Rates Pool Reserve based on P8 budget monitoring forecast for Protection spend, changes to contribution into the pool for 2022/23 and forecast of contribution into the pool for 2023/24
- (£25,000) – increased drawdown from Mobilising reserve
- (£73,000) – increased drawdown from the Improvement & Efficiency reserve
- £776,000 – reduced drawdown from the Capital Programme Reserve
- (£71,000) – increased drawdown from the Covid reserve

- £44,000 – reduced drawdown from the Carry Forward Reserve
- (£1,000) – increased drawdown from cadets reserve
- (£147,000) – increased drawdown from People Strategy reserve
- £6,000 – reduced drawdown in respect of grant balances carried forward
- £169,000 – reduced drawdown from the ITG strategy reserve
- £33,000 – reduced drawdown from the Pensions Administration reserve
- £81,000 – contribution to Future Foundations reserve

General Reserve – Increase of £144,000

- £144,000 – increased contribution to general reserve from 2022/23 underspend on wholtime recruitment previously held in People Strategy reserve

Capital Reserves – Decrease £6,000

- £6,000 – due to balance of Capital Receipts Reserve being lower than anticipated when the budget was set and additional capital receipts received during 2023/24.

11. BORROWING AND INVESTMENT

11.1 As at end November, the Authority held cash balances of £17,290,000 which were invested in accordance with the Treasury Management Strategy, as follows:

Counterparty	Duration	Amount £m	Interest Rate %
Aberdeen Cash Money Market Fund	Overnight Access	3.000	5.30
Deutsche Cash Money Market Fund	Overnight Access	3.000	5.32
Aviva Cash Money Market Fund	Overnight Access	1.290	5.37
Barclays	95 Day Notice	3.000	5.30
Goldman Sachs	Fixed to 06/12/23	2.000	5.23
Standard Chartered ESG	Fixed to 05/01/24	1.000	5.81
Standard Chartered ESG	Fixed to 09/02/24	1.000	5.67
Natwest	Fixed to 04/11/24	1.000	5.50
Natwest	Fixed to 01/08/24	1.000	5.91
Natwest	Fixed to 03/05/24	1.000	4.82
Total Investments		17.290	

11.2 The Bank of England base rate rose 0.25% to 5.25% in August. We are continuing to see an impact as Banks increase their rates on investments, resulting in higher levels of interest receivable. Latest modelling indicates the income of around £800,000 can be achieved, £650,000 above the budgeted level of £150,000.

- 11.3 The current forecast of a reduction in reserves of £5.751m 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.
- 11.4 The Authority's borrowing has reduced to £9,581,000, with the repayment of 2 loans totalling £236,000 in September 2023. The increase in base rate does not impact the interest payable on outstanding borrowing as these are subject to fixed interest rate deals.

No further borrowing is expected this financial year.

Revenue Budget 2023/24 – Objective Summary

	Original Budget	Revised Budget	Projected Outturn	Variance	Variance	Variance Month 6 Reported to P&R	Variance From Last Reported
	£'000	£'000	£'000	£'000	%	£'000	£'000
People Services	4,200	4,073	4,153	79	1.9	66	13
Resources/Treasurer	9,093	8,984	8,926	(58)	(0.6)	(142)	84
Planning and Improvement	1,555	1,442	1,310	(132)	(9.1)	(167)	35
Total Deputy Chief Fire Officer	14,847	14,499	14,389	(110)	(8)	(241)	132
Safer Communities	22,862	23,504	24,345	842	3.6	896	(55)
Operational Support	4,942	4,966	4,985	19	0.4	43	(24)
Total Assistant Chief Fire Officer	27,805	28,469	29,329	860	4	938	(79)
CFO Staff	844	848	885	37	4.4	38	(0)
Treasury Management	755	755	32	(723)	(95.8)	(573)	(150)
Non Delegated costs	(1,052)	(1,060)	(784)	275	(25.9)	139	136
Corporate Contingency	533	221	0	(221)	(100.0)	(298)	76
Transfer from Reserves	(636)	(636)	(636)	0	0.0	0	0
Transfer to Reserves	1,961	1,961	1,961	0	0.0	0	0
Total Corporate	2,405	2,090	1,457	(632)	(217)	(694)	62
Green book pay award	0	0	0	0	0.0	150	(150)
Total Net Expenditure	45,057	45,057	45,175	118	(221)	153	(35)
Financed By:							
RSG	(3,662)	(3,662)	(3,661)	1	(0)	1	0
Council Tax	(31,093)	(31,093)	(31,093)	0	0	0	0
Business Rates	(7,776)	(7,776)	(7,827)	(51)	1	(51)	0
Service Grant Allocation	(408)	(408)	(408)	(0)	0	(0)	0
Covid-19 Local Tax Support Grant	(56)	(56)	(56)	0	0	0	0
S31 Grants	(2,063)	(2,063)	(2,086)	(23)	1	(23)	0
Collection Fund Surplus/Deficit	0	0	(86)	(86)	0	(86)	0
Total Financing	(45,057)	(45,057)	(45,217)	(159)	0	(159)	0
Total Over / (Under) Spend	0	0	(42)	(42)	0	(7)	(35)

Savings Programme 2023/24

Description	Savings 23/24	Projection 22/23	At Risk	R.A.G Rating
	£'000	£'000	£'000	Select Status
Reduce contingency - one year only - reversal	48	48		
IT Projects to be reprofiled - reversal	33	33		
Procurement savings	(25)	(10)	(15)	
Insurance - installation of CCTV on fleet	(15)	(15)		
Telent contract savings	3	3		
CRM Benefits realisation	(50)		(50)	
IRMP savings	(49)	(49)		
Finance Business Partner	(60)	(60)		
Finance Support Services Contract	(35)	(35)		
Insurance - removal of PA cover	(23)	(23)		
EIRS	(27)	(27)		
Trustmarque 0365 EA Agreement	(20)	(20)		
Astrium	(8)	(8)		
BT	(22)	(22)		
ITG Training	(3)	(3)		
SEE Phase 4	(30)	(30)		
Finance and Improvement	(30)	(30)		
Additional Rates Savings	(106)	(106)		
Licences	(4)	(4)		
Consultant Fees	(20)	(20)		
E-recruitment	(4)	(4)		
Firewatch Benefits realisation	25	25		
HR travel and licences	(9)	(9)		
NHS recharges	(4)	(4)		
VDU eye tests	(2)	(2)		
Occupational health psychology	(8)	(8)		
Occupational health medical fees	(10)	(10)		
Officers subsistence	(1)	(1)		
EDI training	(10)	(10)		
Car allowance	(4)	(4)		
External training	(160)	(160)		
Engineering Fitting Out	(30)	(30)		
Engineering Heavy Rescue Equipment	(52)	(52)		
Control IT SLA	(199)	(199)		
Budget Error - CRM	(54)	(54)		
Additional Availability Allowance	(20)	(20)		
NI reduction	(230)	(230)		
Support Staff Pay Vacancy Factor	(80)	(80)		
Total Net Savings	(1,295)	(1,230)	(65)	

Grants and Spending Plans 2023/24

Grants Requiring Claims	Lead AD	*Grant Brought Forward 1 April 2023	Grant 2023/24	Total Available Grant	Claim Quarter 1	Claim Quarter 2	Claim Quarter 3	Claim Quarter 4	Balance Remaining
		£	£	£	£	£	£	£	£
ESMCP - LTR Regional	Hannah Scott-Youlton	59,725	-	59,725	No claims will be made during 2023/24				59,725
**ESMCP - Infrastructure	Hannah Scott-Youlton	1,425,000	-	1,425,000	No claims expected during 2023/24				1,425,000
Accreditation & RPL Funding	Matt Lloyd	22,737	-	22,737	-	-	-	-	22,737
Surge Protection Grant Funding - Protection Uplift	Matt Lloyd	125,645	358,079	483,724	76,658	91,309	-	-	315,757
		1,939,347		1,991,186	76,658	91,309	-	-	1,823,219
Grants - No Claims Requirement	Lead AD	Balance Remaining	Grant 2023/24	Total Available Grant	Comments				Balance Remaining
		£		£					
COVID - 19	Duncan Savage	71,656	-	71,656	Available to spend on Efficiency & Productivity				71,656
Firelink	Duncan Savage	0	143,420	143,420	Used to fund Airwave costs in 2023/24				143,420
New Dimensions	Hannah Scott-Youlton	47,667	27,430	75,097	Plan to spend £54,231 in 2023/24				20,866
Pensions Grant	Duncan Savage	0	1,734,984	1,734,984	Used in 2023/24				1,734,984
Responding to New Risks	Hannah Scott-Youlton	31,355	6,500	37,855	Plan to spend £37,111 in 2023/24				744
Total		1,083,975	1,083,975	1,991,356					1,900,014
Overall Total Grants		3,023,322	1,083,975	3,982,542					3,723,233

Capital Programme 2023/24 to 2027/28

Capital Programme Expenditure 2023-24 to 2027-28	Total Budget	Total Previous Years	2023/24	2024/25	2025/26	2026/27	2027/28	Remaining Spend	Variance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Property									
Shared Investment Schemes									
Integrated Transport Project	800					800		800	-
Roedean Betterment	25		25					25	
Bohemia Road Betterment	95		95					95	
Fort Road - RIBA Stages 1-2	99	21	78					78	
Preston Circus	4,946	394	1,304	3,248				4,552	-
Total Shared Investment Schemes	4,306	415	1,502	3,248	-	800	-	5,550	-
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	525	521	4					4	-
Roedean	482	53	429					429	-
Eastbourne	587	97	490					490	-
Bohemia Road	524	46	478					478	-
Security	386	95	291					291	-
Sustainability	171	22	119	30				149	-
MPTH	399	399							-
Eastbourne MPTH	259	26	233					233	-
Training Centre MPTH	308	34	274					274	-
Hove MPTH	278	24	254					254	-
Bohemia Road MPTH	257	26	231					231	-
Live Fire Training	4,000	49	34	437	2,500	980		3,951	-
Total Strategic Schemes	8,732	1,906	2,879	467	2,500	980	-	6,826	-
General Schemes	830	830							-
Phase 1 General Costs	36	30	6					6	-
Seaford CIL	296	3	12	281				293	-
Seaford CIL partner Contribution	(133)			(133)				(133)	-
Barcombe CIL	392	4	14	374				388	-
Barcombe CIL Partner Contribution	(156)			(156)				(156)	-
The Ridge	408			20	388			408	-
Hailsham	184	19	8	10	147			165	-
Rye	532	12	36	17	467			520	-
Battle	163	1			56	106		162	-
Herstmonceux	279					50	229	279	-
Bexhill	460					200	260	460	-
Heathfield	280	9	9	19	243			271	-
Uckfield	495	8			100	387		487	-
Lewes	577	6			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	94	94							-
Total General Schemes	5,428	1,016	85	432	1,642	1,163	1,090	4,412	-
Bay Doors, Floors, IT	1,515	7	795	300	205	208		1,508	-
Training Towers	279	1	278					278	-
Temperature Control in Sleeping Pods	195	18	177					177	-
Total Property	20,455	3,363	5,716	4,447	4,347	3,151	1,090	18,751	-
Vehicle Cameras	150		136					136	(14)
Grant Funds	(117)		(136)					(136)	(19)
Breathing Apparatus	1,000					500	500	1,000	-
Aerials	2,228	908	949					949	(371)
Aerial Rescue Pump	22	22							-
Fire Appliances	8,636	4,158	554	904	887	932	1,122	4,399	(79)
Ancillary Vehicles	2,831	774	799	1,037	153		77	2,066	9
Cars	2,262	861	102	286	531	261	215	1,395	(6)
Vans	2,358	1,018	323	302	170	235	310	1,340	-
Equipment	70		35					35	(35)
Employee Cost Allocation			38					38	38
Rounding Adj	2		1					1	(1)
Total Fleet and Equipment	16,228	7,741	2,801	2,529	1,741	1,928	2,224	11,223	(478)
Total Expenditure	36,683	11,104	8,517	6,976	6,088	5,079	3,314	29,974	(478)

Capital Programme 2023/24

Project	Total Budget	Forecast	Variance	Variance	Underspend/ Overspend	Spend in Advance	Slippage	P6 Variance	Movement
	2023/24 £'000	2023/24 £'000	2023/24 £'000	2023/24 %	2023/24 £'000	2023/24 £'000	2023/24 £'000	2023/24 £'000	2023/24 £'000
Roedean Betterment	25	25	-	-				-	-
Bohemia Road Betterment	95	60	(35)	-37%			(35)	(35)	-
Fort Road - RIBA Stages 1-2	80	188	108	135%		108		132	(24)
Preston Circus	1,304	1,673	369	28%			369	(1,059)	1,428
Total Shared Investment Schemes	1,504	1,946	442		-	108	334	(962)	1,404
Replacement Fuel Tanks (incl. Partner contribution)	42	42	-	-				-	-
Design Guide:									
Hove	4	9	5	125%		5		5	-
Roedean	450	2	(448)	-100%			(448)	(448)	-
Eastbourne	536	-	(536)	-100%			(536)	(536)	-
Bohemia Road	534	212	(322)	-60%			(322)	(285)	(37)
Security	291	140	(151)	-52%			(151)	(55)	(96)
Sustainability	119	10	(109)	-92%			(109)	(119)	10
MPTH:									
Eastbourne MPTH	233	43	(190)	-82%			(190)	(220)	30
Training Centre MPTH	274	16	(258)	-94%			(258)	(255)	(3)
Hove MPTH	254	40	(214)	-84%			(214)	(234)	20
Bohemia Road MPTH	232	43	(189)	-81%			(189)	(209)	20
Live Fire Training	34	34	-	-				-	-
Total Strategic Schemes	3,003	591	(2,412)		-	5	(2,417)	(2,356)	(56)
Phase 1 General Costs	-	-	-	-				-	-
Seafood CIL (Incl. Partner contribution)	12	-	(12)	-100%			(12)	(12)	-
Barcombe CIL (Incl. Partner contribution)	14	1	(13)	-93%			(13)	(13)	-
Hailsham	8	-	(8)	-100%			(8)	(8)	-
Rye	36	25	(11)	-31%		(11)		2	(13)
Heathfield	9	10	1	11%		1		1	-
Total General Schemes	79	36	(43)	(0)	-	(10)	(33)	(30)	(13)
Total Bay Door, Floor, IT Building Works	795	96	(699)	-88%			(699)	(592)	(107)
Total Training Towers	279	-	(279)	-100%			(279)	(279)	-
Rounding	(5)	1	6	-120%			6	-	6
Total	5,655	2,670	(2,985)	-53%	-	103	(3,088)	(4,219)	1,234

Project	Total Budget	Forecast	Variance	Variance	Underspend/ Overspend	Spend in Advance	Slippage	P6 Variance	Movement
	2023/24 £'000	2023/24 £'000	2023/24 £'000	2023/24 %	2023/24 £'000	2023/24 £'000	2023/24 £'000	2023/24 £'000	2023/24 £'000
GX13ECD	525	447	(78)		(78)			-	(78)
GX08JPF	795	502	(293)		(293)			-	(293)
Total Aerials	1,320	949	(371)		(371)				(371)
GX09HJA	222	202	(20)	-9%	(20)			(18)	(2)
GX09HJC	222	202	(20)	-9%	(20)			(18)	(2)
GX57EUL	189	150	(39)	-21%	(39)			(35)	(4)
Total Fire Appliances	633	554	(79)		(79)			(71)	(8)
MX08SXS	321	-	(321)				(321)	-	(321)
TRA14	4	4	-	0%				-	-
TRA6	43	-	(43)				(43)	-	(43)
TRA7	43	-	(43)				(43)	-	(43)
GX57 EUV	-	108	108			108		125	(17)
GX56 NWR	157	157	-	0%				-	-
GX56 NWS	157	157	-					-	-
GX03 AXM	-	9	9		9			9	-
OJ04 VNW	65	39	(26)				(26)	-	(26)
Total Ancillary Vehicles	790	474	(316)		9	108	(433)	134	(450)
GX15JL	85	-	(85)				(85)	-	(85)
GU16LSC	33	-	(33)				(33)	-	(33)
GX17EBM	33	-	(33)				(33)	-	(33)
GX68DHA	37	-	(37)				(37)	-	(37)
Fire Investigation - NEW!	70	-	(70)				(70)	(70)	-
Hazmat - NEW!	65	-	(65)				(65)	(65)	-
Total Vans	323	-	(323)		-	-	(323)	(135)	(188)
GV18 ABF	41	35	(6)	-14%	(6)			(6)	-
GX66JVU	14	-	(14)	-100%			(14)	(14)	-
GX66JVV	14	-	(14)	-100%			(14)	(14)	-
GX66JVW	13	-	(13)	-100%			(13)	(13)	-
GX66JVY	13	-	(13)	-100%			(13)	(13)	-
GX66JVZ	13	-	(13)	-100%			(13)	(13)	-
Total Cars	108	35	(73)		(6)		(67)	(73)	-
Equipment	35	-	(35)		(35)			(35)	-
CCTV Cameras	150	136	(14)		(14)			(14)	-
ITF grant for CCTV cameras	(117)	(136)	(19)		(19)			-	(19)
Equipment (Operational IRMP)	35	35	-					(35)	35
Total Special Projects	103	35	(68)		(68)		-	(84)	16
Allocation of Employee costs	-	38	38		38			38	-
Rounding Adjustment	2	1	(1)		(1)			(2)	1
Total	3,279	2,086	(1,193)	-36%	(478)	108	(823)	(193)	(1,000)

Total Capital Programme 2023/24

Project	Total Budget	Forecast	Variance	Variance	Underspend/ Overspend	Spend in Advance	Slippage	P6 Variance	Movement
	2023/24 £'000	2023/24 £'000	2023/24 £'000	2023/24 %	2023/24 £'000	2023/24 £'000	2023/24 £'000	2023/24 £'000	2023/24 £'000
Total	8,934	4,756	(4,178)	-47%	(478)	211	(3,911)	(4,412)	234

Reserves 2023/24

Description	Opening Balance	2023/24	2023/24	2023/24	2023/24	2023/24	2023/24	2023/24	Projected Closing Balance	Lead AD
	01/04/2023	Original Planned Transfers In	Original Planned Transfers Out	Original Planned Transfers Net	Forecast Transfers In	Forecast Transfers Out	Forecast Transfers Net	Net Change	as at 31 March 2024	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Earmarked Reserves										
Business Rate Pool Reserve*	1,093	0	(200)	(200)	427	0	427	627	1,520	Duncan Savage
Business Rates Retention Pilot - financial stability	80	0	(80)	(80)	0	(80)	(80)	0	0	Duncan Savage
Capital Programme Reserve	3,895	1000	(4,906)	(3,906)	1000	(4,130)	(3,130)	776	765	Duncan Savage
Covid-19	71	0	0	0	0	(71)	(71)	(71)	0	Duncan Savage
ESMCP ESFRS readiness	1,425	0	0	0	0	0	0	0	1,425	Hannah Scott-Youlton
ESMCP Regional Programme	60	0	0	0	0	0	0	0	60	Hannah Scott-Youlton
Improvement & Efficiency	521	0	(214)	(214)	0	(287)	(287)	(73)	234	Duncan Savage
Insurance	249	0	0	0	0	0	0	0	249	Duncan Savage
ITG Strategy	3,509	592	(2,199)	(1,607)	592	(2,030)	(1,438)	169	2,071	Duncan Savage
Mobilising Strategy	75	0	0	0	50	(75)	(25)	(25)	50	Duncan Savage
People Strategy	312	0	(130)	(130)	25	(302)	(277)	(147)	35	Julie King
Drinkers	440	0	(440)	(440)	0	(440)	(440)	0	0	Hannah Scott-Youlton
ESR - Protection Uplift - Accreditation & RPL	23	0	(12)	(12)	0	(7)	(7)	5	16	Matt Lloyd
ESR - Protection Uplift - Protection	126	0	(96)	(96)	0	(104)	(104)	(8)	22	Matt Lloyd
Business Rate Tax Income Guarantee Scheme (75%)	16	0	(16)	(16)	0	(16)	(16)	0	0	Duncan Savage
Council Tax Income Guarantee Scheme (75%)	41	0	(42)	(42)	0	(41)	(41)	1	0	Duncan Savage
New Dimensions Grant	48	0	(32)	(32)	0	(27)	(27)	5	21	Hannah Scott-Youlton
Pensions Administration	216	0	(105)	(105)	0	(72)	(72)	33	144	Julie King
Responding to New Risks	31	0	(33)	(33)	0	(30)	(30)	3	1	Hannah Scott-Youlton
Carry Forwards	147	0	(173)	(173)	0	(129)	(129)	44	18	Duncan Savage
Cadets	6	0	0	0	5	(6)	(1)	(1)	5	Matt Lloyd
Future Foundations	0	0	0	0	81	0	81	81	81	Julie King
Total Earmarked Reserves	12,384	1,592	(8,678)	(7,086)	2,180	(7,847)	(5,667)	1,419	6,717	
General Fund	1,556	319	0	319	463	0	463	144	2,019	Duncan Savage
Total Revenue Reserves	13,940	1,911	(8,678)	(6,767)	2,643	(7,847)	(5,204)	1,563	8,736	
Capital Receipts Reserve	520	0	(526)	(526)	106	(626)	(520)	6	0	Duncan Savage
Total Capital Reserves	520	0	(526)	(526)	106	(626)	(520)	6	0	
Total Usable Reserves	14,460	1,911	(9,204)	(7,293)	2,749	(8,473)	(5,724)	1,569	8,736	

ITG Strategy 2023-24

Project	Total Budget	Forecast	Variance	Variance	P6 Forecast	Movement
	2023/24 £'000	2023/24 £'000	2023/24 £'000	2023/24 %	2023/24 £'000	2023/24 £'000
CRM	296	296	0		296	0
Process Digitisation	363	62	(301)	-83%	62	0
ESN (ESMCP)	1,425	0	(1,425)	-100%	0	0
Finance System Improvement / Replacement	501	329	(172)	-34%	501	(172)
FireWatch Retained Pay Integration	55	0	(55)	-100%	0	0
Fleet & Asset Replacement System	111	111	0		111	0
GDPR File Cleanse	46	46	0		46	0
iLearn & FireWatch Integration	35	35	0		35	0
Increase Flexible working capabilities	25	25	0		25	0
Information Security	75	19	(56)		75	(56)
Integrated Health & Safety System	123	0	(123)	-100%	0	0
One to many video STC Cisco Room Kit	15	15	0		15	0
Pagers and Alerters	434	6	(428)	-99%	6	0
Performance Management System (Phase 2,3,4)	9	9	0		9	0
BI Mobilising Reporting (P21)	3	3	0		3	0
BI Mobilising Reporting system Phase 2 (inphase)	20	20	0		20	0
PSN Compliance	134	100	(34)	-25%	100	0
Total Business Projects	3,670	1,076	(2,594)	-71%	1,304	- 228
IP Telephony Strategy	350	80	(270)	-77%	80	0
IT outsource re-tender	117	83	(34)		117	(34)
Laptop Lifing	250	0	(250)	-100%	0	0
Lewes HQ Network Lifing	30	0	(30)		0	0
Migrate Lifeboat to Sharepoint Online	65	65	0		65	0
MS Roadmap	244	244	0		244	0
Mobile Phone and Device Strategy / replacement	60	0	(60)	-100%	0	0
Upgrade TomTom Bridge	100	100	0		100	0
WAN strategy	382	382	0		382	0
Total IT Projects	1,598	954	(644)	-40%	988	(34)
Total Projects Budget	5,268	2,030	(3,238)	-61%	2,292	(262)

EAST SUSSEX FIRE AUTHORITY

Panel	Policy & Resources Panel
Date	18 January 2024
Title of Report	Fire Authority Service Planning processes for 2024/25 and beyond – Revenue Budget 2024/25 and Capital Asset Strategy 2024/25 to 2028/29
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 2023/24 and beyond – Revenue Budget 2023/24 and Capital Strategy 2023/24 to 2027/28: Fire Authority 9 February 2023</p> <p>2024/25 to 2028/29 Strategic Service Planning and Medium Term Financial Plan: Fire Authority 7 December 2023</p> <p>Economic and Fiscal Outlook, November 2023 - Office of Budget Responsibility.</p> <p>Bank of England Monetary Policy Report – November 2023</p>
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Appendices	<p>A – Medium Term Finance Plan 2024/25 – 2028/29</p> <p>B – Revenue Budget Summary 2024/25</p> <p>C – Fees and Charges</p> <p>D – Capital Asset Strategy 2024/25 – 2028/29</p> <p>E – Reserves and Balances Policy</p> <p>F – Precept for 2024/25</p> <p>G – Establishment 2024/25</p> <p>H – Local Government Financial Settlement (provisional) Core Spending Power of Combined Fire Authorities</p>
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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 2024/25, Capital Strategy 2024/25 – 2028/29 and Medium Term Finance Plan for 2024/25 – 2028/29 for initial consideration prior to its formal consideration by the Fire Authority at its meeting on 8 February 2024.

EXECUTIVE SUMMARY

The Authority's budget proposals for 2024/25 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 18 December with a consultation period to 15 January 2024
- 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 identified £1.968m of savings in 2024/25.

This report outlines proposals for setting a balanced revenue budget for 2024/25, including commitments, growth bids and new savings.

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

- Confirmation of fire specific grants e.g. 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. The MTFP sets out three scenarios for 2025/26 onwards – a mid range based on a 2% increase in Settlement Funding Assessment (SFA) and a return of council tax increases to 1.99%, a higher range based on 2% increase in SFA and a continuation of the 2.99% increased flexibility for council tax and a lower range where SFA is cash flat.

One-off savings and flexibilities totalling £0.965m have been used to balance the budget in 2024/25. These will need to be replaced with substantive base budget savings for 2025/26.

The MTFP indicates base budget savings of £2.166m will be required under the mid range scenario in 2025/26 (higher range £1.841m, lower range £2.491m). It will be essential for the Authority to act urgently to identify options to deliver the savings necessary to balance the budget for 2025/26.

There remains significant uncertainty for funding for 2025/26 and beyond and the Authority will need to remain flexible in its approach to its financial planning. A general election is expected to take place this year which may impact policy priorities for the coming years. At the time of publication none of the major political parties have indicated an intention to increase funding for local public services at a time when there are increasing financial pressures across public services generally, but in particular on health and social care. Reforms to local government funding have been delayed again (business rates and the funding formula) but are still expected in the medium term... Alongside this, the Authority can expect to see the continued impact of supply chain disruption and associated inflation, albeit at reduced levels, particularly on capital investment, new legislation on Business Safety (including the establishment of the Building Safety Regulator), unfunded recommendations from HMICFRS both locally and nationally, the need for cultural change across the sector, pension costs, the implementation of the existing IRMP and the development of the new CRMP and major projects such as ESN (Emergency Services Network) are likely to impact on our financial position over the medium term.

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 will need to take out 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 2024/25 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. The impact of slippage and inflation on scheme costs within the Estates capital programme make it unaffordable in its current form and has resulted in a two phased review, an agreement of priorities to the end of 2024/25 against capacity and funding available for delivery, with a full review of the Estates Strategy, Design Guide and remaining capital programme in 2024/25.

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.

RECOMMENDATION The Policy and Resources 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 amount and allocation of fire specific grants for 2024/25; 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:
- (a) 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 £49.328m for 2024/25;
 - (ii) the council tax requirement of £32.374m; 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 2027/28
 - (b) the capital programme for the next five years and the capital budget of £9.260m for 2023/24 including the plans to use CIL, capital receipts, revenue contributions and new borrowing to finance capital expenditure;
 - (c) the fees and charges set out in Appendix C;
- and
- (d) that the Treasurer, in consultation with the Chairman and the Chief Fire Officer, be authorised to make any adjustments to the presentation of the budget to reflect the final Local Government Finance Settlement.
3. Recommend to the Fire Authority that it:
- (a) Does not progress placing a third pumping appliance into Bohemia Road (Hastings) as this is not financially sustainable at the current time
 - (b) Does not progress changing the Ridge Fire Station to Day Crewed from the current shift system which will maintain the current provision of two immediately available fire appliances in Hastings

4. Recommend that the Fire Authority does not progress the East of the County options previously set out as part of tranche 4; and
 5. Recommend that the Fire Authority request the Senior Leadership Team to present options for achieving permanent savings to balance the 2025/26 budget at the earliest opportunity
-

1. INTRODUCTION

- 1.1 The report sets out the proposed Revenue Budget for 2024/25, a revised MTFP for 2024/25 to 2028/29 as well as the proposed CAS and Capital Programme for the Authority for the period 2024/25 to 2028/29 for the Panel to consider. The report is based on the latest information available, but Members should note that 2024/25 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 Government has issued a one year Provisional LGFS for 2024/25. There is still significant uncertainty about the Authority's funding for 2025/26 onwards.
- 1.3 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 £11.876m, with further identified savings over the MTFP totalling £2.256m.
- 1.4 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 2024/25 but only by reducing flexibility in terms of contingency / non pay inflation and the use of one-off savings. It is essential that as well as delivering the savings proposals set out in this report to balance the 2024/25, additional permanent savings necessary to balance 2025/26 budget are identified as soon as possible.
- 1.5 There remains significant uncertainty for funding for 2025/26 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 2024/25 and agreeing its Medium Term Finance Plan (MTFP) for the next five years. Whilst the Government has granted council tax flexibility, there is no commitment that flexibility will remain at 3% for fire & rescue services beyond 2024/25. A general election is expected this year and this may impact policy priorities for the coming years. At this stage none of the major political parties has indicated that there will be an increase in funding for local public services at a time when there are increasing financial pressures across public services generally but in particular on health and social care. Reforms to local government funding have been delayed again (business rates and the funding formula) but are still expected in the medium term. Alongside this, the Authority can expect to see the continued impact of supply chain disruption and

associated inflation (albeit at reduced levels), particularly on capital investment, new legislation on Business Safety (including the establishment of the Building Safety Regulator), unfunded recommendations from HMICFRS both 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 (Emergency Services Network) 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 growth is expected to have been flat in Q3 2023 with indicators of growth in Q4 being mixed.
- 2.2 The official UK bank interest rate has remained at 5.25% since August, having risen gradually from 4.25% in April 2023. It is expected to remain at 5.25% until June 2024 and then fall gradually to 4.00% by March 2025 and 3.00% by March 2026. The cost of borrowing through the Public Works Loan Board (PWLB) has risen over the corresponding period.
- 2.3 The Government continues to set the target for CPI at 2%. The November 2023 figure was 4.2% and the OBR expects it to continue to fall and reach the 2% target by the end of 2025.

3. NATIONAL FUNDING

- 3.1 The Provisional LGFS announced in December 2023 set out the smallest core spending power (CSP) increases for standalone fire & rescue authorities at 4.6%, due to the roll in of the Fire Pensions Grant which is cash flat for 2024/25 and lower council tax flexibilities. East Sussex's CSP increases by 4.9% and it is one of 31 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, but there is a risk that the overall £12m national grant may be reduced as the Home Office seeks to balance its own budget.
- 3.2 The Provisional LGFS proposes a council tax referendum threshold of 3% for 2024/25. The Authority and the sector nationally had lobbied strongly for the threshold of £5 as granted in 2023/24 to be extended in order both to protect existing services, to invest in protection services post Grenfell and to address the areas for improvement identified by HMICFRS. This flexibility was not extended, removing potential additional income of £568,000 meaning that the Authority will need to take a greater proportion of the savings proposals identified.
- 3.3 The Provisional LGFS was released on 18 December 2023. 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 2.99%.
- That the East Sussex Business Rate Pool continues for 2024/25 and any income will be transferred into the earmarked reserves (given the uncertainty regarding business rates and the delays in distribution of Pool surpluses due to the national audit backlog the Authority does not budget for Pool income).
- That the 2023/24 pensions grant will be rolled into the settlement at the same level and that the additional cost of increased employers contributions from the latest scheme valuation is fully funded by a new pensions grant.
- That the 2023/24 protection grant will be extended at the same level for another year, although this is yet to be confirmed by the HO.

3.5 The Local Government Finance Report (England) 2024/25 will be debated in Parliament at some point in early 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 2024. 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 2025/26 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 2024/25 and agreeing its Medium Term Finance Plan (MTFP) for the next five years. The Authority has delivered significant savings since 2010 and at the same time has drawn down on its reserves to fund planned investment priorities. As a result, it has significantly less financial flexibility and resilience. Borrowing to fund capital investment will be required from 2024/25 for the first time in over 15 years. Changes to frontline service delivery through the IRMP have proved challenging to implement and will take time to bed in and deliver the desired outcomes. At the same time the impact of sickness and other long-term absence is driving pressures in the operational pay and overtime budgets which it may not be possible to fully manage out. In the absence of a medium-term funding settlement the 5 year MTFP forecasts the need for significant additional savings in both 2025/26 and beyond.

3.7 Part of the Sector's offer to Government through CSR (Comprehensive Spending Review) 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. The Authority is required to publish its Productivity & Efficiency Plan by 31 March 2024. We are currently awaiting updated guidance from the Home Office but our intention is to bring the Plan as a separate paper to Fire Authority in February 2024.

- 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 2023/24 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 2024/25 is 31 January, after the deadline for the Fire Authority papers. Any changes once the budget has been set will be reported through our regular budget monitoring.
- 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, 2022/23 and 2023/24. This grant has been rolled into the settlement for 2024/25. The Home Office has announced that there will be a further 2024/25 Fire Pensions grant to compensate for the further increase to employer contribution rates as a result of the recent scheme valuation. The new employer rates and grant allocations are expected to be announced in January. The MTFP does not include the increased employer rate, or the pension grant, however it is expected there will be a nil impact on the budget in 2024/25.
- 3.10 There has been no announcement on specific grants for the fire service to date. The Authority has assumed cash flat for 2024/25 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. The Authority has lobbied for a fairer apportionment of the Protection Uplift Grant to reflect the local risk resulting from the numbers of both high and medium rise buildings. Following a meeting in September HO did agree to review the basis of the allocation, however the final outcome has yet to be announced. There is a potential risk that the overall quantum of the national grant could be reduced from £12m as the HO seeks to balance its own budget.

4. MEDIUM TERM FINANCIAL PLAN

- 4.1 The MTFP (Appendix A) reflects the modelling for 2024/25 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 mid range in 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 expected national election, 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 2028/29 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;
- An increase in council tax base of 1.08% for 2023/24 and an increase of 1% pa in 2025/26 and thereafter;
- Increases of 2.99% in council tax in 2024/25 and 1.99% thereafter;
- Provision for pay increases of 4% for all staff in 2024/25, reducing to 2% pa thereafter;
- Provision for price increases of 3% in 2024/25 (excepting specific areas where provision for excess inflation is proposed) and 2% 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 will be 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 2024/25 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 15 January, but this means that the whole Pool will cease. The final 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. 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 2024/25 and any income received will be transferred into the Business Rate Pool Reserve. The MTFP assumes that income from the Pool will fund the delivery of the capital programme reducing the need to borrow. 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 (Memorandum of Understanding) which is 10% for this Authority. ESFOA's view is that the risk of this is low.

4.4 The council tax base forecast for 2024/25 includes an estimate of the impact of the proposal by Rother District Council to increase the maximum discount in its Local Council Tax Reduction Scheme to 100% i.e. a loss of £0.040m. This is expected to be offset in part by the utilisation of flexibilities under the Levelling Up and Regeneration Bill relating to empty properties. Any other impact from this flexibility will be reflected in the final council taxbase figures but is not expected to be material. Further flexibilities relating to second homes may impact on the council taxbase from 2025/26 but this is dependent on decisions made by each billing authority and requires notice to be given before 1 April 2024/25.

- 4.5 Overall, current forecasts for Collection Funds indicate a surplus of £0.059m in 2024/25.
- 4.6 For 2024/25 pay inflation for all terms and conditions is 4%. Provision is made for incremental progression and performance related pay (where applicable), 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.
- 4.7 Price inflation has been allocated for specific items identified during the budget setting process. The remainder of the originally allocated 3% price inflation, totalling £324,000, has been allocated to contingency for 2024/25 only, with an ongoing saving against the contingency budget of £358,000 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 2024/25 and it is intended the contingency budget will be utilised to support any inflationary pressures.

Price inflation is included at 2% for 2025/26 and the remainder of the MTFP.

- 4.8 The MTFP also models three future funding scenarios:

- Higher range – SFA increases by 2% pa from 2025/26 (in line with our forecast for pay and price inflation), council tax threshold is 3% pa from 2025/26
- Mid range - SFA increases by 2% pa from 2025/26 (in line with our forecast for pay and price inflation), council tax threshold is 2% pa from 2025/26
- Lower range – SFA remains cash flat at 2024/25 levels, council tax threshold is 2% from 2025/26

The MTFP mid range shows a budget gap for the remaining four years of the MTFP, which indicate additional base savings of up to £2.501m would be required.

It should be noted there is uncertainty over funding from 2025/26. The higher range indicates additional base savings of up to £1.840m would be required. The lower range the additional base savings required are £3.441m.

- 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;
 - The provision of grant funding by Government to offset the expected significant increase in costs of employer's contributions to the FPS (Firefighters Pension Scheme) from 2025/26 onwards (new grant provided in 2024/25 is for one year only);

- The Service's ability to manage out current revenue pressures in Safer Communities and Training;
- Increasing costs of capital schemes due to inflation which are likely to make the Capital Programme in its current form unaffordable
- Increased reliance on borrowing to fund future capital investment from 2024/25 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;
- The potential for non-pay inflation to exceed the provision made in the revenue budget and the capital programme;
- 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 outcome of national elections expected in 2024 and any change to policy or funding for the fire service;
- The impact of local growth and additional housing, road and commercial risks;
- Any further development of local devolution proposals;
- The financial implications of climate change both through service delivery (response to extreme weather events) and the need to meet the national target for net zero carbon emissions by 2050;
- The outcomes of the Fire and Rescue reform White Paper 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 Acts on fire service responsibilities and the resultant cost of compliance/delivery;
- The possibility of industrial action across the sector

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 £0.500m in 2024/25 (including on a one-off basis general non pay inflation provision of 3%) increasing to £0.541m by 2028/29.

4.11 In order to produce a balanced budget for 2024/25 a total of £1.323m will be funded through one-off savings and flexibilities. Permanent savings will need to be identified ahead of 2025/26 to ensure the budget can be balanced.

4.12 The following financial sustainability provisions have been included within 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 2025/26 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 £0.832m to the general reserve to return to the reserve to the 5% policy minimum by 2027/28
- Provision of £0.3m a year from 2025/26 to fund workforce transition including cultural change and any one-off costs of the additional savings proposals set out in this report. This provision is reduced to £0.1m in 2024/25 in order to balance the budget.

4.13 In overall terms the assumptions set out in the report mean that the revised MTFP shows a balanced budget in 2024/25 with the use of one-off savings/flexibilities and then a need to deliver savings of £2.166m in 2025/26, £2.501m in 2026/27, £2.447m in 2027/28 and £2.005m in 2028/29.

5. PROJECTED REVENUE POSITION 2023/24

5.1 The revised Service Revenue Budget for 2023/24 is £45.058m. Based on figures to the end of November 2023, and as reported elsewhere on this Agenda, the revenue budget is forecast to underspend by £0.043m.

5.2 Should an overspend materialise this will need to be funded from reserves.

6. REVENUE BUDGET 2024/25

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

6.1.1 The Revenue Budget Summary for 2024/25 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. The majority of the increase in funding is due to the existing Fire Pension Grant of £1.735m being rolled into Revenue Support Grant (RSG).

Table 1: Summary of Impact of Local Government Finance Settlement

	2024/25
	£'000
Locally Retained Business Rates	2,582
Top Up Grant	5,789
Business Rates Baseline	8,371
Revenue Support Grant	5,639
Settlement Funding Assessment	14,010
Service Grant Allocation	49
CSP Minimum Funding Guarantee	649
S31 Grant - Business Rates Adjustment	2,231
Total for comparative purposes	16,939
As reported to Fire Authority December	14,803
Increase/(decrease) in funding	2,136

- 6.1.2 The Authority's council tax base for 2024/25 is calculated as 301,178.81, an increase of 1.10% on 2023/24. This increased tax base combined with a council tax increase of 2.99% yields additional income of £1.281m. Confirmation of final council tax base figures is expected by the end of January.
- 6.1.3 Overall, current forecasts for Collection Funds indicate a surplus of £0.059m in 2024/25, albeit this is yet to be finalised by billing authorities.

Table 2: Movement in Resources

	2024/25 Latest position	2024/25 Fire Authority December 2023	Increase / (Decrease)
	£'000	£'000	£'000
Locally Retained Business Rates	2,582		
Business Rates Top up	5,789		
Business Rates Baseline	8,371		
Revenue Support Grant	5,639		
Settlement funding assessment	14,010	12,274	1,736
Service Grant Allocation	49	314	(265)
CSP Minimum Funding Guarantee	649		649
Section 31 Grant Business Rates adjustment	2,231	2,215	16
Collection Fund Surplus / (Deficit)	59	(200)	259
Council Tax and Business Rates			
Council Tax Requirement	32,374	32,339	35
Total Resources	49,372	46,942	2,430

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 2024/25 this Authority's increase in core spending power is assessed as 4.9% which is higher than the average for stand-alone fire & rescue authorities of 4.6%. The Authority is also one of thirty-one authorities receiving the CSP minimum guarantee grant. Only four authorities have seen increases of 5.0% (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 2024/25 figure.
- 6.2.2 A comparison of Band D council tax for 2023/24 shows that this Authority ranks fourth highest out of 22 combined fire authorities. The Authority's Band D tax for 2022/23 was 7.8% higher than the authority ranked one below and 4.6% 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 £11.876m of operational and non-operational savings. The current MTFP has a savings requirement of an additional £2.256m over the period covered by the MTFP.
- 6.3.3 Precepting status means that the Revenue Budget must 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 2024/25 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 2023/24	45,057	
Transfer of Pension Grant into Revenue Support Grant	1,735	3.85%
Pay inflation	2,156	4.79%
Non pay inflation	385	0.85%
Changes in capital financing	59	0.13%
Commitments and bids	1,312	2.91%
Savings	(1,968)	(4.37%)
Reserve funding	636	1.41%
Original Estimate 2024/25	49,372	9.58%

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 submissions 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 2024/25 and any feedback from this process will be included in the final report to Fire Authority on 8 February 2024.

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 and adjust for previous years where pay awards were higher than the budgeted amounts.

6.6 Main Variations

6.6.1 In setting the 2024/25 Revenue Budget a number of commitments have already been agreed, either previously as part of the 2023/24 budget setting or from the 2024/25 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: 2024/25 Budget Commitments

Description	Directorate	24/25 £'000	25/26 £'000	26/27 £'000	27/28 £'000	28/29 £'000
Budget Pressures						
Existing Service Pressures approved						
February 2023						
ITG Strategy – revenue implications	RT	26	(26)	0	0	0
Airwave – Home Office Grant	RT	47	48	48	0	0
HR maternity cover (one off)	PS	(8)	0	0	0	0
PPE for Firefighter recruitment	PS	(8)	0	0	0	0
Treasury Management income	Corporate	50	50	40	0	0
HR Assistant Role (one off)	PS	(2)	0	0	0	0
Workforce Transition	Corporate	116	0	0	0	0
Transitional funding for training (two years only)	PS	0	(160)	0	0	0
New Service Pressures						
Treasury Management Income (one off)	Corporate	(200)	200			
Support staff pay increments	All	66	66	66	66	66
Payroll pay budget – correction of budget error	PS	98	0	0	0	0
Vehicle sales (one off)	OSR	10	(10)	0	0	0
Defib Replacement	OSR	0	10	0	0	0
Hydrant repairs and replacement (excess inflation)	OSR	17	0	0	0	0
AC2 Overtime	OSR	6	0	0	0	0
Fire Brigade Union Overtime	OSR	8	0	0	0	0
Joint Fire Control	OSR	53	0	0	0	0
DBS Checks	PS	3	0	0	0	0
DBS Checks – Funded from Workforce Transition	PS	(3)	0	0	0	0
Say So – Independent Reporting Lines	PS	6	0	0	0	0
Say So – Independent Reporting Lines – Funded from Workforce Transition	PS	(6)	0	0	0	0
Investigating Officers	PS	12	0	0	0	0
Investigating Officers – Funded from Workforce Transition	PS	(12)	0	0	0	0
Health & Safety Job Evaluation	PS	3	0	0	0	0
Occupational health (excess inflation)	PS	2	0	0	0	0
Vending machine contract	PS	2	0	0	0	0
Driver training	PS	66	5	15	15	(8)
PMO Manager – market supplement	P&I	7	0	0	0	0
Finance ERP System – licensing and support	RT	50	50	0	0	0
Insurance (excess inflation)	RT	17	0	0	0	0

MBOS delay/extension (one off)	RT	50	(50)	0	0	0
IT Outsource	RT	0	480	0	0	0
Nasstar Webex Meeting Licences	RT	16	0	0	0	0
Cylix (Learning Pool)	RT	1	0	0	0	0
Canon	RT	10	0	0	0	0
Infographics (Firewatch App)	RT	3	0	0	0	0
Eastbourne fibre connection	RT	4	0	0	0	0
PA Replacement maintenance	RT	1	0	0	0	0
Active Infomatics telent managing agent	RT	5	0	0	0	0
EE	RT	18	0	0	0	0
Firelink charges	RT	107	0	0	0	0
PPE (excess inflation)	RT	73	0	0	0	0
Intend implementation	RT	1	0	0	0	0
Condition surveys (one off)	RT	81	(81)	0	0	81
Cadets	SC	20	0	0	0	0
Cadets – Funded from sponsorship income	SC	(20)	0	0	0	0
NFCC subscription	Corporate	3	0	0	0	0
Ill health retirements (one off)	Corporate	141	(94)	(47)	0	0
Total Pressures		940	488	122	81	139
Budget Bids						
Bids Originating in 2023/24 budget setting process						
Top up Capital Programme Reserve	Central	500	500	500	500	0
Top Up General Reserve	Central	283	(502)	(100)	0	0
Top up I&E reserve	Central	200	0	0	0	0
Top up reserve – ESMCP (one off)	Central	0	250	(250)	0	0
Top up reserve - ITG Strategy (one off)	Central	0	0	250	(250)	0
Comms and Engagement Strategy	P&I	(12)	0	0	0	0
Wholetime Recruitment (one off)	PS	25	(25)	0	0	0
Public Consultation for CRMP (one off)	P&I	38	(38)	0	0	0
Advert and Publicity for CRMP (one off)	P&I	3	(3)	0	0	0
Pensions Specialist	PS	0	(60)	0	0	0
Additional Pension Resource	PS	(41)	0	0	0	0
Funding for Additional Pension Resource	PS	34	0	0	0	0
EDI Training	PS	60	(60)	60	(60)	60
E-Recruitment	PS	4	0	0	0	0
Direct Entrant	PS	21	(33)	(35)	0	0
Direct Entrant – Funded by Protection Grant	PS	(33)	33	0	0	0
Health & Safety – Additional Resource	PS	(43)	0	0	0	0
Funding for Additional Resource from Carry Forward	PS	24	0	0	0	0
Funding for Pension Specialist from Pension Reserve	PS	(2)	67	0	0	0
BA Project Manager (one off)	OSR	(12)	0	0	0	0
SSRI Regional Post	OSR	(6)	0	0	0	0
IRMP Team	SC	(265)	0	0	0	0
Officer to support HMI Inspection process	P&I	(44)	0	0	0	0
Public consultation for MTFP	P&I	(38)	0	0	0	0
Advert and Publicity for MTFP	P&I	(3)	0	0	0	0
Bids 2024/25						

Reduction of Workforce Transition budget (one off)	PS	(200)	200	0	0	0
Remove top up of I&E reserve in 2024/25 (one off)	Corporate	(200)	200	0	0	0
Extend General Reserve Top Up	Corporate	(320)	370	100	(50)	(50)
Wholetime Recruitment (one off)	PS	(201)	201	0	0	0
Fireground welfare	OSR	10	0	0	0	0
2 x LCS Crew Managers	OSR	116	0	0	0	0
Lightweight flat hose (one off)	OSR	15	(15)	0	0	0
PPE Specialist Functions	OSR	70	5	(55)	0	0
Increase Mobilising Reserve	OSR	0	25	0	0	0
EDI Training	PS	(30)	60	(60)	60	(60)
Treadmill replacements (one off)	PS	45	(45)	0	0	0
Gym Refurbishment (one off)	PS	25	(25)	0	0	0
Gym Refurbishment – Funded from carry forward reserve	PS	(18)	18	0	0	0
PPE for FF recruitment (one off)	PS	5	(5)	0	0	0
HR Support for IRMP/Future Foundations (one off)	PS	67	(67)	0	0	0
Project Management for CRMP (one off)	P&I	26	0	(26)	0	0
Project Co-ordination for CRMP (one off)	P&I	8	0	(8)	0	0
Data Management (one off)	P&I	265	(235)	(30)	0	0
Funding from I&E / ITG Strategy (one off)	Corporate	(257)	257	0	0	0
Public Consultation for CRMP	P&I	(38)	76	(38)	0	0
Advert & Publicity for CRMP	P&I	(3)	6	(3)	0	0
Microsoft Roadmap implementation (one off)	RT	200	(200)	0	0	0
Funded from ITG Strategy	Corporate	(200)	200	0	0	0
Fire Compartmentation Survey (one off)	RT	45	(45)	0	0	0
Flood defences – Lewes and Rye (one off)	RT	35	(35)	0	0	0
Multi station draining review (three year only))	RT	0	34	0	0	(33)
Conversion of Station Manager to Group Manager to support CRMP	SC	14	0	0	0	0
Safer Communities flexibility (one off)	SC	200	(200)	0	0	0
Total Bids		372	909	305	200	(83)
Overall Total		1,312	1,397	427	281	56
Cumulative Total			2,709	3,136	3,417	3,473

6.6.2 The main variations reflect:

- Pay budget adjustments, including the ongoing impact of 2022/23 & 2023/24 pay rises being higher than budgeted in 2023/24 and incremental progression for support staff
- Additional Treasury Management income (one-off) expected due to balance of reserves and anticipated interest rates
- Joint Control Room costs
- Finance ERP (Enterprise Resource Planning) system and associated implementation costs
- Excess inflation on Firelink charges

- Ill health retirements
- 2 additional Crew Managers within the Logistics Control Support team to support crewing management
- Personal protective equipment for specialist functions
- Data Management project and associated funding
- Microsoft Roadmap and associated funding
- Additional flexibility for Safer Communities (one-off)
- IT Outsource from 2025/26

The following one-off variations were made to provide a balanced budget:

- A reduction of £200,000 in the Workforce transition budget
- Removal of £201,000 budget for Wholetime recruitment, with the decision that a wholetime recruitment course will not be required in 2024/25
- Deferral of I&E top up of £200,000, with top ups planned from 2025/26
- Reduce the general reserve top up in 2024/25 by £320,000 and extend the period over which the reserve is topped up.

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 £14.247m of which £11.876m will have been delivered by the end of 2023/24. The MTFP includes savings of £1.968m for 2024/25 and savings of £2.256m over the duration of the MTFP. These savings are shown in table 5 below.

Table 5: Savings

Description	Directorate	24/25	25/26	26/27	27/28	28/29
		£'000	£'000	£'000	£'000	£'000
Existing Service Savings approved February 2023						
IRMP	SC	(406)	0	0	0	0
Procurement savings	RT	(25)	(25)	(25)	(25)	(25)
Insurance – installation of CCTV	RT	(15)	0	0	0	0
Telent contract savings	RT	(8)	(12)	48	0	0
Estates strategy savings	RT	45	(74)	(45)	0	0
Firewatch benefits realisation	PS	(13)	(12)	0	0	0
EDI (Equality, Diversity and Inclusion) Training	PS	0	10	0	0	0
External Training	PS	0	160	0	0	0
New Service Savings						
Additional Availability Allowance	SC	(14)	0	0	0	0
Unachieved Procurement savings – prior years	RT	66	0	0	0	0
Unachieved CRM savings	SC	104	0	0	0	0
Tranche 1 – RDSO posts	SC	(198)	0	0	0	0
Tranche 2 – Lewes & Crowborough On-Call	SC	(86)	0	0	0	0

Engineering restructure	OSR	(12)	(70)	(13)	0	0
Access to Work	PS	(2)	0	0	0	0
Health & Safety income	PS	(2)	0	0	0	0
Unachieved Firewatch benefits realisation	PS	13	12	0	0	0
Driving Licence Checks	PS	(7)	0	0	0	0
People Strategy savings	PS	(41)	0	0	0	0
CRM licences	RT	(33)	0	0	0	0
Telephone Lines	RT	(3)	0	0	0	0
Process Digitisation (EDRMS)	RT	(50)	0	0	0	0
Airbus annual order, SCguide, ScResponse, CRASH	RT	(23)	0	0	0	0
Integrated Health & Safety System	RT	(23)	23	0	0	0
Joint Fire Control – Orbis	RT	(10)	0	0	0	0
Procurement Travel	RT	(4)	0	0	0	0
Procurement Consultancy Fees	RT	(20)	0	0	0	0
Utilities	RT	(335)	0	0	0	0
Corporate non-pay	Corporate	(8)	0	0	0	0
Prevention savings	SC	(85)	0	0	0	0
Reduce contingency	Corporate	(358)	0	0	0	0
Tranche 3/ Future Foundations/Vacancy Management	All	(415)	(215)	0	0	0
Overall Total		(1,968)	(203)	(35)	(25)	(25)
Cumulative Total		(1,968)	(2,171)	(2,206)	(2,231)	(2,256)

6.7.2 To provide a balanced budget for 2024/25 a saving of £358,000 has been made against the contingency budget, reducing the balance of the contingency budget for 2024/25 to £500,000. This figure includes the centrally held 3% general inflation provision of £324,000. Given the ongoing pressure in the Safer Communities budget which is reported elsewhere on this Agenda and is unlikely to be managed out in advance of 2024/25 and potential implementation costs for Tranche 3 / Future Foundations it is considered prudent to maintain contingency at this level.

6.7.3 Tranches 1 and 2 of the savings proposals approved by Fire Authority in February 2023 have been delivered in advance of 1 April 2024 and resultant savings totalling £284,000 are included in the Table above. Tranche 3 is underway and being delivered through the Future Foundations Project with support from external consultants. The latest forecast is that Tranche 3 can deliver savings of £415,000 in 2024/25, which includes £200,000 from temporary vacancy management, with the full saving of £630,000 being delivered for 2025/26.

6.8 Tranche 4 – East of the County options

6.8.1 Following the Provisional LGFS which provided some additional funding beyond that forecast in the December report to Fire Authority it has not been necessary to take these savings to balance the 2024/25 budget.

- 6.8.2 These proposals sought to reduce costs by £263,000 by reducing overall headcount by 4 and drawing from the existing crewing pool as required to maintain crewing levels, without impacting services to the public. There is a limit to what can be achieved in this way at a wider Service level, as any absence, leave or training will effectively draw on the same central crewing pool provision and result in shortfall. If this exceeds the crewing pool provision, then the shortfall will be covered by overtime.
- 6.8.3 The changes from the current IRMP are not due to be fully embedded for approximately another 12 months at which time we would expect the system to be at its most efficient. The day crewed changes were introduced at the same time across all of the 6 stations, rather than being staggered over a number of years as originally proposed. Also, at present due to the high sickness absence and to some extent the need for greater harmony between the training programme and appliance availability requirements, overtime costs are high.
- 6.8.4 Therefore, following further assessment of these proposals officer's view is that there is a risk that these proposals will result in increased overtime costs which would offset the saving and add to the existing pressure on the Safer Communities overtime budget.
- 6.8.5 This option is not recommended. for further consideration as part of savings plans for 2025/26 onwards.
- 6.8.6 The position of ensuring two immediately available fire appliances in Hastings 24/7, which is currently what has been agreed by the Fire Authority, is unlikely to change following further risk analysis.
- 6.8.7 **Previous IRMP decisions affecting Hastings**
- 6.8.8 Within the IRMP 2020-25 the Authority approved a proposal that a 'second full-time fire appliance will be introduced at Bohemia Road Station, increasing the staffing levels at that station and The Ridge fire station changing to a 7 day a week "day crewed" system with a 1 watch staffing level of 9.' In February 2023 the Authority agreed to pause work on this element of the IRMP to allow Tranche 4 proposals for the East of the County to be developed.
- 6.8.9 Taking into account the uncertainty regarding future funding and the level of savings that the MTFP Mid-range scenario forecasts will be required (£2.2m in 2025/26 and £2.0m by 2028/29) it is officers view that that it would not be sustainable to commit to the additional cost of the Hastings IRMP proposals at £120,000 per annum at this time. Officers also considered the net impact of not progressing the Tranche 4 East option changes at The Ridge, the volume of change that been introduced over the last 12 months and the challenges that are being experienced in managing crewing within the existing budget. Given these factors it is recommended that the Fire Authority therefore cancel the introduction of an additional pump into Hastings and also the proposal to move the Ridge Fire station to day crewed.
- 6.8.10 It is important to note that at this point, whilst we undertake the assessment of the annual settlement and the impact of crewing changes made in 2023, the intention is

to still deliver a minimum of 18 available appliances 24/7, as set out in the Operational Response Plan once the IRMP has been delivered in full.

- 6.8.11 Options for operational cover across East Sussex, including Hastings, will be revisited as part of the CRMP during 2024/25, in the normal way, which results in the allocation of resource against risk being assessed. This is impacted annually by the MTFP, annual budget forecasting and eventual settlement. The next CRMP proposals are expected to be approved for public consultation in the summer of 2025.
- 6.9 The MTFP (Appendix A) indicates that base budget savings will be required to balance the budget over the following four years. The mid range scenario indicates savings required are £2.501m. The amount increases in the lower range with savings required of £3.441m and reduces in the higher range with savings required standing at £1.826m.
- 6.10 The 2024/25 budget includes a number of one-off savings and flexibilities totalling £0.965m, including the removal of wholetime firefighter recruitment budget for 2024/25, a reduction of the workforce transition budget and reductions in the top ups previously planned to the I&E reserve and general reserve.
- 6.11 It is essential for Officers to act urgently to identify options to deliver the minimum savings necessary to balance the budget for 2025/26 and replace the one-off savings/flexibilities used to balance the 2024/25 budget. This must include plans to deliver the Tranche 3/Future Foundations savings of £630,000 in full and provide options to replace the Tranche 4/East of the County savings.

7. CAPITAL PROGRAMME

- 7.1 The Capital Asset Strategy (CAS) reflects the Authority's identified capital investment requirements for the next five years. During 2024/25 further work will be undertaken to review the sustainability of the Capital Asset Strategy and its required funding.
- 7.2 An initial review of the Estates Capital Programme has been carried out in the light of the challenges experienced in its delivery since 2019 which have resulted in significant delay / slippage experienced and the impact of inflation on scheme costs which will make the Programme unaffordable in its current form. This has resulted in a two-phase approach:
- The agreement of short term priorities to the end of 2024/25 against the capacity and funding available for delivery
 - A full review of the Estates Strategy, Design Guide and remaining capital programme in 2024/25

Further detail is provided in Appendix D.

A review of fleet lifing policy has identified the opportunity to extend the life of all light fleet from seven to nine years creating the opportunity to defer planned replacement during 2023/24 and 2024/25 and reducing the cost of the capital programme in the short term.

Additional investment of £1.5m is included across 2025/26 and 2026/27 for IT Flexi Cloud migration and £1.0m across 2026/27 and 2027/28 in anticipation of the replacement of the Vision system at Joint Fire Control.

- 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 2024/25 onwards. The MTFP includes the cost of financing capital expenditure with increases of £59,000 in 2024/25, £509,000 in 2025/26, £319,000 in 2026/27 and £91,000 in 2027/28 as borrowing is delayed due to slippage and reprofiling of the capital programme alongside increases in PWLB long term borrowing rate. As of 31 March 2024, the Authority's debt will be £9.417m and is forecast to stand at £21.469m by the end of the MTFP. The total revenue costs of borrowing (MRP (Minimum Revenue Provision) and interest) will increase by £0.863m to £1.823m over the MTFP.
- 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 £1.5m (2024/25) 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 2023/24 to 2028/29

	Total resource	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
2024/25 Strategy							
Fleet	12,881	2,086	2,170	2,198	1,954	2,049	2,424
Property	17,013	2,670	6,779	3,708	2,538	613	705
IMD	2,500	0	0	1,250	1,250	0	0
JFC/Vision Replacement	1,000	0	0	0	500	500	0
Total Cost	33,394	4,756	8,949	7,156	6,242	3,162	3,129
2023/24 Strategy							
Fleet	12,165	3,741	2,530	1,742	1,928	2,224	
Property	16,117	4,680	2,849	4,347	3,151	1,090	
IMD	0	0	0	0	0	0	
JFC/Vision Replacement	0	0	0	0	0	0	
Total Cost	28,282	8,421	5,379	6,089	5,079	3,314	
Increase / (Decrease) in planned spend							
Fleet	716	(1,655)	(360)	456	26	(175)	2,424
Property	896	(2,010)	3,930	(639)	(613)	(477)	705

IMD	2,500	0	0	1,250	1,250	0	0
JFC/Vision Replacement	1,000	0	0	0	500	500	0
Total Increase / (Decrease)	5,112	(3,665)	3,570	1,067	1,163	(152)	3,129

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 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 £234,000, with the balance fully committed in 2024/25. Further contributions of £200,000 a year from 2025/26 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 2024/25) to deliver the IT strategy and a one-off additional payment of £0.250m is planned for 2025/26.
- 8.4 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.
- 8.5 The general reserve is currently 4.48% of the revenue budget during 2023/24. The MTFP includes provision for increasing the reserve by £0.832m and will return the reserve to the 5% minimum as per the policy by 2027/28.

Table 7: Summary of Forecast Reserves

	31/03/2024	31/03/2025	31/03/2026	31/03/2027	31/03/2028	31/03/2029
	£'000	£'000	£'000	£'000	£'000	£'000
Capital Programme Reserve	765	0	0	0	0	0
Other Earmarked Reserves	5,952	3,454	3,557	2,680	3,547	4,414
Total Earmarked Reserves	6,717	3,454	3,557	2,680	3,547	4,414

General Fund	2,019	2,301	2,451	2,601	2,701	2,801
Capital Receipts	0	0	0	0	0	0
Total Useable Reserves	8,736	5,755	6,008	5,281	6,248	7,215

9. CHIEF FINANCE OFFICER STATEMENT

9.1 Under Section 25 of the Local Government Act 2003, the Assistant Director Resources and Treasurer as statutory Chief Finance Officer, is required to give Members an opinion on the robustness of the budget estimates and the adequacy of the Authority's proposed financial reserves.

9.2 **Robustness of budget estimates** – each year the Authority sets out a five-year Medium Term Finance Plan (MTFP) which reflects the financial impact of known and assumed pressures, commitments, bids and savings and compares this to estimated funding levels. Where actual figures are not known best estimates are used. The MTFP is developed to be realistic, deliverable and sustainable over the medium term. It reflects the strategic priorities set out in the Integrated Risk Management Plan 2020-25 and its supporting corporate strategies and plans. There is a robust and detailed approach to setting the budget that involves the Senior Leadership Team and their budget managers.

9.3 A balanced budget is proposed for 2024/25. It is, however, dependent on a significant level of one-off savings which is not a sustainable position. Therefore, the Authority must ensure that it has a sharp focus both on delivering the savings proposals included within the budget but also in identifying at the earliest opportunity sustainable permanent savings to enable the budget to be balanced for 2025/26 and over the medium term. This will mean that the Community Risk Management Plan (CRMP) will need to be developed in the context of the resources available to the Authority, and that the Authority will need to consider reductions in services and the affordability of its future investment plans, as well as further efficiencies.

9.4 The Authority maintains flexibility to manage in year pressures through its revenue contingency which is budgeted at £0.5m but this includes a general non pay inflation provision of 3% which is held centrally.

9.5 The MTFP has been developed at a time when there is significant uncertainty around future funding beyond 2024/25, with another one-year financial settlement, a general election expected which could change policy and funding priorities at national level and plans for reform to local authority funding delayed but still expected. A range of other risks faced by the Authority which have potential financial implications is set out in paragraph 4.9. The Authority must continue to actively monitor and assess these risks and any other changes which may have a financial impact.

9.6 **Financial Reserves** - Every year the Authority's Reserves Strategy is reviewed and updated to ensure that it remains relevant and appropriate (see section 8 and Appendix E). The Authority has set a policy to maintain a minimum level of general reserves at 5% of the net revenue budget. The actual level is expected to be at 4.48% as of 31 March 2024 and additional contributions will be made through the MTFP to bring it back to 5% by 2027/28. The level of earmarked reserves has

reduced in recent years as a result of planned investment, primarily in our fleet, estate and IT assets, and is forecast to reduce from £6.7m (31/03/24) to a low point of £2.7m (31/03/27). The Authority therefore has less financial flexibility through its reserves than in recent years to manage risk.

- 9.7 **Assurance** – the Authority has sound governance, risk management and internal control arrangements, as set out in its Annual Governance Statement and gains assurance from the work carried out by internal and external audit. His Majesty’s Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) carried out a full inspection during 2022/23 and concluded that the Authority is good at using its resources efficiently, has good financial management in place and some assurance measures to keep control of spending. Scenario planning is used effectively so that strategic plans are robust.
- 9.8 In my view as Treasurer, 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 both appropriate and necessary.

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 Fire Authority meeting in February.

APPENDIX A

MEDIUM TERM FINANCIAL PLAN 2024/25 – 2028/29

	2024/25	2025/26	2026/27	2027/28	2028/29
	£'000	£'000	£'000	£'000	£'000
Gross Revenue Service Budget	47,628	48,177	48,947	49,981	51,061
Less					
Specific grants	(454)	(406)	(358)	(358)	(358)
Other income	(311)	(327)	(334)	(340)	(347)
Total income	(765)	(733)	(692)	(698)	(705)
Net Service Budget	46,864	47,444	48,255	49,283	50,356
Capital financing costs less interest receivable	660	1,419	1,778	1,868	1,813
Capital expenditure from the Revenue Account	0	0	0	0	0
Transferred from reserves	(575)	0	0	0	0
Transferred to reserves	2,424	3,267	3,767	3,967	3,917
Total Net Expenditure	49,372	52,129	53,799	55,118	56,086
Net Budget brought forward	45,057	49,372	52,129	53,799	55,118
Transfer of pension grant to RSG	1,735	0	0	0	0
Unavoidable cost pressures					
Pay inflation	2,156	784	684	697	719
Price inflation	385	270	274	276	274
Total inflation	2,541	1,055	958	973	993
Changes in Capital Financing	59	509	319	91	(55)
Budget commitments	1,312	1,397	427	280	56
Savings approved	(1,968)	(203)	(35)	(25)	(25)
Reserve Funding	636	0	0	0	0
Total Net Expenditure	49,372	52,129	53,799	55,118	56,086
Sources of Funding	2024/25	2025/26	2026/27	2027/28	2028/29
	£'000	£'000	£'000	£'000	£'000
Locally Retained Business Rates	2,582	2,634	2,686	2,740	2,795
Business Rate Top Up	5,789	5,905	6,023	6,143	6,266
Business Rates Baseline	8,371	8,538	8,709	8,883	9,061
Revenue Support Grant	5,639	5,752	5,867	5,984	6,104
Settlement Funding Assessment	14,010	14,290	14,576	14,868	15,165
Service Grant Allocation	49	49	49	49	49
Minimum Funding Guarantee	649	0	0	0	0
Section 31 Grant Business Rates adjustment	2,231	2,276	2,321	2,368	2,415
	16,939	16,615	16,946	17,284	17,629
Collection Fund (Deficit) / Surplus	59	0	0	0	0
Council Tax Requirement	32,374	33,348	34,352	35,387	36,452
Total Resources Available	49,372	49,963	51,298	52,671	54,081
Additional Savings Required / (surplus) - Mid Range	0	2,166	2,501	2,447	2,005
Additional Savings Required / (surplus) - Higher Range		1,841	1,826	1,398	557
Additional Savings Required / (surplus) - Lower Range		2,491	3,158	3,441	3,344

REVENUE BUDGET OBJECTIVE SUMMARY

	2023/24 Original Estimate	2024/25 Original Estimate
	£'000	£'000
People Services	4,363	4,504
Resources/Treasurer	9,089	9,433
Planning and Improvement	1,555	1,748
Total Deputy Chief Fire Officer	15,007	15,685
Safer Communities	23,490	23,881
Operational Support	4,582	5,435
Total Assistant Chief Fire Officer	28,072	29,316
CFO Staff	844	888
Treasury Management	755	664
Non delegated costs	(1,052)	352
Corporate Contingency	533	500
Transfers from Reserves	(1,062)	(457)
Transfers to Reserves	1,961	2,424
Total Corporate	1,979	4,371
Total Net Expenditure	45,058	49,372

REVENUE BUDGET SUBJECTIVE SUMMARY

	2023/24	2024/25
	Original Estimate	Original Estimate
	£'000	£'000
Salaries, Allowances and On-costs	32,888	34,143
Training Expenses	946	557
Other Employees Costs	43	43
Employee Costs	33,667	34,743
Repair, Maintenance and Other Costs	1,455	2,121
Utility Costs	1,780	1,485
Premises Costs	3,235	3,606
Vehicle Repairs and Running costs	1,063	1,048
Travel Allowances and Expenses	84	65
Transport Costs	1,147	1,113
Equipment and Supplies	1,428	1,613
Fees and Services	4,916	4,276
Communications and Computing	1,951	1,987
Other Supplies and Services	266	290
Supplies and Services	7,841	8,166
Sums set aside from revenue	395	379
Interest Payments	505	581
Capital Financing	900	960
Grants and Contributions	(2,235)	(454)
Interest Received	(150)	(300)
Other Income	(256)	(311)
Income	(2,641)	(1,065)
Transfers from reserves	(1,062)	(575)
Transfers to reserves	1,961	2,424
Total Net Expenditure	45,058	49,372
Financed By:		
Council Tax	(31,093)	(32,374)
Business Rates	(7,776)	(8,371)
Revenue Support Grant	(3,662)	(5,639)
Service Grant Allocation	(302)	(49)
CSP Minimum Funding Guarantee	(106)	(649)
S31 Grants	(2,063)	(2,231)
Collection Fund Surplus/Deficit	(56)	(59)
Total Funding	(45,058)	(49,372)

FEES AND CHARGES

WITH EFFECT FROM 1 APRIL 2024

Fee	Existing Fees	New Fees
	2023/24 £	2024/25 £
The hiring of a major pumping appliance with crew per hour	337	361
The hiring of other pumping vehicles with crew per hour	272	291
The hire of hydraulic platforms or turntable ladders with crew per hour	365	390
Large animal rescue per hour	337	361
Primary Authority Scheme per hour (fees set by Business Advice and Support Partnership)	82	95
Dry Riser (subsequent test at the owner's request):		
First Dry Riser	253	270
Additional Dry Risers	165	176
Interviews: *		
- Insurance co. etc.	165	176
- After two hours	107	115
Copy of Petroleum Licences *	41	43
Copy plans *	46	49
Standby at Venue	337	361
Fire Investigation Report	362	389
Chemical Protection Suit	189	203
Commercial Training Customers Site (per session up to 20 delegates):		
- Fire Marshal / Warden training (4 hours)	664	712
- Fire Extinguisher training (3 hours)	664	712
- Fire Awareness (3 hours)	664	712
Commercial Training One day course (per delegate)	207	221
Commercial Training Fire Safety at work (1 day, per delegate)	198	211
Commercial Training Fire Talk (without practical, 1 to 3 hours)	388	416
Inspection of Plans for Marriage Act 1994 *	139	148
Environmental search fees *	131	140

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

MEDIUM TERM CAPITAL STRATEGY 2024/25 - 2028/29

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

An initial review of the Estates Capital Programme has been carried out in the light of the challenges experienced in its delivery since 2019 which have resulted in significant delay / slippage and the impact of inflation on scheme costs which are likely to make the Programme unaffordable in its current form. This has resulted in a two-phase approach:

- The agreement of short-term priorities to the end of 2024/25 against the capacity and funding available for delivery
- A full review of the Estates Strategy, Design Guide and remaining capital programme in 2024/25

The agreed priorities to the end of 2024/25 are:

- Preston Circus
- Fort Rd Engineering Workshop
- Design Guide Refurbishments at Bohemia Rd, Eastbourne & Roedean
- Maintenance of Live Fire Training Units (LFTU) at Service Training Centre (STC)
- Provision of wet training capabilities at 3 station-based BA Chambers

Planned major schemes to deliver new LFTU and Multi-Purpose Training Hubs will be deferred until after the completion of the Strategic Review of Training with work not starting until 2025/26 at the earliest. This will now include the development of a masterplan for STC.

All other planned Design Guide Refurbishments (at Day Crew and Retained Stations) will be deferred until after a full review of the Estates Strategy, Design Guide and Estates Capital Programme in 2024/25 with the expectation that on grounds of affordability and deliverability the programme will be re-profiled for delivery over a longer period and will consider alternative and more cost effective approaches to achieving improved management of contaminants.

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

As noted above further work on Day Crew and On Call stations will commence after the review of the Estates Strategy with priority likely to be given the CIL funded projects at Seaford and Barcombe.

Some capital investment may be brought forward at specific stations where the provision of gender appropriate welfare facilities is a priority.

Estates Strategy – Strategic Schemes

Four years on from the launch of our Estates Strategy in 2018 we have completed 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.

Building on lessons learned from the first project at Hove a revised procurement strategy has been developed to expedite the delivery of the remaining Whole Time Stations during 2024/25.

The new Access Control installation project has taken longer than expected to get under contract with works expected to start at the end of 2023/24 and conclude early in 2024/25. This will provide enhanced security controls across our estate and extends the provision currently in place at Saxon House.

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 East Hub Workshop

The Authority has approved a new scheme for the refurbishment of the vacant Fort Rd site in Newhaven into an Engineering Workshop as part of the wider ITF collaboration. This £2.059m scheme will be funded in part by Fire Transformation Fund Grant of £1.5m. Subject to planning permission works are expected to start in May 2024 and be completed by March 2025. Associated betterment works at the smaller vehicle workshops is expected to be complete by the end of 2023/24.

Preston Circus Fire Station

A main contractor has been appointed through the SCAPE framework to design and build the refurbishment works. Additional funding of £1.6m has been agreed taking the total scheme cost to £4.9m. A decant plan to move crews and appliances to Dyke Rd Barracks has also been agreed. This will enable works to commence before the end of 2023/24 with completion expected in the autumn of 2024.

Fleet and Equipment Strategy

The Authority has a rolling programme of replacing its vehicle fleet in line with its agreed lifing policy. In September 2023 SLT agreed to extend the replacement cycle of light fleet (cars and vans) from 7 to 9 years.

The fleet and equipment strategy encompasses fire appliances (approximately three each year), aerial appliances, ancillary vehicles and the light fleet. 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 (Papa 2), 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 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 which reached 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 scheme for replacement of our existing Breathing Apparatus and ancillary equipment is included to the value of £1m over 2025/26 and 2026/27. This is being managed as a joint project through the 4F group (East & West Sussex, Surrey and Kent FRS (Fire and Rescue Service)).

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. However, an existing allocation of £1.5m from the Fire Transformation Grant (ITF Project) will be applied to the Engineering Workshop 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 continues to explore the potential for 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 have been used to fund the Capital Strategy. With no further property assets identified as surplus, capital receipts are likely to be small amounts for the sale of appliances. 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 of 31 March 2024, it is estimated that there will be a balance of £0.765m 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 £1.5m 2024/25 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 £85,000,000 - £95,000 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 £14.424m and this has been fed into the MTFP and our future borrowing costs.

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

Capital Programme Expenditure 2023-24 to 2028-29	Total Budget	Total Previous Years	Estimated Spend 2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	Remaining Spend
	£'000	£'000	£'000	£'000	£'000	£'000	£'000		£'000
Property									
Shared Investment Schemes									
Roedean Betterment	25		25						-
Bohemia Road Betterment	95		60	35					35
Fort Road - Engineering Workshop	2,836	23	188	2,625					2,625
External Funding - ITF Grants	(1,500)			(1,500)					(1,500)
Preston Circus	4,946	392	1,673	2,881					2,881
Total Shared Investment Schemes	6,402	415	1,946	4,041	-	-	-	-	4,041
Strategic Schemes									
- Replacement Fuel Tanks	492	450	42						-
- Partner contribution	(292)	(292)							-
- Replacement fuel tanks net cost	200	158	42	-	-	-			-
Design Guide	355	355							-
Hove	616	521	9	86					86
Roedean	503	53	2	448					448
Eastbourne	633	97		536					536
Bohemia Road	605	46	212	347					347
Security	386	95	140	151					151
Sustainability	221	22	10	189					189
MPTH	399	399							-
Eastbourne MPTH	260	26	44	60		130			190
Training Centre MPTH	308	34	16		50	208			258
Hove MPTH	278	24	40	50		164			214
Bohemia Road MPTH	258	26	43	50		139			189
Live Fire Training	4,000	49	34	160	2,750	1,007			3,917
Total Strategic Schemes	9,022	1,905	592	2,077	2,800	1,648	-	-	6,525
General Schemes	1,182	832		350					350
Phase 1 General Costs	30	30							-
Seaford CIL	296	3		7		86	200		293
Seaford CIL partner Contribution	(133)						(133)		(133)
Barcombe CIL	392	4	1		100	287			387
Barcombe CIL Partner Contribution	(156)					(156)			(156)
The Ridge	408						20	388	408
Hailsham	184	19					18	147	165
Rye	64	12	25	13				14	27
Battle	57	1						56	56
Heathfield	19	9	10						-
Uckfield	108	8						100	100
Lewes	576	6		80		190	300		570
Pevensy	30			30					30
Seaford HVP Alterations	94	94							-
Total General Schemes	3,151	1,018	36	480	100	407	405	705	2,097
Bay Doors, Floors, IT	1,505	7	96	181	808	205	208		1,402
Training Towers	279	1				278			278
Total Property	20,359	3,346	2,670	6,779	3,708	2,538	613	705	14,343
Vehicle Cameras	136		136						-
Grant Funds	(136)		(136)						-
Breathing Apparatus	1,000				500	500			1,000
Breathing Apparatus Washing Machines	85			85					85
Aerials	1,857	908	949						-
Aerial Rescue Pump	22	22							-
Fire Appliances	10,031	4,158	554	904	887	932	1,122	1,474	3,845
Ancillary Vehicles	2,821	774	474	685	811		77		1,573
Cars	2,550	861	35			339	644	671	1,654
Vans	2,182	1,018		496		183	206	279	1,164
Equipment	35		35						-
Employee Cost Allocation	39		39						-
Total Fleet and Equipment	16,228	7,741	2,086	2,170	2,198	1,954	2,049	2,424	9,321
JFC Vision Replacement	1,000					500	500		1,000
ITG Flexi Cloud	2,500				1,250	1,250			2,500
Total Expenditure	40,087	11,087	4,756	8,949	7,156	6,242	3,162	3,129	27,164

MEDIUM TERM CAPITAL STRATEGY 2024/25 to 2028/29 – FUNDING

	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
JFC				500	500		1,000
ITG			1,250	1,250			2,500
Fleet and Equipment	2,086	2,170	2,198	1,954	2,049	2,424	10,795
Estates	2,670	6,779	3,708	2,538	613	705	14,343
Original Capital Programme	4,756	8,949	7,156	6,242	3,162	3,129	28,638
Funded by:							
Capital Receipts Reserve	626	-	-	-	-	-	-
Capital Programme Reserve	4,130	2,265	2,000	2,500	3,000	3,000	12,765
Business Rates Pool Reserve				1,200		-	1,200
New Borrowing / Need to Borrow		6,684	5,156	2,542	162	129	14,673
Updated Capital Programme	4,756	8,949	7,156	6,242	3,162	3,129	28,638

	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
	£'000	£'000	£'000	£'000	£'000	£'000
Capital Receipts Reserve						
Opening Balance	520	0	0	0	0	0
Transfers In	106	0	0	0	0	0
Transfers Out	(626)	0	0	0	0	0
Closing Balance	0	0	0	0	0	0

	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
	£'000	£'000	£'000	£'000	£'000	£'000
Capital Programme Reserve						
Opening Balance	3,895	765	-	-	-	-
Transfers In	1,000	1,500	2,000	2,500	3,000	3,000
Transfers Out	(4,130)	(2,265)	(2,000)	(2,500)	(3,000)	(3,000)
Closing Balance	765	0	0	0	0	0

	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
	£'000	£'000	£'000	£'000	£'000	£'000
Business Rates Pool*						
Opening Balance	1,093	1,520	1,320	1,220	20	20
Transfers In	427	0	0	0	0	0
Transfers Out	0	(200)	(100)	(1,200)	0	0
Closing Balance	1,520	1,320	1,220	20	20	20

*Transfers out in 2024/25 and 2025/26 are not to fund capital expenditure

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 Bulletin 13 – Local Authority Reserves and Balances which was issued in March 2023 and replaces the Local Authority Accounting Panel (LAAP) Bulletin 99 - 'Local Authority Reserves and Balances'.

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 adequate 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 2023/24.

At the start of 2024/25, the General Reserve is forecast to represent 4.48% 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, 2024/25, 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 £2.253m. At the start of 2024/25 the General Reserve is expected to be £2.019m and it is planned to increase by £0.582m over 2024/25, 2025/26 and 2027/28 to return the balance to £2.601 by 31 March 2027 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. It is intended the pool will be used to support the capital programme and reduce future borrowing need and this is included within this report and the MTFP. The balance on this reserve includes accruals for 2020/21, 2021/22 and 2022/23 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.

- **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 (Fire and Rescue Authorities). 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. As part of budget setting for 2024/25 this reserve has now been fully committed primarily to support the Data Management Project. Planned top ups of the reserve have been delayed until 2025/26 (£0.2m pa).
- **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 – this reserve holds funding set aside to support the Authority's share of future investment in the Joint Fire Control Roadmap currently £50,000 pa, rising to £75,000 pa from 2025/26. Drawdown is awaiting the agreement of the Roadmap by the Joint Strategic Board.
- **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.
- **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.

- **BRR - Accreditation & RPL:** this Reserve holds the balance of the grant received to support accreditation and recognition of prior learning related to training for protection.
- **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 and the Second Options Exercise for On Call Firefighters, including software costs and administrative costs and other costs not funded by the Pension Fund Account or Government. It is planned to be used during 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 2024/25.
- **Cadets:** holds donations made to support the costs of the Authority's Cadet Scheme.
- **Future Foundation:** funding for the Future Foundations review of the Authority's support service structures and ways of working, including any costs of implementation.
- **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. £1.5m is paid into this reserve from the Authority's revenue budget in 2024/25. 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. The Authority does not currently plan to make any further disposals of property but will generate capital receipts for any vehicles disposed of for more than £10,000. The reserve is expected to be fully spent at the end of 2023/24.

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	If 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	2024/25	2024/25	2024/25	Projected Closing Balance	Projected Closing Balance	Projected Closing Balance	Projected Closing Balance	Projected Closing Balance
	Opening Balance	Planned Transfers In	Planned Transfers Out	31/03/25	31/03/26	31/03/27	31/03/28	31/03/29
	01/04/23	In	Out	£'000	£'000	£'000	£'000	£'000
Earmarked Reserves								
Improvement & Efficiency	234	0	(234)	0	200	400	600	800
Insurance	249	0	0	249	249	249	249	249
ESMCP ESFRS readiness	1,425	0	0	1,425	713	0	0	0
ESMCP Regional Programme	60	0	0	60	0	0	0	0
BRR – Accreditation & RPL	16	0	(8)	8	0	0	0	0
BRR - Protection Uplift	22	0	(22)	0	0	0	0	0
New Dimensions	21	0	(21)	0	0	0	0	0
Responding to New Risks	1	0	(1)	0	0	0	0	0
IT Strategy*	2,071	592	(2,564)	99	842	1,684	2,276	2,868
People Strategy	35	0	0	35	0	0	0	0
Business Rate Pool	1,520	0	(200)	1,320	1,220	20	20	20
Carry Forwards	18	0	(18)	0	0	0	0	0
Pensions Administration	144	0	(67)	77	77	77	77	77
Mobilising Strategy	50	50	0	100	175	250	325	400

Cadets	5	0	(5)	0	0	0	0	0
Future Foundations	81	0	0	0	0	0	0	0
Capital Programme Reserve	765	1,500	(2,265)	0	0	0	0	0
Total Earmarked Reserves	6,717	2,142	(5,405)	3,454	3,557	2,680	3,547	4,414
General Fund	2,019	282	0	2,301	2,451	2,601	2,701	2,801
Total Revenue Reserves	8,736	2,424	(5,405)	5,755	6,008	5,281	6,248	7,215
Capital Receipts Reserve	0	0	0	0	0	0	0	0
Total Capital Reserves	0	0	0	0	0	0	0	0
Total Usable Reserves	8,736	2,424	(5,405)	5,755	6,088	5,281	6,248	7,215

*The ITG strategy includes contributions of £592,000 a year, but no spend as the ITG strategy has not been extended past 2025.

EAST SUSSEX FIRE AUTHORITY: PRECEPT FOR 2024/25
REF: S43 LOCAL GOVERNMENT FINANCE ACT 1992

	£	£
NET BUDGET REQUIREMENT		49,328,000
Forecast Business Rates retained	2,582,000	
Top Up grant	5,789,000	
Business Rates Baseline	8,371,000	
Add Revenue Support Grant	5,639,000	
Settlement Funding Assessment	14,010,000	
Add Service Grant Allocation	49,000	
Add CSP Minimum Funding Guarantee	649,000	
Section 31 Grant Business Rates adjustment	2,231,000	
Previous Year's Surpluses/(Deficits)	59,000	
Total Council Tax required		32,374,000
Tax base	301,179	
Basic Council Tax (Band D equivalent)		107.49
Basic Council Tax from above calculation		Council Tax
Band A	6/9	71.66
Band B	7/9	83.60
Band C	8/9	95.55
Band D	9/9	107.49
Band E	11/9	131.38
Band F	13/9	155.26
Band G	15/9	179.15
Band H	18/9	214.98
	Tax Base	Precept
Brighton and Hove	92,814.30	9,976,609
Eastbourne	35,687.20	3,836,017
Hastings	26,728.00	2,872,993
Lewes	38,538.30	4,142,482
Rother	38,937.01	4,185,339
Wealden	68,474.00	7,360,270
	301,178.81	32,373,710

FUNDED STAFFING ESTABLISHMENT

	FTE @ 1/4/2024	FTE @ 1/4/2025
Principal Officers	3	3
Wholetime Firefighter	326	326
RDS firefighter Units	192	192
Control Room Staff	5	5
Support staff*	152.39	150.39

*Establishment changes as a result of Future Foundations/Tranche 3 are not reflected in the table above

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

Standalone FRA	CSP 2023-24 £m	CSP 2024-25 £m	Change %
Avon	53.5	56.0	4.6%
Bedfordshire	36.9	38.7	4.9%
Berkshire	43.0	45.2	4.9%
Buckinghamshire	35.3	37.0	5.0%
Cambridgeshire	36.3	38.1	4.9%
Cheshire	52.9	55.5	4.9%
Cleveland	33.2	34.6	4.2%
Derbyshire	46.5	48.7	4.7%
Devon & Somerset	92.5	97.0	4.9%
Dorset & Wiltshire	68.4	71.8	5.0%
Durham	35.2	36.8	4.7%
East Sussex	46.3	48.6	4.9%
Essex	87.1	91.20	4.9%
Hampshire & Isle of Wight	91.2	95.5	4.8%
Hereford & Worcester	38.5	40.4	5.0%
Humberside	54.0	56.4	4.4%
Kent	87.3	91.5	4.9%
Lancashire	70.2	73.3	4.5%
Leicestershire	45.0	47.1	4.7%
Merseyside	75.4	78.6	4.3%
Northamptonshire	29.3	30.7	4.8%
Nottinghamshire	51.9	54.3	4.65%
Shropshire	27.2	28.5	5.0%
South Yorkshire	62.6	65.3	5.3%
Staffordshire	49.6	51.9	4.7%
Tyne & Wear	59.8	62.4	4.3%
West Midlands	123.8	128.9	4.2%
West Yorkshire	102.9	107.4	4.4%

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