

REPORT OF EAST SUSSEX FIRE AUTHORITY

Report of a meeting of the East Sussex Fire Authority held at Fire & Rescue Service Headquarters at 10.30 hours on Thursday 11 December 2008.

Members present: Councillors Carden, Freeman, Gadd, Harmer-Strange, Mrs. Healy, Howson, Kemble, Kirby, Marsh, Murphy (Chairman), Pidgeon, Scott, Skilton, Sparks, Waite and Wilson.

Mrs. Redman, Independent Person and Chair of the Standards Panel and Mr. Wheeler, Independent Person.

1. Note Of The Principal Officer Appointments, Policy & Resources, Scrutiny & Audit And Standards Panel Meetings Held Since The Last Meeting Of The Fire Authority

1.1 The Fire Authority has considered a report that set out the reports of the Chairmen and Chair of the Panels that had met since the last meeting of the Fire Authority.

1.2 Councillor Scott proposed a motion that the resolution by the Policy & Resources Panel on 21 November 2008, item 537 (to remove the Service day crewed housing allowances for council tax, water and sewage rates and the annual redecoration allowance) be referred back to an appropriate panel for further discussion and consideration.

1.3 The resolution by the Policy & Resources Panel was that 'the action taken with regard to the recommendation 8 of the Management Action Plan be approved, as amended, to be phased in over a three year period'. Councillor Skilton suggested that this item be added to the agenda for the next meeting of the Way Forward Working Group on 9 January 2009, to allow for discussion with members of staff and the representative bodies.

1.4 The motion was seconded by Councillor Carden, and was subsequently lost.

2. Fire Authority Service Planning

2.1 The Fire Authority gave initial consideration to a projection of the draft 2009/10 Fire Authority Service Planning and Resource Management issues which would be finalised over the period from December 2008 to February 2009.

2.2 Members were informed that the announcement of the detailed Formula Grant for the period 2008/09 to 2010/11 had been made last year. The financial context for local government remained one of continued and significant financial constraint, with requirements to meet the latest efficiency savings targets for 3 years from 2009/10 as well as a potential to have to meet losses on collection funds, a reduction in the council tax base and other budget impacts as the economic conditions hardened. Government had restated guidance that council tax increase should be 'substantially below 5%' but it was still not clear exactly what this meant. Members requested that officers should model the impact of a council tax increase below 4% for future meetings. The use of balances to ease any one-off pressures would also be examined.

2.3 The Fire Authority confirmed the current planning assumptions; considered the draft service investment proposals, including the revenue consequences of the draft Capital Programme, and considered the draft savings proposals. Members noted that the Fire Authority must set its precept for 2009/10 on 5 February 2009.

2.4 **Resolved** – That the Fire Authority supports the indicative budget proposals set out in the report.

3. Further Revisions To The Fire Authority Treasury Management Strategy And Policy Statement For 2008/09

3.1 The Fire Authority has considered revisions to the Treasury Management Strategy for 2008/09, following the earlier approval of this on 7 February 2008, and amended on 5 June 2008 due to the worsening situation in the financial markets.

3.2 Under the Local Government Act 2003 and the Prudential Code for Capital Finance 2004, the Fire Authority was required to determine its authorised borrowing limit, to adopt treasury management prudential indicators and limits, to approve the Minimum Revenue Provision Statement and to agree the treasury management strategy and policy statement. The Fire Authority agreed these for 2008/09 at its meeting on 7 February 2008 and an amendment to the strategy was approved on 5 June 2008. Members were informed of the details of the latest revision for 2008/09, which applied only to the treasury management strategy.

3.3 It was noted that the strategy prioritised access and security and consequently was likely to result in reduced investment income and, together with the recent cut in the base rate, would mean that investment income would be lower than originally expected. This position was likely to continue into 2009/10 if interest rates were reduced by further base rate cuts.

3.4 Members thanked the Treasurer for his continued work in this area, and his wise and prudent approach to Treasury management which had ensured that none of the Authority's money was invested in Icelandic banks and that appropriately cautious approaches had been adopted on all related matters.

3.5 **Resolved** – That the further revisions to the Treasury Management Strategy for 2008/09 be approved.

COUNCILLOR MIKE MURPHY
CHAIRMAN OF EAST SUSSEX FIRE AUTHORITY

12 December 2008