

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 8 December 2011.

Present: Councillors Carden, Fawthrop, Healy, Howson, Kenward, Livings (Chairman), MacCafferty, Ost, Pidgeon, Rufus, Scott, Sparks, Theobald, Tidy and Waite.

Also present:

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

1. Fire Authority Service Planning Processes for 2012/13 and Beyond

1.1 The Fire Authority has considered the draft Medium Term Plan and service planning processes for 2012/13 and beyond. In November 2011, the Policy & Resources Panel had considered the key findings of the service prioritisation work. The following outcomes had been achieved:

1.2. The medium term position has been clouded by the following issues:

- Local Government Resource Review implications
- Council Tax capping proposals
- Government reviews on public sector pensions following Hutton Review
- Inflation proving higher than national estimates predicted
- Continued economic frailty and potential risks of growing collection fund deficits
- Recent Chancellor's announcement to offer a further freeze grant to Police & FRAs for one year only if they adopt a nil council tax increase.

1.3 One of the most significant issues for this budget cycle has been the need to progress the previous service prioritisation savings list approved, in principle, by the Fire Authority in February 2011 towards approval in practice. This is required so that the savings can be achieved by 2013/14 or soon afterwards to meet our funding constraints, but also bearing in mind that there are also cross linkages to any merger or collaboration proposals that need to be clarified and resolved throughout 2012/13.

1.4 An indicative Medium Term Plan has been considered that identified the key differences between accepting and not accepting Council Tax Freeze Grant:

i) From an ESFRS perspective, a Council Tax Freeze means a loss of permanent funding of £0.7m per annum after the grant ceases and as such unless recovered from higher than predicted council tax increases of 2.5% in future years, will mean further equivalent savings required from 2013/14 onwards i.e. on top of the additional service prioritisation savings approved last year from 2013/14 onwards which already equate to 47 FTE posts.

ii) If Council Tax Freeze Grant is not accepted, shortfalls are predicted to occur in 2015/16 of £1.217m; and £1.973m p.a. by 2016/17. It should be noted that the Joint Control Project with West Sussex Fire & Rescue Service is expected to deliver £0.5m p.a. full year effect saving to ESFRS (half share) by the start of 2014/15 at latest which should assist towards these projected resourcing shortfalls but further savings from merger or otherwise will still be required from 2015/16 onwards to meet the remaining shortfall.

iii) If Council Tax Freeze Grant is accepted, shortfalls are predicted to occur in 2013/14 of £0.124m, 2014/15 of £1.000m; 2015/16 of £2.226m; and £2.654m p.a. by 2016/17. Again, the impact of the Joint Control project has not been taken into consideration as yet. As such, even more savings from merger or otherwise will be required from 2014/15 onwards.

1.5 Crucially, such further savings if not achieved through merger or compensatory council tax increases in excess of 2.5% from 2013/14 can only come from discretionary services, further operational employee savings, freezing of investment costs or radical streamlining and outsourcing of support services.

1.6. Whilst the considerations continue in relation to a possible merger and Budget in January/February 2012, the draft medium term service planning proposals have remained strictly confidential until after the Fire Authority has approved the initial proposals in January 2012 and made further and final decisions in February 2012.

1.7 Members have agreed to note progress to date in advance of further reports to the Fire Authority in January and February 2012.

2. Proposed Merger of East and West Sussex Fire and Rescue Services – Final Consultation Report and Update

2.1 The Fire Authority has considered the outcomes of the public consultation results on the merger and Representative Body reactions. The 12 week public consultation programme was completed on 6th October as scheduled. The results have been summarised for inclusion in the full business case.

In overall terms, it has been concluded that:

- a) the local public and stakeholders support a merger on the basis that it is intended to protect local community services, local stations and 'frontline' posts from the impact of government grant cuts;
- b) there is a general staff consensus across both organisations that in the circumstances both organisations are faced with, it is the right thing to do, but staff are sensitive to the impact on particular staff groups directly affected by the merger and also concerned whether the financial issues really stack up;
- c) there have been only a handful of responders that have been fundamentally against the merger; and
- d) the support of Brighton & Hove City Council to the merger proposals is caveated by their expressed recommendation to have 24 Members on the new Fire Authority in order to limit the reduction in City Council representation from 6 to 4 Members to allow for adequate political representation. ESCC Cabinet has similarly concluded.

2.2 The Business Case was amended for these outcomes for further consideration by the Joint Steering Group in December for the respective Authorities' considerations in January.

2.3 Members have noted the outcomes.

Councillor John Livings
Chairman

9 December 2011

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 12 January 2012.

Present: Councillors Carden, Fawthrop, Healy, Heaps, Howson, Kenward, Livings (Chairman), MacCafferty, Ost, Pidgeon, Rufus, Sparks, Thomas, Tidy, Waite, Wakefield and Wealls.

3. Des Prichard, Chief Fire Officer & Chief Executive - Award of OBE

3.1 The Fire Authority has congratulated Des Prichard, Chief Fire Officer & Chief Executive, on the prestigious award of an Order of the British Empire in the 2012 New Year's Honours List, and thanked him for his hard work, commenting that he was highly thought of both locally and nationally. He has been the Chief Fire Officer & Chief Executive of East Sussex Fire and Rescue Service since October 2001, having joined East Sussex Fire & Rescue Service in 1995.

4. Fire Authority Service Planning Processes for 2012/13 and beyond – Draft Revenue Budget 2012/13 and Capital Programme 2012/13 to 2016/17

4.1 The Fire Authority has considered the draft 2012/13 Fire Authority Service Planning issues for formal consideration by the Fire Authority and the latest iteration of the service planning processes as previously considered. The final draft budget would be presented to the Fire Authority on 2 February 2012 for its consideration and final approval.

4.2 The Fire Authority has noted that the current year's budget was expected to underspend and any final underspends at outturn would be returned to Balances.

4.3 The Fire Authority has considered the committed budget for 2012/13 which is estimated to be £39.881m, a 1.7% increase on the previous year's budget. Proposed net service investments of £120k in 2012/13, reducing to £60k per annum thereafter and offset by savings of £85k per annum, brought the total proposed Revenue Budget in 2012/13 to £39.916m, an increase of 1.82% over the 2011/12 budget of £39.203m.

4.4 The Fire Authority has considered the projected 2012/13 Capital Programme of £4.588m which was being financed from identified funding of £3.633m and borrowing of £0.955m.

4.5 The Formula Grant figure for 2011/12 was £13.834m, a 5.7% decrease on 2010/11. For 2012/13, there was a slight increase of £0.051m (0.35%) on the 2011/12 level to £13.885m. Members noted that

the Chancellor's autumn statement had raised concerns that there would be further pressure on local government funding in the last two years of the current CSR period.

4.6 The Government has signalled its intent that its proposals for local retention of business rates will apply to all fire authorities including East Sussex Fire Authority.

4.7 The latest budget modelling had been based on the acceptance of the latest offer by the Government of a one year Council tax freeze grant for 2012/13 and based on current information available and best estimates. The Fire Authority were presented with additional information on a number of medium term policy options for accepting or rejecting the latest Council Tax freeze grant and varying council tax increase percentages for prior consideration before the precept meeting on 2 February 2012.

4.8 Members have debated the implications of the current Service Prioritisation work and the implications on the current programme of post reductions as well as the medium term implications on additional savings required. An HR strategy had been developed to include flexible retirement, redeployment, voluntary redundancies and, as a last resort, compulsory redundancies. The Service would seek to minimise the likelihood that compulsory redundancies would be required, but could not make any guarantees.

4.9 Members were informed that whilst council tax collection rates had suffered deficits in previous years, since 2009/10 the collection by the District and Borough Councils had improved. The East Sussex Finance Officers' Association had commissioned work to review the level of single persons' discounts, and this is expected to have a positive impact on future Council tax income. Meanwhile the final council tax base and collection fund information was awaited from the City Council and borough and district councils in East Sussex for reporting to the meeting on 2 February 2012.

4.10 The Fire Authority resolved a number of detailed aspects of the budget, with the key ones being:

- a) the committed budget for 2012/13 of £39.881m including provision for pay awards (1% in 2012/13), price increases and net inescapable commitments be approved;
- b) consideration be given to the budget pressures of £120k in 2012/13 and £60k per annum before a final decision is made at the Fire Authority's precept setting meeting on 2 February 2011;
- c) the amended Capital Programme for 2011/12 totalling £1.564m and Capital Programme for 2012/13 totalling £4.588m, be approved;

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d) the savings identified of £85k in 2012/13 with future revenue effects be noted before a final decision is made at the Fire Authority's precept setting meeting on 2 February 2012 and the proposed nil increase in the precept for Council Tax purposes as referred to in Section 6 and Table 13 also be noted;

e) that the detailed recommendations for setting the precept will be included in the final Revenue Budget report to be presented to the Fire Authority at its 2 February 2012 meeting, using the final tax base figures yet to be published be noted.

Councillor John Livings
Chairman

13 January 2012