

## EAST SUSSEX FIRE AUTHORITY

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### **Report of a meeting of the East Sussex Fire Authority held at Fire & Rescue Service Headquarters at 10.30 hours on Thursday 7 February 2013.**

**Present:** Councillors Carden, Duncan, Fawthrop, Healy, Heaps, Howson, Kenward, Livings (Chairman), Ost, Pidgeon, Powell, Rufus, Scott, Sparks, Theobald, Thomas, Tidy and Waite.

#### **1. Fire Authority Service Planning Processes For 2013/14 And Beyond – Draft Annual Plan 2013/14 And Draft Revenue Budget**

1.1 The Fire Authority has considered relevant reports on the Service Planning Processes for 2013/14 and beyond for approval for the purposes of setting the 2013/14 Council Tax precept and other relevant matters.

#### **1.2 Draft Revenue Budget 2013/14**

1.2.1 The Fire Authority has considered a report that set out the final draft Fire Authority Revenue Budget for 2013/14. In the view of the Treasurer, in line with the requirements set out in Section 25 of the Local Government Act 2003, the estimates used for the purposes of calculating the budget, revenue and capital, had been produced in a robust and transparent way and the proposed financial reserves were consistent with Fire Authority policy, and were prudent and necessary. In the nature of FRS business, Members were reminded of the need to recognise that risks, financial and otherwise, and their consequent impact on the budget and reserves, may change during the year and would need to be continually reviewed and managed in line with the Fire Authority's own policy.

1.2.2 The Treasurer advised that whilst the Local Government Finance Settlement (LGFS), announced on 4 February 2013, had been slightly better than anticipated, the Authority would still have to find savings in the order of £3.5m by 2017/18.

1.2.3 The Fire Authority recognised that a risk existed in the estimates used for business rates income and noted that provision had been made in Reserves and Balances, and any adjustments to make up a deficit could be managed through these provisions without it affecting the detailed budget proposed.

1.2.4 The Treasurer advised that there remained significant uncertainty about funding after 2014/15 which was unlikely to be resolved until after the completion of Comprehensive Spending Review (CSR) 2013. There was also a range of risks associated with the new funding regime which would need to be monitored and assessed during 2013/14. For these reasons, plans for 2014/15 onwards would need to be revisited later in the year.

- 1.2.5 At its meeting on 17 January 2013, the Fire Authority had approved the 2013/14 Committed Budget of £38.932m and related detailed provisions, fees and charges, etc. and the 2013/14 to 2017/18 Capital Programme.
- 1.2.6 Under the new funding arrangements, the provisional 2013/14 Finance Settlement included Revenue Support Grant of £10.195m; Retained Business rates (including top up) of £6.782m, Council Tax Transitional Support Grant of £0.092m and a further Council Tax Freeze Grant of £0.249m for two years if the Fire Authority accepted a nil increase in the precept for a further year.
- 1.2.7 Final figures on council tax base and council tax collection fund had enabled a Revenue Budget to be set at £39.079m, for council tax band D increases to be kept to £81.86 if this latest council tax freeze grant was accepted. Any additional surplus would be transferred into Reserves to be set aside to fund future spending pressures and proposals.
- 1.2.8 Members were advised that the collection fund was in surplus by £0.136m compared with the estimated net nil reported on 17 January 2013. It was proposed to transfer this one off collection fund surplus to Reserves to assist in funding future service pressures in 2013/14 or future years.
- 1.2.9 Members considered the shortfalls and levels of savings predicted to be required from 2013/14 to 2017/18 in the three options presented to them, i.e. a council tax freeze, an increase of 1% and an increase of 1.94%. The level of savings required would present significant challenges to the Fire Authority, and a Members' Seminar had been arranged for 25 February 2013 to consider the way forward for the Authority to address the future budget shortfalls. He urged that the Fire Authority should give early consideration to preparing a strategic approach to the budgets from 2015/16 to 2017/18 and beyond when the financial pressures faced by the Authority would be greater.
- 1.2.10 The Chief Fire Officer & Chief Executive reminded Members that out of 24 Fire & Rescue Services across England, 15 were part of County Councils who set their budgets. The remaining Fire Authorities were either well placed larger authorities with greater opportunities to absorb budget pressures with possible increased income from a share of business rates, or smaller authorities who had been given greater flexibilities and grants. Representations had been made to the Minister to allow all Fire Authorities to raise their precepts by up to £5, but the Minister had allowed only those Authorities in the lower quartile to do this. East Sussex Fire Authority was middle-placed and had none of the advantages of a larger CFA or the financial grants provided to the smaller authorities.
- 1.2.11 He advised Members that there was a danger that ESFA could become isolated and asked Members to consider re-opening discussions with West Sussex County Council about a merger between East Sussex and West Sussex Fire & Rescue Services.
- 1.2.12 The Chief Fire Officer & Chief Executive referred to the letter from Brandon Lewis M.P. regarding the Council Tax freeze grant. He recognised that there

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was a potential risk to the future funding for the Fire Authority should Members decide not to accept the freeze grant. The Treasurer re-iterated that the freeze grant would be paid for two years across 2013/14 – 2014/15. All other authorities across East Sussex were accepting the freeze grant, except Brighton & Hove City Council and Chichester. There still remained a significant level of Government grant in the funding settlement for ESFA.

1.2.13 Members debated the budget proposals and the implications of accepting the freeze grant, or increasing the council tax by 1% or by 1.94%.

1.2.14 The Fire Authority resolved that:

- i. the detailed recommendations set out in section 1.2 of the report be approved, i.e.
  - a. the final budget figures of £39.079m for 2013/14 a 2.38% reduction on the 2012/13 base budget of £40.030m;

<b>Option A – Accept Council Tax Freeze Grant and do not increase Council Tax precept in 2013/14.</b>			
	<b>Revenue Budget Summary</b>	<b>2012/13</b>	<b>2013/14</b>
Actual		Original Estimate	Original Estimate
£'000		£'000	£'000
(617)	Council Tax Freeze Grant (11/12)	(617)	0
	Council Tax Freeze Grant (12/13)	(743)	0
	Council Tax Freeze Grant (13/14)		(249)
	Council Tax Support Grant Transitional		(92)
(77)	Collection Fund Surplus (Surplus)	(21)	(136)
(24,674)	Council Tax Requirement	(24,764)	(21,625)
<b>(25,368)</b>	<b>TOTAL COUNCIL TAX INCOME</b>	<b>(26,145)</b>	<b>(22,102)</b>
<b>(39,203)</b>	<b>TOTAL CONTRIBUTIONS AND PRECEPTS</b>	<b>(40,030)</b>	<b>(39,079)</b>
	Surplus (147,000 added to balances)		0

b. To note that the final Council Tax Base for 2013/14 and the confirmed Collection Fund Surplus, which deliver a positive movement in available resources of £0.147m compared to that previously estimated which will be transferred direct to Reserves as part of the committed budget;

c. To note the previously approved Capital Programme payments for 2013/14 totalling £4.150m which have no related revenue consequences;

d. To note that as the Council Tax Freeze Grant has not been rejected in favour of a precept increase of up to 2%, it is not necessary to take decisions as to whether to support specific community safety initiatives for a limited period time; and

e. the Prudential Indicators set out in Appendix 2, be approved.

ii. It be noted that the final tax base figures have been provided by the billing authorities and the Local Government Finance Settlement has been confirmed;

iii. It was moved by Councillor Thomas and seconded by Councillor Howson that East Sussex Fire Authority accepts the Council Tax Freeze grant in 2013/14 to achieve a nil change in precept.

In accordance with Standing Order 22.1, four Members having requested it, a recorded vote was taken on the motion to accept the government's Council Tax Freeze Grant, the result which was as follows:

For (9): Councillors Fawthrop, Howson, Kenward, Livings, Pidgeon, Theobald, Thomas, Tidy and Waite.

Against (9): Councillors Carden, Duncan, Healy, Heaps, Ost, Powell, Rufus, Scott and Sparks.

Abstentions (0).

There being an equality of votes, in accordance with Standing Order 22.3, the Chairman exercised his second casting vote. The motion was therefore carried.

iv. **RESOLVED** - That in accordance with the Local Government Finance Act 1992, the acceptance of the latest Council Tax Freeze Grant in 2013/14 to achieve a nil change in precept and the following be approved:

a the amount calculated by East Sussex Fire Authority as its net budget requirement for the year 2013/14 is £39.079m; a decrease of 2.38% on the 2012/13 base budget of £40.030m;

b the amount calculated by East Sussex Fire Authority as its Council Tax Requirement for the year 2013/14 is £21.625m and the basic amount of its council tax (i.e. for a Band D property) for the year 2013/14 is £81.86 (based on final tax base figures), a nil increase on the 2012/13 figure of £81.86 to accord with the Government's further support to council taxpayers in view of the economic situation and commensurate grant support for a national freeze on council tax in 2013/14; and

c Brighton & Hove City Council and the borough and district councils (the billing authorities) be advised by the Treasurer of the relevant amounts payable and the council tax in the other bands, in line with the regulations and table set out below and to issue precepts accordingly;

v. The Chief Fire Officer & Chief Executive be authorised, after consultation with the Chairman and the Treasurer, to make adjustments to the presentation of the budget to reflect the final Local Government Finance Settlement, if required.

### **Council Tax Calculations**

East Sussex Fire and Rescue Service  
Precept for 2013/14

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**ref S.43 Local Government Finance Act 1992**

	£	£
<b>NET BUDGET REQUIREMENT</b>		<b>39,078,800</b>
Forecast Business Rates retained	2,230,654	
Top Up Grant	<u>4,551,494</u>	
Total Base Line Funding	6,782,148	
Add Revenue Support Grant	<u>10,194,540</u>	
Total Grant funding ( excluding transitional/freeze grant)	16,976,688	
Council Tax Grant 13/14	249,029	
Council Tax Support Grant Transitional	91,867	
Previous Year's Surpluses/(Deficits)	135,809	
Total Council Tax Required		21,625,407
Tax Base	264,175.60	
Basic Council Tax (Band D equivalent)		81.86
Basic council tax as calculated above		£.p
Band A	6/9	54.57
Band B	7/9	63.67
Band C	8/9	72.76
Band D	9/9	81.86
Band E	11/9	100.05
Band F	13/9	118.24
Band G	15/9	136.43
Band H	18/9	163.72
Basic council tax as calculated above	Tax Base	Precept (£)
Brighton & Hove	79,781.90	6,530,946.33
Eastbourne	32,476.60	2,658,534.48
Hastings	23,319.00	1,908,893.34
Lewes	34,436.00	2,818,930.96
Rother	35,021.30	2,866,843.62
Wealden	59,140.80	4,841,265.89
		21,625,414.62

**2. Sussex Control Centre**

- 2.1 The Fire Authority was advised on progress made with the Sussex Control Centre. Property issues were being finalised for the adaptations of Haywards Heath Fire Station. A contract for the new mobilising and control systems had been awarded to Remsdaq. Following control room staff training and preparation, the 'Go-Live' date was on schedule for 31 March 2014. West Sussex County Council had begun the TUPE process to transfer staff and ACO Rolph had formally written to WSF&RS on measures for the TUPE process. She had met regularly with control room staff at West Sussex, and the Chief Fire Officer & Chief Executive and the Deputy Chief Fire Officer would be meeting with the relevant staff in May.

**3. Member Allowances – Annual Review**

- 3.1 The Fire Authority considered a report on the allowances that should be paid to Members with effect from 1 April 2013. The current Member Allowance Scheme provides for allowances to be up-rated annually from 1 April based on the headline increase of the previous year's national pay award for LGS staff. There has been a nil pay award for LGS staff. The Fire Authority has agreed that there should be a nil increase in rates for Members Allowances for 2013/14.

**4. Preparations For Future Delivery Of Financial Services For East Sussex Fire Authority**

**4.1 Future Arrangements**

- 4.1.1 The Fire Authority considered a report that set out the current position regarding the proposals to provide a range of financial services for the Fire Authority with effect from 1 April 2013, after the existing contracts expired on 31 March 2013. The Fire Authority resolved that following any further legal advice and satisfactory completion of terms, responsibility be delegated to the Chief Fire Officer & Chief Executive, after consultation with the Chairman and the Treasurer, to approve the appropriate agreements for a range of financial services for East Sussex Fire Authority with effect from 1 April 2013.

**4.2 Role of the Treasurer**

- 4.2.1 The East Sussex Fire Service's Combination Scheme required the Authority to appoint a Treasurer, and Section 151 of the Local Government Act 1972 required every local authority to secure that one of their officers is responsible for the proper administration of their financial affairs. It was proposed that in the near future, the Authority would make its own direct appointment to the role of Treasurer and Section 151 Officer for a fixed period not exceeding 18 months. However, it was necessary to put in place interim arrangements until such time as the appointment was made. It was resolved that, as an interim measure, Mo Hemsley, East Sussex County Council's Assistant Director (Service Finance), be appointed to the position of Treasurer to the Fire Authority and Section 151 Officer.

Councillor John Livings  
Chairman

12 March 2013