

EAST SUSSEX FIRE AUTHORITY

Report of a meeting of the East Sussex Fire Authority held at Brighton Town Hall, Bartholomew Square, Brighton BN1 1JA at 10:30 hours on Thursday, 14 February 2019.

Present: Councillors Barnes (Chairman), Boorman, Deane, Dowling, Galley, Lambert, Marsh, O'Quinn, Osborne, Peltzer Dunn, Platts, Scott, Smith, Taylor, Theobald and Tutt.

N.B. Apologies were received from Councillors Earl-Williams, Elford, Morris and Sheppard.

The agenda and non-confidential reports can be read on the East Sussex Fire & Rescue Service's website at <http://www.esfrs.org/about-us/east-sussex-fire-authority/fire-authority-meetings/> A brief synopsis and the decisions relating to key items is set out below.

1 SAFER COMMUNITIES STRATEGY 2018-21

- 1.1 The Authority received a report presenting and seeking approval of a revised Safer Communities Strategy 2018-21, which now covers both Community and Business Safety.
- 1.2 The Strategy had been developed through engagement with staff, partners and Members and on the principle of an annual collaborative assessment of local risk to ensure an effective response through initiatives that were evaluated, reviewed, consulted on and translated into local plans allowing effective performance management.
- 1.3 The Strategy was people centric and focussed on those most vulnerable and at risk, introducing five thematic action plans (Home/Fire, Road, Water, Business and Health) to deliver effective performance monitoring. This would empower local delivery teams to respond dynamically to the changing local risk in their communities, encouraging creativity and innovation with support provided by central specialist teams.
- 1.4 Members welcomed the Strategy, they used the opportunity to record their constituents concerns over current housing density levels and the impact on fire safety. They were reassured that the Strategy proposed an ongoing commitment of talking to and working with local communities and landlords.
- 1.5 The number of business audits was set to increase and Members asked whether any best practice would be adopted from other services. Assurance was a key element and the process was subject to scrutiny from Internal Audit. Advice and guidance would be provided by pulling together best practice nationally and locally from NFCC, Government, other FRS, partner organisations and the third sector.

- 1.6 There were queries regarding implications for ESFRS arising from the Hackitt enquiry. Members were reassured that ESFRS officers had been involved on a national level to consult on the inquiry since the Grenfell fire and learning from this was embedded within the Safer Communities Strategy along with lessons from HMICFRS inspections. Authority Members were reminded how important it was that they understood and shared with their constituents that high rise did not automatically mean high risk and that a person's behaviours were a greater determinant of fire risk than where they live.
- 1.7 Members were reassured that ESFRS Officers maintained appropriate involvement in the planning process across all Local Authorities (LA) in the ESFRS area, there was also close collaboration regarding LA housing stock. ESFRS representatives continued to attend meetings of residents associations.
- 1.8 The Authority heard that there was a lot of community work underway and in the strategy regarding Youth working, immigration and exploitation. Partnership working was fundamental to assisting with the assessment of risk across the ESFRS area. Fire Investigation was at the forefront of the work and best practice was being shared across the region, the NFCC had created a national operational learning database and a regional project was underway reinforcing the value and importance of fire investigation.
- 1.9 There were some concerns regarding planning regulations and inclusion of sprinklers in new build properties. Whilst it was the responsibility of Housing and Planning Authorities to act on this and to ensure Fire Safety throughout their planning process, Members were assured that ESFRS was consistent and strong with its recommendations and message on the installation of sprinkler systems. The NFCC had a strong position on both evacuation procedures and sprinkler systems published on their website.
- 1.10 The Authority resolved to approve the revisions to the current Community Safety Strategy and approved the adoption of the Safer Communities Strategy 2018-21

2 FIRE AUTHORITY SERVICE PLANNING PROCESSES FOR 2019/20 AND BEYOND – REVENUE BUDGET 2019/20 AND CAPITAL STRATEGY 2019/20 TO 2023/24

- 2.1 The Authority considered a report presenting the Fire Authority's Revenue Budget 2019/20, Capital Strategy 2019/20-2023/24 and Medium Term Financial Plan for 2019/20-2023/24 for approval.
- 2.2 The Authority's budget proposals for 2019/20 and its five year Medium Term Finance Plan (MTFP) were considered at the meeting of the Policy & Resources Panel on 18 January 2019. Following that meeting, the report had been updated to reflect final council tax and business rates information, collection fund positions and revised information from central government on business rates funding.
- 2.3 The Authority had continued to make good progress in identifying and agreeing savings proposals over the last 12 months. The latest MTFP showed that the Authority had already identified £0.413m of savings in 2019/20 and a total of £0.529m savings in total over the life of the MTFP.

- 2.4 There was continued uncertainty for fire funding beyond the multi-year funding offer that ends in 2019/20. From 2020/21 there were potentially significant risks as a result of proposals to change the Business Rates Retention regime, the Fairer Funding Review and the Comprehensive Spending Review. Additionally there was no decision on the funding of increased employer's pension costs after 2019/20. Locally, the impact of West Sussex County Council's (WSCC) decision to withdraw from the Sussex Control Centre (SCC) from February 2020 was still to be fully evaluated.
- 2.5 Members were reminded that when the decision had been taken by WSCC to withdraw, the Authority had approved a draw down from the General Reserves of £0.625m to cover additional costs for SCC including pressures on the SCC business as usual budget, SCC Project Phase 2, Exit Strategy and Project 21 (the assessment of options beyond the end of the current contract with Remsdaq in March 2021). Work was underway to clarify these costs and would be reported to the next meeting of the Policy & Resources Panel.
- 2.6 The ADR/T reminded Members that under the Section 16 agreement the funding split had been agreed as 50:50, it had since been agreed that in 2019/20 WSCC would be bearing more of the staffing costs as a result of their decision not to transition to 4i. Appropriate sharing of costs resulting from the Exit Strategy would be considered through the Executive Board. A governance board with an updated structure and remit had been formed and provided an escalation route to the CFO and CE of WSCC if required.
- 2.7 The Authority approved an increase in council tax of 2.94% and thus approved also the budget proposals set out in the report and the net budget requirement of £39.037m for 2019/20, the council tax requirement of £27.215m and the council tax and precepts as set out in Appendix F to the report. The Authority additionally approved the capital programme for the next five years and the capital budget of £6.728m for 2019/20 and the plans to use capital grant, capital receipts and revenue contributions to finance capital expenditure. The Authority also approved the reduction in the minimum level of General Reserves to 6% of the net revenue budget, the fees and charges as set out in Appendix C to the report and that the Chief Fire Officer, in consultation with the Chairman and Treasurer, be authorised to make any adjustments to the presentation of the budget to reflect the final Local Government Finance Settlement.

3 TREASURY MANAGEMENT STRATEGY FOR 2019/20

- 3.1 The Authority considered a report presenting Members with the Treasury Management Strategy, policy statement and the Minimum Revenue Provision (MRP) Statement 2019/20.
- 3.2 The report contained recommendations about the borrowing limits, prudential indicators and limits, investment strategy and policy as required by Section 3 (1) of the Local Government Act 2003 and the Prudential Code for Capital Finance 2017. The emphasis continued to be on security and liquidity. Members were informed that, as was clear from current global events, it was impossible in practical terms to eliminate all credit risk, therefore the Fire Authority would continue to seek to be prudent.

- 3.3 The Authority was recommended to approve borrowing limits to allow flexibility for any future consideration in undertaking new external long-term /replacement borrowing should the need arise and the market conditions be favourable.
- 3.4 Members were reminded that the Fire Authority had always adopted a prudent approach on its investment strategy and in the last few years there had been regular changes to the list of approved organisations to be used for investment of short term surpluses. The list was reviewed regularly to ensure that the Authority was able to invest at the best available rates consistent with low risk. The 2019/20 strategy continued the prudent approach and ensured that all investments were only to the highest quality rated banks and financial institutions.
- 3.5 Members reiterated that they were not against prudence, but continued to encourage a less risk averse attitude going forward. They commended the exploration of inter-authority lending and deeper exploration into property investment, clarifying that reference was being made to Property Funds and not investment in physical property.
- 3.6 The ADR/T confirmed that inter-authority lending had already commenced with ESFRS loaning £2m to Plymouth City Council on a 1% return. The Authority was seeking to increase returns without significant additional risk. ORBIS was reviewing investment opportunities available in light of the MTFP and Capital Strategy. Whilst the Authority held historically high levels of cash, these were now being used to support planned investments in its estate and IT. The Authority's reserves would reduce from £22m currently to below £3m by the end of 2021/22. Any investment strategy must be appropriate to its organisation and bear in mind its structure, risk appetite and business requirements. The Service was always looking at routes for income generation as part of the wider picture of driving efficiencies.
- 3.7 The Authority resolved to approve the Treasury Management Strategy and Policy Statement for 2019/20 (and adopted for the remainder of 2018/19). Members determined that for 2019/20 the Authorised Limit for borrowing shall be £13.630m, they adopted the prudential indicators as set out in Appendix 2 to the report and approved the Minimum Revenue Provision (MRP) Statement for 2019/20 as set out in Appendix 3 to the report.

4 FAIRER FUNDING REVIEW

- 4.1 The Fire Authority considered the Report of the Assistant Director Resources/Treasurer (ADR/T) which sought comments on the Authority's response to the Government's consultation on the Fairer Funding Review.
- 4.2 Members were informed that the Fairer Funding Review (FFR) was just part of the future financial picture. The Authority's position would also be affected by the Comprehensive Spending Review (CSR), due to start in Spring 2019. The effect of the UK's exit from the European Union, which also presented its own unknowns and challenges, was anticipated to be the cause of a delay to the CSR. There was then also the effects of the consultation in to the review of Business Rates Retention.

- 4.3 There had been much debate nationally around the potential funding formula for Fire. It had been established that Fire Services in general were content with the existing formula. There was National reiteration that it was essential that Fire Funding should recognise and resource to risk and not just demand or spend. Members were informed that it was the Service's preference, in line with the view of Fire Services nationally, that the existing formula be retained. The Authority welcomed the robustness of the draft response as at Appendix C to the Report.
- 4.4 The Authority resolved to approve the draft response to the consultation including its preference for supporting the proposed option one funding formula and that the Authority was strongly against the proposed option three and agreed to delegate authority to the Assistant Director/Resources/Treasurer in consultation with the CFO and the Chairman to finalise the response taking into account any further work by the NFCC.

5 EAST SUSSEX FIRE & RESCUE SERVICE ESTATES STRATEGY 2018-2025

- 5.1 The Authority considered the Report of the Assistant Chief Fire Officer and Assistant Director Resources/Treasurer which presented Members with the new Estates Strategy for final approval.
- 5.2 The strategy included proposed works, following the new ESFRS design guide, to redevelop some existing sites. There was a link between these redevelopment options and the forthcoming Operational Response Review (ORR) and Members wanted confirmation that Officers would keep both under consideration. There was a risk that work may be carried out in line with the Estates Strategy that might then be required to change when the results of the ORR came through
- 5.3 Members were informed that the Estates Strategy was a significant step forward, predicated on the associated design guide. They both contained the Service's aspirational standards and neither were a common approach with the Fire Sector. The Strategy had been created to be a dynamic and changing document and would respond to changing Service requirements. The Strategy would be reviewed on a regular basis by the newly established Estates Strategy Delivery Board, on which there was Member and Principal Officer representation.
- 5.4 Members queried how flexible the Space Standards in the Design Guide were. It was clarified that not all of the space strategies would be achievable at every site due to physical constraints and that compromises would have to be reached, but it was noted that the design solution, to meet the Design Guide requirements, would be driven by operational functionality.
- 5.5 Members wanted to ensure that the Service was not understating its efforts in the area of collaboration. The CFO explained that ESFRS were involved in a number of One Public Estate, SPACE and Blue Light Hub projects. All estate collaboration opportunities would be explored, though operational requirement and provision for firefighters would be the priority and once met, community need and efficiency were then considered. The ADR/T added that collaboration was included in the Strategy as a key consideration and that Members had already approved a number of collaborations including HQ, Saxon House, Uckfield, Heathfield and Lewes Fire Stations with partners currently being sought for Preston Circus.

The Authority approved the 2018/2025 ESFRS Estates Strategy and the required funding of £13.8m required to deliver it and noted that the financial implications of this investment were set out in the Medium Term Finance Plan.

COUNCILLOR JOHN BARNES
CHAIRMAN OF EAST SUSSEX FIRE AUTHORITY

14 February 2019