

## EAST SUSSEX FIRE AUTHORITY

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### **Report of a meeting of the East Sussex Fire Authority held at County Hall, St. Anne's Crescent, Lewes BN7 1UE at 10:30 hours on Thursday, 9 February 2023.**

Present: Councillors Galley (Chairman), Lambert (Vice-Chair), Azad, Dowling, Evans, Geary, Hamilton, Maples, Marlow-Eastwood, Nemeth, Osborne, Powell, Redstone, Scott, Taylor, Theobald, Ungar and West

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 URGENT ITEMS AND CHAIRMAN'S BUSINESS**

- 1.1 The Fire Authority recorded their congratulations to the Chief Fire Officer on her being awarded the King's Fire Service Medal in the New Year's Honours list. Members thanked the Chief Fire Officer for her dedicated service to East Sussex Fire & Rescue Service as well as her work nationally on water safety.

#### **2 TO CONSIDER ANY PUBLIC QUESTIONS**

- 2.1 A question was received from a Member of the Public. The questioner received a written response from the Chairman. The question and response were presented to those present at the meeting and would be published with the minutes as a matter of public record.

#### **3 FIRE AUTHORITY SERVICE PLANNING PROCESSES FOR 2023/24 AND BEYOND - REVENUE BUDGET 2023/24 AND CAPITAL ASSET STRATEGY 2023/24 TO 2027/28**

- 3.1 The Fire Authority considered a report presenting the draft Revenue Budget 2023/24, Capital Strategy 2023/24 – 2027/28 and Medium Term Finance Plan for 2023/24 – 2027/28 for approval. The changes made since the initial proposals presented to the Policy & Resources Panel at its meeting in January 2023 and since the publication of the agenda for this meeting were outlined. These included minimal changes as a result of the publication of the Final Local Government Finance Settlement and additional one-off funding of £65,000 from the distribution of the Business Rate Levy Account surplus (which was not reflected in the papers). The reported Collection Fund position had been revised to a zero balance from the £0.4m deficit previously forecast. Further updates had been made to the Capital Asset Strategy reflecting the latest forecasts for delivery in 2022/23 and inflation impacts on fleet schemes, these together increased the total value of the programme by £1.089m between 2023/24 and 2027/28.
- 3.2 Final information on funding from business rates had not yet been analysed and these remained as estimates. Confirmation was still awaited from the Home Office on specific grants, including those relating to Pensions and Protection Uplift.

- 3.3 The funding settlement was still only for 1 year and there was no certainty on funding for 2024/25 and beyond, but the settlement was better than expected, this increase had been helped by comprehensive lobbying across the sector, locally and nationally, to Central Government. This improved position was largely due to the Government's guarantee of a 3% increase in Comprehensive Spending Power and an increase in the council tax referendum threshold to 3% and, for 2023/24 only, an additional flexibility for all fire authorities of up to £5. This was welcomed, although the Authority would still need to make challenging decisions to balance the budget. The Authority had continued to make progress in identifying and agreeing efficiencies and savings proposals over the last 12 months, the latest Medium Term Financial Plan showed that savings of £1.295m had been identified already in 2023/24.
- 3.4 The report outlined proposals for setting a balanced revenue budget for 2023/24, in line with the Fire Authority's statutory duty, including commitments, growth bids and new savings. Additional savings proposals, which would, based on current forecasts, be necessary to balance the budget in 2024/25 were also set out as the Authority had requested in order to determine which tranches should be developed further and implemented, subject to appropriate public consultation. The budget proposals had been modelled on a £5 council tax increase. The budget gap for 2023/24 was £0.636m. It was proposed this be funded using reserves in 2023/24, the amount required to balance the budget for 2024/25 was £0.721m. The use of one-off measures in 2023/24 would allow time for the additional savings proposals, set out in section 7 of the report, to be developed, consulted upon (where required) and implemented by 1 April 2024. Using reserves to balance the budget was legitimate where it assisted in smoothing the impact/delivery of planned savings, but the approach was not financially sustainable and could not form an ongoing part of budget setting. This would be the second year that the Fire Authority had used its reserves to balance its budget.
- 3.5 The report set out a range of risks (para.4.8) that had the potential to impact on the Authority's ability to deliver its budget plans over the medium term which Members needed to consider. Additionally, there would be the future impact of grey book pay negotiations, but these were ongoing and could not be dealt with by this meeting. It was estimated that if the latest pay offer were accepted it would result in an additional cost pressure of £0.3m in this year, £0.5m in 23/24 and £0.6m in 24/25. At paragraph 11.1, the Chief Finance Officer's Statement confirmed that 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 both prudent and necessary. Furthermore, it is essential that the Authority focuses on delivering the additional savings proposals that will enable it to balance its revenue budget from 2024/25 onwards without recourse to the use of reserves. The Authority must implement the proposals made in this report to rebuild its reserves and maintain its financial sustainability over the next five years.
- 3.6 A full and lengthy debate followed. Members, referring to the revised list of Fees and Charges (Appendix C), asked whether the increases proposed were sufficient, they did not appear to be as large as they could be. It was explained that in terms of income derived it was minimal, the Authority were only permitted to recover costs, not to make a profit, therefore the increases had been modelled in line with increases in pay. It was also important to note that some of these were set externally. The most common of these charges were for Fire Investigation Reports, the fee for these would be monitored as the compilation of these reports could be lengthy. It was important to anticipate the impact of these on other work that was required, Fire Investigations were not a Statutory function, but the Service undertook them as it was a good way to learn lessons.

- 3.7 Members discussed their concerns about the success of the lobbying for additional funding from Central Government. The Authority was grateful for the work that was done to draw attention to concerns about the funding of the Fire Sector, both locally and nationally, but some Members felt that this was not as successful as it could have been. They were keen that lobbying should continue but should focus on requiring Government to increase core funding rather than the ability to raise council tax. Lobbying had been broadly successful, but the future remained extremely difficult, the request to the Fire Minister for the ability to increase Council Tax by the same level next year had been made because Government had already set its spending limits for 2024/25, so Council Tax was the only avenue available. The Service would continue to lobby for increases to grants, and longer term financial settlements. Aside from funding, there were growing demands for the Service to respond to a wider range of incidents, climate change was increasing and driving our responses. The National Fire Chiefs Council (NFCC) was lobbying hard on the issue of flooding, fires in the open and other incidents that should be but are not currently statutory duties of the Fire Sector. There was for example no statutory responsibility for the Service to respond to water rescues, but it is driven by the Civil Contingencies Act, because of this it is entirely unfunded by Government. The Fire & Rescue Service's Act is 20 years old and out of date, these issues were being taken up with the Fire Minister and the Sector was trying to ensure that its argument was clear and supported by good data.
- 3.8 The Fire Authority collectively expressed concern about the difficult decisions that were before them, no Member was taking their responsibilities lightly and felt that the situation the Service and the wider public sector found itself in was concerning. It was agreed that setting a balanced budget was challenging, particularly with the outcome of the pay offer still unknown. There was support for continued lobbying and the need for adequate funding to enable the Authority to do its job properly, rather than being asked to deliver more with less, but Members were adamant that this must be for central funding and not just for increased income from council tax. A lengthy discussion followed with Members expressing their concerns for the future and gratitude to the staff and volunteers for all their work. The general feeling amongst those present was that this budget was necessary and would be supported but not a decision that anyone would be taking lightly.
- 3.9 The Chairman read each recommendation in full, and the Authority voted as follows:  
For - 15  
Abstain - 3  
With no Member voting against the recommendations the Fire Authority approved the recommendations contained within the Report in full.

#### **4 TREASURY MANAGEMENT STRATEGY FOR 2023/24**

- 4.1 The Fire Authority considered a report presenting the Treasury Management Strategy, policy statement and the Minimum Revenue Provision (MRP) Statement 2023/24 for approval. The report contained recommendations regarding borrowing limits, prudential indicators and limits, the 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 (protection of the capital sum invested) and liquidity (keeping money readily available for expenditure when needed). The Strategy and limits were consistent with the proposed capital programme and revenue budget previously approved at this meeting.

- 4.2 The Authority were recommended to approve borrowing limits to give flexibility for any future consideration in undertaking new external long-term/replacement borrowing should the need arise, or market conditions prove favourable. The Authority had always adopted a prudent approach on its investment strategy and no changes were proposed for 2023/24. The Authority was recommended to approve the 2023/24 investment strategy, noting that any introduction of longer term investments would result in an increased, but appropriate, level of risk to the investment portfolio. The Authority to the 31 December 2022 had earned £276,000 in investment interest at an average rate of 1.79%. This level of return was broadly consistent with recent available Investment benchmarking.
- 4.3 CIPFA had published revised Treasury and Prudential codes in December 2021, full adoption of the new codes was incorporated into this Strategy and were set out in the report. Members were grateful for the timetabling of Treasury Management Training in Spring 2023. There was a query as to whether the projected borrowing for 2027/28 took into account the potential increase in need for specialist vehicles. It was confirmed that the Revenue Budget and Capital programme reflected the Fire Authority's decisions regarding the current IRMP and Fleet assets, the Community Risk Management Plan (CRMP) would revisit issues including the impact of climate change. It was added that the Statute had been changed in Wales and Scotland and now included Water Rescue and therefore attracted additional and specific funding. It was hoped that lobbying by the NFCC on this matter would be successful and that the statute in England would be changed accordingly. The Fire Authority approved the recommendations contained within the Report in full.

## **5 PAY POLICY STATEMENT 2023/24**

- 5.1 The Fire Authority considered a report which presented the Fire Authority's Pay Policy Statement for the period 1 April 2023 to 31 March 2024, in line with the requirements of the Localism Act 2011. The Localism Act 2011 imposed a duty on relevant local authorities to prepare pay policy statements for each financial year, this year's must be approved by 31 March 2023. There were no proposed changes to the Authority's existing policies on pay or its pay scales, it reflected the previous Pay Policy updated with the outcomes of national pay settlements, decisions of the Principal Officer Appointments Panel in relation to Principal Officer pay and changes to the Firefighters and Local Government Pension Schemes. The Fire Authority agreed to approve the Pay Policy Statement for 2023/24.

## **6 INTEGRATED TRANSPORT FUNCTION - FORT ROAD, NEWHAVEN**

- 6.1 The Fire Authority considered a report which provided an updated timeline for a full business case regarding Fort Road, Newhaven to be returned to the Authority and sought delegated authority to cease the sale of the property. In December 2022, the Urgency Panel had approved a pause in the sale of the East Sussex Fire & Rescue Service (ESFRS) owned site in Fort Road, Newhaven to Lewes District Council (LDC) in order to build a business case to develop the South East Engineering spoke of the broader Integrated Transport Function, involving ESFRS, West and Surrey Fire & Rescue Services, Surrey Police and Sussex Police.

- 6.2 It was anticipated that the full business case would be presented to the Senior Leadership Team in February and to the Policy & Resources Panel in April 2023 to seek approval for adjustments to be made to the capital programme. In view of this timeline, it was necessary for the Authority to delegate authority to the Chief Fire Officer, in consultation with the Monitoring Officer and Treasurer, to formally stop the sale of the Fort Road, Newhaven site and to notify LDC. An initial conversation had already been held with LDC and they were aware of the proposal, the timeline and that it was being explored. The Chairman confirmed he would be speaking directly with the Leader of LDC to explain the position and the process that would be taken. The Fire Authority approved the recommendations contained within the Report in full.

**COUNCILLOR ROY GALLEY**  
**CHAIRMAN OF EAST SUSSEX FIRE AUTHORITY**

9 February 2022