

EAST SUSSEX FIRE AUTHORITY

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, 15 June 2023.

Present: Galley (Chairman), Lambert (Vice-Chair), Asaduzzaman, Azad, Dowling, Evans, Geary, Hollidge, Maples, Marlow-Eastwood, McNair, Muten, Osborne, Redstone, Scott, 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 ELECTION OF CHAIRPERSON

- 1.1 Members resolved to appoint Councillor Roy Galley as Chairman of the Fire Authority for the year 2023-24.

2 ELECTION OF VICE-CHAIRPERSON

- 2.1 Members resolved to appoint Councillor Carolyn Lambert as Vice-Chair of the Fire Authority for the year 2023-24.

3 URGENT ITEMS AND CHAIRMAN'S BUSINESS

- 3.1 Following the Brighton & Hove City Council elections the Chairman welcomed the newly appointed Members of the Fire Authority, namely Cllr Mohammed Asaduzzaman, Cllr Ty Goddard and Cllr Trevor Muten. The Chairman also welcomed back Cllr Amanda Evans, Cllr Carol Theobald and Cllr Pete West who have been reappointed by Brighton & Hove City Council.
- 3.2 The Fire Authority recorded its condolences following the sudden and sad death of Councillor Barry Taylor, a well-respected Councillor who had been a dedicated Fire Authority Member for ten years. All those present stood for a minute's silence as a mark of respect.
- 3.3 The Chairman formally recorded the thanks of the Fire Authority to former colleagues from Brighton & Hove City Council, namely Cllr Les Hamilton, Robert Nemeth and Steph Powell. The Authority thanked them for their dedicated service during their time as Members of the Fire Authority. We are grateful for their contributions to the Fire Authority's work and wish them well in the future.

4 POLITICAL REPRESENTATION ON THE PANELS OF THE FIRE AUTHORITY

- 4.1 The Authority received a report seeking to secure political balance on its Panels in accordance with the Local Government (Committees and Political Groups) Regulations 1990 and agree to the resultant Membership to the Panels of the Fire Authority.

- 4.2 The Fire Authority was required to keep under review the allocations of seats on Committees and other bodies to ensure, so far as practicable, that they reflected the political groups on the Authority. The rules governing this representation were outlined in the report. Following the Brighton and Hove City Council elections there continued to be four political groups on the Fire Authority but there had been a change in size:

Conservatives	8
Labour	5
Liberal Democrat	3
Green	2

- 4.3 The Panels are the Authority's committees set up in accordance with Standing Order 41 and their terms of reference are shown in the Constitution. The size of each Panel is not constituted and could be agreed by the Fire Authority. To ensure each Panel was properly representative of the overall membership of the Fire Authority it was agreed that the size of each Panel be increased to 7 Members from the current 6, to allow for representative membership.
- 4.4 The Authority agreed appointments to each Lead Member Role.
- 4.5 The Authority confirmed the Panel arrangements, political representation and membership of each panel at the meeting. They agreed that the political balance provisions shall not apply to the membership of the Principal Officer Appointments Panel. The Authority agreed the appointment of Cllr Amanda Evans as Chairperson of the Policy & Resources Panel, Cllr Phil Scott as Chairperson of the Scrutiny & Audit Panel and Cllr Paul Redstone as Chairperson of the Pensions Board in accordance with Standing Order 41.13. The Authority agreed the remaining Panels would appoint a Chairperson at their first meeting under Standing Order 41.14.

5 FIRE AUTHORITY AND PANEL MEETINGS 2023/24

- 5.1 The Fire Authority received and noted the dates of meetings of the Fire Authority and Panels for the remainder of 2023 and 2024.

6 TREASURY MANAGEMENT – STEWARDSHIP REPORT 2022/23

- 6.1 The Fire Authority received the Annual Treasury Management Stewardship Report, a requirement of the Fire Authority's reporting procedures, informing Members of Treasury Management performance and compliance with Prudential Indicators for 2022/23. The Authority had complied with its approved Treasury Management Strategy and Prudential Indicators for the year.
- 6.2 The Authority were reminded that the Bank of England (BoE) Base Rate had increased on eight consecutive occasions, rising from 0.75% in April 2022 to a closing rate of 4.25% by March 2023. The average rate of interest received in 2022/23 through Treasury Management activity was 2.19% reflecting the Fire Authority's continued prioritisation of security and liquidity over yield. Decisions on investment had been taken in the context of the prevailing economic climate, the current approved capital programme and the requirement to fund it over the medium term. The economic climate was evolving rapidly, and opportunities were being explored to secure investment returns within the accepted risk parameters set out in the Authority's agreed strategy.

- 6.3 Members asked for context on the global supply chain disruption and whether this considered Brexit, the war in Ukraine and the climate crisis. It did and these were also reflected on the Corporate Risk Register, the impacts being wider than those of a Treasury Management nature. They had all had a significant impact on the international supply chains and the Service had undertaken analysis of them. There had been noticeable impacts on the cost of fleet, utilities, fuel, catering and wood for Live Fire Training. The Estates elements of the Capital Programme had been affected with regards to the cost of both labour and supplies. The Finance team were undertaking budget forecasting, including the impact of supply chain and inflation for both 2023/24 and 2024/25 and would continue to monitor supply chain issues on both business as usual and investments. This was also being monitored nationally, the National Fire Chief's Council (NFCC) were coordinating a survey on supply chain risk to the fire sector and were feeding back to the Home Office.
- 6.4 Members asked whether inflationary pressures on the cost of materials would mean a review of Capital Projects. There were challenges to the Fire Authority's Estates Strategy and the team were reviewing the remaining estates capital projects to reflect both increased costs and an SLT request to develop options to reduce the overall cost of the Estates Strategy. Key drivers included management of contaminants, provision of gender appropriate facilities, sleeping facilities and reduction in running costs/CO2. At individual project level inflationary pressures were picked up when progressing through RIBA Gateways.
- 6.5 When the 2024/25 budget had been set the funding gap was £721,000 but had the potential to increase to between £1m and £1.5m following pay awards and other emerging pressures. The Service remained committed to addressing the key objectives of the Estates Strategy to ensure that Fire Stations were fit for purpose. Members asked about reviewing the use of reserves and were reminded that they review the use of reserves on an annual basis as part of setting the budget and they had committed the majority to be used for Estates, Fleet and IT projects. The Authority's reserves were reducing significantly and were expected to be below £5m in the next year and the Authority had decided to use £633,000 of reserves to balance this year's budget. The Fire Authority agreed to note the Treasury Management performance for 2022/23.

7 MEDIUM TERM FINANCIAL PLAN TRANCHE 4 UPDATE REPORT

- 7.1 The Fire Authority received a report providing a brief initial overview of the options analysis that had been carried out through the Medium Term Financial Plan (MTFP) Tranche 4 and to inform them that a wider list of potential savings would need to be considered in relation to the forecast potential shortfall in funding for 2024/25. The financial environment remained both uncertain and challenging, with the current settlement for one year only and with limited policy guidance available for 2024/25 it was expected a further one-year settlement for 2024/25 would be announced in December.
- 7.2 When the MTFP was agreed by the Authority the potential funding gap for 2024/25 was forecast at £721,000. Since then, a two year Grey Book pay offer of 12% (over 2023/24 and 2024/25) had been agreed and a Green Book pay offer of £1,925 had been rejected, both were above the Authority's budgeted figure. Further work to assess the future financial position continued but the current assessment was that the Fire Authority should plan to identify savings options of between £1m - £1.5m for delivery by April 2023. Tranches 1-3 were targeted to deliver savings of £923,000, there was high confidence that Tranches 1 and 2 would deliver £293,000 but it was too early to say if Tranche 3 would be able to deliver targeted savings of £630,000.

- 7.3 The Authority had agreed that to bridge any funding gap it would consider a wider set of options for Tranche 4, these were set out at para. 3.7 of the report. They were high level at this stage and more information would be provided to a future meeting of the Policy & Resources Panel, with the Fire Authority being asked to make decisions later in the year. The list of options would not require public consultation and the East options were the least preferred at this stage but until the final funding for 2024/25 was determined could not be ruled out.
- 7.4 Members asked how confident Officers were that savings would be achieved and that they would meet the deadlines. The normal budget setting process was being followed and a provisional outturn report for 2022/23 and a budget monitoring report setting out the position at Month 2 would be presented to the Policy & Resources Panel in July. Whilst there was no further information on Government funding provisions, officers were working with other local authorities to improve forecasting and continued to lobby MPs. The financial risks remained the same as they had for the past couple of years with a reliance on a one-year settlement and one off specific grants.
- 7.5 The CFO echoed the update particularly how difficult it was to run an emergency service when reliant on one-year settlements and one-off grants. It was hoped Members would support continued lobbying of MPs, impressing on Government and the Home Office how much the sector needed longer-term settlements. Members agreed one-year settlements were not sustainable, and that the sector needed to be adequately funded on a national level. There were concerns about the ongoing and increasing impact of global warming on the Fire sector, the risks faced by the Service were not just greater, they were changing. The Authority were reminded that of the Revenue Budget around 80% was spent on salaries and therefore pay, pensions and absence management must also be focused on.
- 7.6 The Fire Authority noted the increase in estimated savings that may be required to balance the 2024/25 budget, from £721,000 forecast last year to up to £1,500,000; and that the progress under the Medium Term Financial Plan Tranche 4 on the wider options analysis will be presented to a future meeting of the Policy & Resources Panel and to future meeting of the Fire Authority once further work on updating the MTFP for 2024/25 has been carried out.

COUNCILLOR ROY GALLEY
CHAIRMAN OF EAST SUSSEX FIRE AUTHORITY

15 June 2023