

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, 7 September 2023.

Present: Councillors Galley (Chairman), Lambert (Vice-Chair), Asaduzzaman, Azad, Denis, Evans, Geary, Goddard, Howell, Kirby-Green, Marlow-Eastwood, Muten, Redstone, Scott, Theobald, Tutt, 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 REVENUE AND CAPITAL BUDGET 2023/24 AND CAPITAL PROGRAMME 2023/24 TO 2027/28 MONITORING AT MONTH 4

- 1.1 The Fire Authority received a report presenting the findings of Month 4 monitoring undertaken on the Revenue and Capital Budget 2023/24 and Capital Programme 2023/24 to 2027/28. A net revenue overspend of £193,000 had been identified due to a number of pressures. The Safer Communities directorate was forecasting an overspend of £1.093m and the Service was maintaining a significant focus on the plan to reduce this pressure to ensure it did not impact the 2024/25 revenue budget. Further work was required to review the forecast, and management action was required in reviewing the staffing and overtime forecasts. The Senior Leadership Team (SLT) had considered a report detailing the pressures and overspends and setting out those which were one-offs and those which were ongoing. The Authority had benefitted from the rise in interest rates resulting in a significant increase in investment income through its Treasury Management activity, which was expected to generate additional income of £0.5m.
- 1.2 Following a review of the capital plans for 2023/24, there was reported slippage on the delivery of projects to the value of £2,387,000 this particularly related to Estates. There had been significant increases in project costs over the last six months, forecast costs of the Preston Circus project had risen from £3.5m to approximately £4.5m in that period. With regards to the wider capital programme, SLT had commissioned an affordability review as part of budget setting for 2024/25.
- 1.3 Members were grateful for the report and the update was reassuring, however they acknowledged there would be bigger financial challenges to come. Members asked whether the costs of the Royal Albion Fire were known; there was no figure yet, but most of the costs would be pay, including on-call staff and officer recall.
- 1.4 Members queried IT underspends and what the impact to the Service might be. The IT Strategy included a significant investment programme of projects, some underspends were due to contract negotiations, timing of the investment programme, new software not yet being switched on and projects taking longer than anticipated to deliver. In terms of project delivery more broadly IT is a key element, but plans change and require reviewing.

- 1.5 Members sought more information on the redevelopment of Preston Circus particularly with regards to its importance to the Service and the lack of a potential partnership for the second floor. Members were reminded that significant work had been undertaken, over many years, on Preston Circus. It is the busiest station in the service in the right location to work well with Hove and Roedean, but it is not fit for purpose as a modern Fire Station as it is and does not provide an appropriate working environment for the staff based there. The estates team have worked closely with staff, representative bodies, and key stakeholders and enablement works have started, the main contractor is appointed, but it was necessary to review the delivery of the project due to increasing costs. Significant time had been spent over the past few years in discussions with potential partners for the second floor accommodation, but nothing had been successful. SLT must focus on the operational needs of the Service and therefore it was proposed to remove the planned works on the second floor in order to allow the rest of the essential works to continue. Members agreed that the operationally essential works were the priority and were committed to getting the works done.
- 1.6 A discussion followed regarding overtime costs, some Members felt that it was inevitable and it was important to address it, paying particular attention to the levels of long-term sickness. Members asked how much was due to workplace stress or injury. The overtime costs linked to a range of issues, including the day-crewed and duty system changes and honouring leave bookings. There were currently 32 individuals off long-term due to suspension, light-duties or sickness. Those on light-duties were largely musculo-skeletal problems and the Service was working with Occupational Health to reduce time absent.
- 1.7 Members asked how it was decided when to move underspend to contingency, they were informed that, when deemed appropriate, SLT may move money out of team budgets into the Service's central contingency fund. Lately this has largely been additional funds issued to Estates to cover inflated costs of utilities that had not then been required.
- 1.8 Members were unhappy that government funding continued to be short term and too little, with Fire Services being asked to do more for less. It was essential that lobbying continue and that wherever possible the Government be reminded that the Fire sector needed to be properly funded. The Chairman reminded those present that the Fire Authority met with local MPs twice a year and continued to press the case for sustainable funding. The Fire Authority noted the risks to Revenue Budget and the projected overspend, the risks to the Capital Programme, the ITG strategy position, the reduced net forecast drawdown from reserves, the grants available and spending plans, the monitoring of savings taken in 2023/24 and the current year investments and borrowing.

2 2024/25 TO 2028/29 STRATEGIC SERVICE PLANNING AND MEDIUM TERM FINANCIAL PLAN

- 2.1 The Fire Authority considered an update on the Authority's financial planning position in advance of the start of the Service Planning and Budget Setting process for 2024/25 onwards. Whilst the main purpose of the report was to set the financial context for the service planning process, the fundamental aim of the process was to determine how best to deliver the Authority's Purpose and Commitments, the Integrated Risk Management Plan (IRMP) and the targets and priorities that underpin them, within the context of the current estimate of available financial resources for the period 2024/25 to 2028/29.
- 2.2 The Authority were reminded that when it set its budget in February 2023 it used significant reserves to balance the budget for 2023/24 on the condition that permanent savings would be found to balance the budget for 2024/25. This report would normally set out a full review of the Authority's existing five-year Medium Term Financial Plan (MTFP), but due to continued levels of uncertainty regarding both the future of local government funding and inflationary pressures on costs (pay and non-pay) it set out an assessment of the 2024/25 revenue budget only. A full review of the MTFP would be presented in February 2024.

- 2.3 The Government's Finance Policy Statement had set out the principles it would adopt for the 2024/25 settlement but could only be regarded as indicative at this stage. The fire sector would make a strong submission to the settlement process, but the timetable was unclear and it was unlikely that the outcome would be known until later in the autumn and the provisional statement was not anticipated until late December. As next year would be the end of the current three-year comprehensive spending review period and a Parliamentary General Election was anticipated, the Service expects to receive a further one-year settlement which did not aid planning for the medium term.
- 2.4 Nationally the fire sector remain reliant on significant one-off funding for investment in protection services and payment of employer's pension contributions, and locally forecasting of future Council Tax and Business Rates remained limited, making planning for the 2024/25 budget and beyond extremely difficult. Although inflation had fallen, it was not expected to return to the Bank of England's 2% target until April-June 2025. The Grey book pay award was settled at 12% over two years (2022/23 and 2023/24), 3% higher than the provision in the MTFP and the Green book pay settlement for 2023/24 had not yet been agreed and there was still a risk of industrial action. There is a significant risk that pay settlements for 2024/25 would be materially above the inflation provided for in the MTFP.
- 2.5 This uncertainty resulted in several assumptions that underpin the current MTFP being updated where possible, highlighting emerging pressures and potential risks. The potential funding gap had risen from £0.721m to £2.145m in 2024/25, depending on the level of inflation provided for. This did not include net pressures resulting from the Star Chamber process and assumed pressures on the 2023/24 revenue budget would be managed out. This meant the Fire Authority would need to consider the original savings proposals and a new set of additional options, some one-off some ongoing and this would certainly not be the end point, efficiencies alone would not be sufficient to bridge the funding gap. An update on the development of savings options was set out in the report.
- 2.6 The Fire Authority and wider fire sector continued to lobby for additional council tax flexibility of up to £5 which would provide additional income of £0.59m over the 2.99% that was currently modelled. The Authority were reminded that they were not making any decisions at this meeting, but being asked to provide a steer to officers of the modelling they would like to be undertaken in order to present options when setting the budget.
- 2.7 Members appreciated the comprehensive report, it was a difficult and sobering financial environment and economic forecasting was hard. Members agreed on the importance of campaigning and lobbying Government and ensuring that staff and residents knew this was happening, as Fire Authority Members they felt a responsibility for maximising the funding available. As a result of their discussions consensus from Members was that, as in previous years, whilst they were not happy about it the Authority would ask officers to model the MTFP based on a £5 Council Tax rise for 2024/25 if that additional flexibility were offered by Government.
- 2.8 The Fire Authority noted the report and its assessment of the potential funding gap for 2024/25, considered and commented upon the risks and the assumptions set out in the report. They also considered their policy preferences for Council Tax, should the Government set the referendum threshold higher than the 2.99% currently included in the MTFP, requesting that modelling be undertaken for a higher threshold in anticipation of it being an option as in previous years and agreed their preference for inflation provision for pay and non-pay in 2024/25 to be 4% and 3% respectively.

3 FINANCIAL REGULATIONS UPDATE

- 3.1 The Fire Authority considered a report setting out to updates to the Financial Regulations section of the East Sussex Fire Authority Constitution. The regulation updates had considered legislative changes, post titles and provided greater transparency and clarity on approval values, approval limits system and reporting requirements to support greater financial devolution across the Authority. Members approved the update to the Authority's Financial Regulations including the delegated financial management scheme and the approach to implementation.

4 2022/23 ANNUAL PERFORMANCE OUTCOME REPORT

- 4.1 The Fire Authority considered a report providing details of East Sussex Fire & Rescue Service's performance for the period April 2022 – March 2023. The report provided a single view of information allowing Members, auditors and the public to hold the Service's senior managers and staff to account in terms of provision and performance. The report highlighted an increase in performance against the previous year, particularly against the Service's five priority areas. The report showed the lowest ever number of accidental dwelling fires of which 50% did not require any firefighting, a slight reduction in the levels of sickness, the Service's target of undertaking 10,000 home safety visits (HSV) each year had been exceeded and attendance at false alarms had reduced. The Service's agreed Attendance Standards had been achieved and were improved on previous years.
- 4.2 Members were pleased to see the increase in HSV's, these were popular amongst the public, providing reassurance and engagement. There was a request for clarity regarding injuries from primary fires, it was explained that although the number of injuries had increased, this related to very small numbers and those injuries were less severe largely relating to smoke and fumes, last year there had been fewer injuries, but they had been more serious, including burns. It was established that in the new performance reports, there would be additional details and context would be provided in the narrative.
- 4.3 Members noted that although the number of high-rise inspections was increasing, it was not reflected well in terms of the national picture. The Service were undertaking 2000 inspections per year, up from 500 with most enforcement from crews undertaking fire safety checks – an approach being adopted nationally. The number of enforcement prosecutions had risen from 3-4 per year in previous years to 17 prosecutions this year. The number of high-rises in the Service area was higher than many other Fire Authorities, the 5th highest number of high-rise and the 2nd highest number of mid-rise buildings. Officers had met with the Home Office and NFCC to re-emphasise the position the Service was in and that current methodology for Protection Grant allocation was considered unfair and did not reflect numbers and therefore the related risk. The Service had lobbied directly for a change to the funding formula as the cost of Protection would only increase. It was highly likely the Service would have to take enforcement action against Local Authorities. The Service would continue to make appropriate and balanced decisions in respect to all Protection matters through the use of the enforcement management model and action would be taken whenever appropriate in the interests of the public and in line with the spirit of the legislation.

COUNCILLOR ROY GALLEY
CHAIRMAN OF EAST SUSSEX FIRE AUTHORITY

7 September 2023