

## 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, 6 February 2025.**

Councillors Evans (Chair), Lambert (Vice-Chair), Azad, Dowling, Geary, Hill, Maples, Marlow-Eastwood, O'Quinn, Osborne, Redstone, Scott, Shing, Theobald and Ungar

*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 FIRE AUTHORITY SERVICE PLANNING PROCESSES FOR 2025/26 AND BEYOND - REVENUE BUDGET 2025/26 AND CAPITAL ASSET STRATEGY 2025/26 TO 2029/30**
  - 1.1 The Fire Authority considered the draft Revenue Budget 2025/26, Capital Strategy 2025/26–2029/30 and Medium Term Finance Plan for 2025/26–2029/30, the key decisions at this meeting, as set out in detail in the report recommendations, were to approve either a 2.99% or a £5 increase in council tax, and the associated budget proposals including savings and drawdown from reserves.
  - 1.2 Members were reminded that, once again, the settlement from government was for one year only, it had been published on 3 February and contained no material changes. Standalone fire authorities' core spending power had seen an average increase of 3.5%, for East Sussex Fire and Rescue Service this was 2.5%. The permitted limit for council tax precept increase for fire authorities had been increased to £5, which equated to a £549k increase in income above the previous 3%. However, both these were more than outweighed by the removal of Minimum Funding Guarantee, Service and Rural Services Delivery Grants, a total of £1.114m. Home Office specific grants, yet to be confirmed, were expected to be cash flat, except Firelink which would continue to reduce to zero by 2026/27. The Business Rates Pool had been confirmed for 2025/26, but final business rates figures were yet to be confirmed. Changes to National Insurance Contributions (NICs) had been expected to be fully funded but there had been no change from the provisional settlement so only approximately 50% would be funded nationally. There remained significant uncertainty for 2026/27 onwards involving the Comprehensive Spending Review, changes to the funding formula, business rates reset and devolution.
  - 1.3 The report proposed a balanced revenue budget for 2025/26, including £0.618m in savings, £2.358m in one off savings and flexibilities and £0.5m drawdown from reserves if a £5 Council Tax increase were approved or £1.1m if the precept increase were set at 2.99%. There were some significant risks, namely, the changes to NICs with a gap between the allocation of £339k and the expected pressure of between £350k - £450k which the Authority would need to use the majority of its contingency to cover. There was also the potential for a higher pay settlement than the 2% provision the Authority had made, each extra 1% equated to approximately £400k. If these risks crystallized, then the Authority would be required to look for in year savings in 2025/26.

- 1.4 Over the period of the MTFP (2025/26–2029/30) it was forecast that there would be significant uncertainty post 2025/26. In 2026/27 the MTFP forecasts that the Authority will be required to make mid-range savings of £2.6m (based on a £5 increase) and £3.1m (based on a 2.99% increase), these were high because of the use of one-off savings and flexibilities used to balance the budget in 2025/26. It should be noted that it would be closer to £3m (under the £5 option) if the NICs pressure is included.
- 1.5 It was proposed that the Capital Programme be set at £9.6m for 2025/26 and £25.6m over the next 5 years and would include clear priorities over next 12 months for estates. Reserves would reduce from £6.6m to below £3m before rising slightly to £5.3m, this was down from a high point of approximately £26m in March 2019. General Balances would remain below the 5% policy minimum until 2027/28 if the precept increase were set at £5 and 2029/30 if set at 2.99%. Borrowing would increase from £11.2m to £20.8m and revenue costs increasing from £0.96m to £1.87m.
- 1.6 Members were reminded that they must take note of Risks, as set out in the report, and the Treasurer’s Statement. Going forward, the Authority must identify at least £3.0m of permanent savings, the Community Risk Management Plan (CRMP) 2025-30 would need to be developed in the context of the resources available and the Authority would need to consider reductions in community facing services, affordability of investment plans, as well as further efficiencies through Future Foundations programme, to that end the next round of the budget setting process would start in the spring.
- 1.7 There was a lengthy and sombre discussion during which Members agreed they were very disappointed that the Authority was in this position and that it was essential for Government to adequately fund the Fire Sector. No one wanted to be considering cuts to services, nor increases to Council Tax precepts, but it seemed inevitable if funding continued at this level. There was considerable frustration at the impact that the increase to NICs would have on the Service, particularly as the Government had changed the message from “compensating” local authorities to “supporting” them. The Authority would continue to lobby government for increased and improved funding, and was pleased to hear that the NFCC would be becoming more active in this too. The Fire Authority agreed to the recommendations in full, including a £5 precept increase.

## **2 TREASURY MANAGEMENT STRATEGY FOR 2025/26**

- 2.1 The Fire Authority considered Treasury Management Strategy, policy statement and the Minimum Revenue Provision (MRP) Statement 2025/26. The report contained recommendations about the borrowing 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 and liquidity. The Strategy and limits were consistent with the proposed capital programme and revenue budget. It was 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 Fire Authority had always adopted a prudent approach on its investment strategy and it was recommended that this be approved, noting that no changes were proposed for 2025/26. To the 31 December 2024, the Fire Authority earned £623,602 in investment interest at an average rate of 5.16%, this level of return being broadly consistent with recent available investment benchmarking. The Fire Authority agreed to the recommendations in full.

## **3 PROCUREMENT ACT 2023 - PROCUREMENT STANDING ORDERS AMENDMENTS**

- 3.1 The Fire Authority were provided with an update on the introduction of new legislation governing public contracts, the Procurement Act 2023, and the associated changes necessary to the Authority's Procurement Standing Orders (PSO's). As a public body, the Service is bound by public sector procurement regulations, to which it must adhere when procuring goods and services. The UK's exit from the European Union required an overhaul of the Public Procurement Regulations, there were over 350 different procurement regulations spread over a number of different regimes, for different types of procurement including defence and security. The new Act consolidated these into a single regime and would take effect from 24 February 2025. The report set out a high-level summary of the legislative requirements, the new associated PSO thresholds and summarised the action that the Procurement Department will take to ensure the Service continues to procure compliantly with minimal disruption. The Fire Authority agreed to the recommendations in full.

#### **4 ANNUAL PAY POLICY STATEMENT 2025-26**

- 4.1 The Fire Authority considered the Fire Authority's Pay Policy Statement for the period 1 April 2025 to 31 March 2026, in line with the requirements of the Localism Act 2011. The Localism Act imposes a duty on relevant local authorities to prepare pay policy statements for each financial year, beginning with 2012/13. The statement must be approved by 31 March 2025. There were no changes proposed to the Fire Authority's existing policies on pay or its pay scales. It reflected the previous Pay policy having been updated to include 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 the recommendations in full.

#### **5 INTEGRATED RISK MANAGEMENT PLAN (IRMP) 2020-25 – PROJECT IMPLEMENTATION CLOSE DOWN**

- 5.1 The Fire Authority considered the close down report for the 2020-25 Integrated Risk Management Plan (IRMP) Implementation Project. It was noted that this report was not the closure of the current IRMP, just the project to implement it, the plan would remain in place until the Community Risk Management Plan (CRMP) 2025-30 was in place and superseded it. The Fire Authority agreed to the recommendations in full.

#### **6 IT OUTSOURCE RETENDER**

- 6.1 The Fire Authority were presented with the outcomes of the comprehensive IT Outsource Retender procurement process and to recommend the appointment of the preferred supplier. Members were reminded why the decision to outsource the contract for IT provision had been taken in 2016. The original seven year term had then been reviewed and an extension of three years, through to August 2026, had been agreed. There was no further option to extend and therefore the Service had commenced a procurement process in November 2023.

- 6.2 A robust procurement process has been undertaken, with the Crown Commercial Services (CCS) Technology Services Framework agreement Lot 4 being selected to undertake the procurement. The pre-market engagement, invitation to tender and bid evaluation were assessed as likely to take 24 months to complete with the project commencing in April 2023 in order to be in the position to award a new contract by June 2025, allowing a 16 month transition period to any new service provider should that be the outcome. The full details of the process were set out in the report, the Service had contracted third party expert advice for the tender and contract process from Mason Advisory. Based on the evaluation outcome of the process the Senior Leadership Team has endorsed the recommendation to the Fire Authority to award the contract to the preferred supplier having been satisfied that they had submitted a strong, compliant bid.
- 6.3 It was noted that there was a cost increase, this had been anticipated as the existing contract had protected the Service from inflationary increases that may otherwise have impacted but this had been accounted for throughout the process. Due to the ongoing procurement process the financial analysis was contained in Confidential Appendix 1 with the final impact on the Authority's revenue and capital budget being presented to the Policy & Resources Panel in due course. The Fire Authority agreed to the recommendations in full.

**COUNCILLOR AMANDA EVANS  
CHAIR OF EAST SUSSEX FIRE AUTHORITY**

6 February 2025