

EAST SUSSEX FIRE AUTHORITY

Report of a meeting of the East Sussex Fire Authority held at Fire & Rescue Service Headquarters at 10.30 hours on Thursday 3 June 2004.

Members present: Councillors Burgess, Dyason, Fitch, Gadd, Healy, Kemble, Mrs Leigh, Livings, Lock, Murphy (Chairman), Neighbour, Paskins, Reid, Scott, Skilton, Stevens and Theobald.

1. REGIONAL MANAGEMENT BOARD ISSUES

1.1 At a meeting held at Surrey Fire & Rescue Service Headquarters on 29 April 2004, the nine Fire Authorities in the South East of England agreed to formally constitute a Regional Management Board.

1.1.1 Councillor James Smith, OBE, Surrey County Council was elected as Chairman, and Councillor Mike Murphy was elected as Vice-Chairman. Both the Chairman and Vice-Chairman have the Board responsibilities for Media Relations and Union Consultation. The other Members of the Board, along with their Board remits, which cover the main themes of the modernisation agenda as laid down in the Government's National Framework Document for Fire & Rescue Services, are:

<u>Councillor:</u>	<u>Authority:</u>	<u>Portfolio:</u>
Rex Lingham-Wood	Buckinghamshire & Milton Keynes Fire Authority	Resilience
Michael Cartwright	Hampshire Fire & Rescue Authority	Human Resources
David Knowles	Isle of Wight County Council	-
Derek Dolding	Kent & Medway Towns Fire Authority	Common Services
John Farrow	Oxfordshire County Council	Procurement
Terry Mills	Royal Berkshire Fire Authority	Regional Training
David Dewdney	West Sussex County Council	Regional Controls

1.1.3 The Board is charged with delivering on six key themes, for which working groups have been established. The Chief Fire Officer & Chief Executive confirmed that whilst the constitution did allow for authorities to allocate funds to the Board, it had been agreed that individual authorities would undertake various tasks within their own budgets at this stage. It was noted that this additional work placed a significant burden on senior officers in absorbing this alongside their existing fire service work.

1.1.4 At the meeting, the new Chairman, Councillor James Smith, welcomed the opportunity to work in partnership with local communities and workforce representatives to drive down risk in local communities, improve safety and community well-being in all aspects of Fire & Rescue Service delivery.

1.1.5 The Board will formally meet on a quarterly basis in meetings open to the public with the dates and venues to be published in due course and related reports will now be presented to the Fire Authority, and its Panel meetings as required.

1.2. The Fire Authority has agreed to note the report and to ask the Chief Fire Officer & Chief Executive to write to the ODPM expressing the Fire Authority's concerns regarding the unknown impact on next year's budget arising from the financial implications in connection with establishing a new regional control room, and seeking clarification of the likely costs.

2. **BUDGET MONITORING AND PROJECTED OUTTURN 2003/04**

- 2.1 East Sussex Fire Authority is predicted to have a net revenue budget underspend (excluding pensions) of £353,000 to be carried forward into 2004/05. There are unspent commitments relating to 2003/04 that need to be carried forward against the underspend amounting to £205,000. From the remaining balance of £148,000, £62,000 is earmarked as a contingency for the Firefighters' pay award that was brought forward from 2002/03 as the final cost of the award is still unknown. It is proposed that the remaining £86,000 (if realised) should be used towards meeting the shortfall in funding some of the approved 2004/05 service investment bids which the Authority had to defer for part of the year in order to allow some of the projects to proceed to the originally intended timescales with the remainder being put towards meeting any further costs arising from the pay award.
- 2.2 With regard to pensions, the outturn position is an underspend of £909,000. However, £306,000 is required for firefighters that were expected to retire in 2003/04, but will now do so in 2004/05. Of the remaining £603,000, £494,000 was earmarked for contingency when revising the 2003/04 budget, but was not required in 2003/04 and the remaining underspend of £109,000 is as a result of additional income from transfer values (leavers and joiners between ESFRS and other Fire & Rescue Services) since revised estimates. It is already known that two officers will be transferring from ESFRS by the end of May 2004 that will result in excess of £200,000 being required for transfer values out to be met from the contingency. The situation with regard to firefighters waiting to secure the pay award for their final year's salary remains valid and any final underspend should be set aside to meet future pension costs in 2004/05 and beyond.
- 2.3 The capital programme approved for 2003/04 provided for gross payments of £1,236,000. The cash position at outturn was £997,000 due principally to delayed payments accounted for as capital creditors (£204,000). All expected capital receipts were secured.
- 2.4 The Fire Authority has agreed to note the report.

3. **FIRE SERVICE PAY AND CONDITIONS AGREEMENT – VERIFICATION WORK BY THE AUDIT COMMISSION**

- 3.1 The National Pay Agreement set out a five-stage pay award over the period from 2002 to 2006. A number of conditions were placed on the agreement at Stages 2 and 3 for November 2003 and July 2004 respectively. These included: 'the pay award at stages 2 and 3 are subject to:...b) verification by the Audit Commission ... that the intended benefits (including savings) of the various national changes are being delivered locally.' The Commission carried out a study under Section 33 of the Audit Commission Act 1998 to provide this verification which was considered by the Way Forward Working Group and Urgency Panel on 15 March 2004 and at the previous meeting of the Fire Authority (agenda item 753).
- 3.2 The latest report entitled "Verification of the progress of modernisation – Fire & Rescue Services in England and Wales – March 2004" has been published which concluded that fire authorities in England and Wales are making some progress towards implementing the modernisation agenda and whilst the Commission emphasised that at this stage it was looking for progress, rather than expecting modernisation being put into effect, it expressed concern at the slow speed of change in areas such as working practices. (copy available on request)
- 3.3 The Commission concluded that all but 2 of the 50 fire authorities in England and Wales are making some progress towards modernisation, as envisaged in the pay and conditions agreement and the White Paper. 'Some progress' is a term the Commission defined tightly, as explained in the report. It is an overall judgement formed by many underlying judgements, applied rigorously and consistently by auditors across the country.
- 3.4 The Commission stated that there seemed to be a correlation between the better performers and authorities enjoying clear direction and leadership from Members and that Members in the authorities making slower progress could do more to help achieve change.

- 3.5 The Commission indicated that, overall, there had been little progress on overtime, duty systems and part-time working. The Commission noted that demands on managers have been heavy over the past year, a period when they have had to cope with many new initiatives and demanding time frames. These areas will be crucial to the progress of modernisation of the fire service. The Commission goes on to express its concern that so many authorities have not been able to demonstrate progress in these areas, given the short timescales within which they will need to demonstrate real achievement by the summer.
- 3.6 On the evidence presented, the Commission concluded that at the time of the review, the FBU has signed up to these changes in principle, but the process of getting agreement of the FBU to actual change is a much more difficult task.
- 3.7 The Commission observed a relatively weak degree of financial planning at many authorities. They saw action plans that had not been costed and had not been built into the authority's planning and related budget projections.
- 3.8 The Commission also concluded that internal communication, in many cases, could be better.
- 3.9 The Commission concluded that much is due to happen between the publication of this report and their next visit. IRMPs are to be finalised, for example, and the associated action plans completed. In the second phase of the work, the Commission will review the action Members and management have taken on the matters raised with them on their detailed reports, and will take into consideration those milestones that were due to have been passed between now and the next review.
- 3.10 The Audit Commission wrote to the Chief Fire Officer and Chief Executive on 20 April 2004 advising of the arrangements for phase 2 of the national study on modernisation. The Commission advised that the auditors would be on site in June to undertake this work.
- 3.11 The Commission advise that a similar approach to that used in January will be adopted, so that judgement emerging from the second phase will be properly comparable to those from phase one, taking into account those changes that have taken place since January where it would be reasonable to expect a fire authority to have made progress. The results of the fieldwork in June will be reviewed and moderated centrally with a national report published in September.
- 3.12 The Fire Authority noted the report.

COUNCILLOR MIKE MURPHY
CHAIRMAN OF EAST SUSSEX FIRE AUTHORITY
4 June 2004