

M. Pearson
CLERK TO THE AUTHORITY

To: The Chairman and Members of the
Devon & Somerset Fire & Rescue
Authority
(see below)

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DEVON & SOMERSET FIRE & RESCUE AUTHORITY

Wednesday 27 May 2009

A meeting of the Devon & Somerset Fire & Rescue Authority will be held on the above date, **commencing at 10:00 hours in the Conference Rooms in Somerset House, Service Headquarters** to consider the following matters.

M. Pearson
Clerk to the Authority

A G E N D A

1. **Apologies**
2. **Minutes** of the meeting held on 6 May 2009 attached (Page 1).
3. **Items Requiring Urgent Attention**

Items which, in the opinion of the Chairman, should be considered at the meeting as matters of urgency.

4. **Declarations of Interest**

Members are asked to consider whether they have any **personal/personal and prejudicial interests** in items as set out on the agenda for this meeting and declare any such interests at this time. *Please refer to the Note 2 at the end of this agenda for guidance on interests.*

PART 1 – OPEN COMMITTEE

5. Questions And Petitions From The Public

In accordance with Standing Orders, to consider any questions or petitions submitted by the public. Questions must relate to matters to be considered at this meeting of the Authority. Petitions must relate to a matter for which the Authority has responsibility or which affects the Authority. Questions and/or petitions may not require the disclosure of confidential or exempt information and must be submitted in writing or by e-mail to the Clerk to the Authority **by midday on Thursday 21 May 2009.**

6. Questions From Members Of The Authority

To receive and answer any questions submitted in accordance with Standing Orders.

7. Financial Outturn For 2009/10

Report of the Treasurer (DSFRA/09/12) attached (Page 5)

8. Risk Assessment of an Adequate Level of General Reserves

Report of the Treasurer (DSFRA/09/13) attached (Page 19)

9. Framework For Partnership Working

Report of the Head of Corporate Support (DSFRA/09/14) attached (Page 25)

10. Chairman's Announcements

11. Chief Fire Officer's Announcements

PART 2 – ITEMS WHICH MAY BE TAKEN IN THE ABSENCE OF THE PRESS AND PUBLIC

Nil

MEMBERS ARE REQUESTED TO SIGN THE ATTENDANCE REGISTER

Membership:-

Councillors B. Hughes (Chairman), Healey (Vice Chair), Button, Cann, Clatworthy, Dyke, Foggin, Ford, Fry, Gordon, Hannon, S. Hughes, Leaves, Lewis, Manning, Mochnacz, Mrs. Nicholson, Parker, Mrs. Parsons, Tully, Viney, Wallace, Way and Yeomans

Substitute Members

Members are reminded that, in accordance with Standing Order 30, the Clerk (or his representative) **MUST** be advised of any substitution prior to the start of the meeting.

NOTES

1. ACCESS TO INFORMATION

Any person wishing to inspect any minutes, reports or lists of background papers relating to any item on this agenda should contact Steve Yates on the telephone number shown at the top of this agenda.

2. DECLARATIONS OF INTERESTS BY MEMBERS

What Interests do I need to declare in a meeting?

As a first step you need to declare any personal interests you have in a matter. You will then need to decide if you have a prejudicial interest in a matter.

What is a personal interest?

You have a personal interest in a matter if it relates to any interests which you must register, as defined in Paragraph 8(1) of the Code.

You also have a personal interest in any matter likely to affect the well-being or financial position of:-

- (a) you, members of your family, or people with whom you have a close association;
- (b) any person/body who employs/has employed the persons referred to in (a) above, or any firm in which they are a partner or company of which they are a director;
- (c) any person/body in whom the persons referred to in (a) above have a beneficial interest in a class of securities exceeding the nominal value of £25,000; or
- (d) any body of which you are a Member or in a position of general control or management and which:-
 - you have been appointed or nominated to by the Authority; or
 - exercises functions of a public nature (e.g. a constituent authority; a Police Authority); or
 - is directed to charitable purposes; or
 - one of the principal purposes includes the influence of public opinion or policy (including any political party or trade union)

more than it would affect **the majority** of other people in the Authority's area.

Anything that could affect the quality of your life (or that of those persons/bodies listed in (b) to (d) above) either positively or negatively, is likely to affect your/their "well being". If you (or any of those persons/bodies listed in (b) to (d) above) have the potential to gain or lose from a matter under consideration – to a **greater extent** than **the majority** of other people in the Authority's area - you should declare a personal interest.

What do I need to do if I have a personal interest in a matter?

Where you are aware of, **or ought reasonably to be aware of**, a personal interest in a matter you must declare it when you get to the item headed "Declarations of Interest" on the agenda, or otherwise as soon as the personal interest becomes apparent to you, **UNLESS** the matter relates to or is likely to affect:-

- (a) any other body to which you were appointed or nominated by the Authority; or
- (b) any other body exercising functions of a public nature (e.g. membership of a constituent authority; other Authority such as a Police Authority);

of which you are a Member or in a position of general control or management. In such cases, provided you do not have a prejudicial interest, you need only declare your personal interest if and when you speak on the matter.

Can I stay in a meeting if I have a personal interest?

You can still take part in the meeting and vote on the matter unless your personal interest is also a prejudicial interest.

What is a prejudicial interest?

Your personal interest will also be a **prejudicial** interest if **all** of the following conditions are met:-

- (a) the matter is not covered by one of the following exemptions to prejudicial interests in relation to the following functions of the Authority:-
 - statutory sick pay (if you are receiving or entitled to this);
 - an allowance, payment or indemnity for members;
 - any ceremonial honour given to members;

- setting council tax or a precept; **AND**
- (b) the matter affects your financial position (or that of any of the persons/bodies as described in Paragraph 8 of the Code) or concerns a regulatory/licensing matter relating to you or any of the persons/bodies as described in Paragraph 8 of the Code); **AND**
- (c) a member of the public who knows the relevant facts would reasonably think your personal interest is so significant that it is likely to prejudice your judgement of the public interest.

What do I need to do if I have a prejudicial interest?

If you have a prejudicial interest in a matter being discussed at a meeting, you must declare that you have a prejudicial interest (and the nature of that interest) as soon as it becomes apparent to you. You should then leave the room unless members of the public are allowed to make representations, give evidence or answer questions about the matter by statutory right or otherwise. If that is the case, you can also attend the meeting for that purpose.

You must, however, leave the room **immediately after you have finished speaking (or sooner if the meeting so decides)** and you cannot remain in the public gallery to observe the vote on the matter. Additionally, you must not seek to **improperly influence** a decision in which you have a prejudicial interest.

What do I do if I require further guidance or clarification on declarations of interest?

If you feel you may have an interest in a matter that will need to be declared but require further guidance on this, please contact the Clerk to the Authority – preferably before the date of the meeting at which you may need to declare the interest. Similarly, please contact the Clerk if you require guidance/advice on any other aspect of the Code of Conduct.

DEVON & SOMERSET FIRE & RESCUE AUTHORITY

6 May 2009

Present:-

Councillors B. Hughes (Chairman), Button, Ford, Fry, Gordon, Hannon, Healey, S. Hughes, Leaves, Lewis, Manning, Mrs. Nicholson, Parker, Mrs. Parsons, Viney, Wallace, Way and Yeomans

Apologies:-

Councillors Cann, Clatworthy, Dyke, Foggin and Mochnacz

DSFRA/93. Death of Councillor Des Shadrick

The Authority stood in silence as a mark of respect for Councillor Des Shadrick who had passed away on 18 April 2009 following a long illness.

The Chairman and other Members paid tribute to Councillor Shadrick for his dedication and work both as a Member of the Devon & Somerset Fire & Rescue Authority and as a long-standing Devon County Councillor serving the Holsworthy community.

DSFRA/94. Minutes

RESOLVED that the Minutes of the meeting held on 31 March 2009 be signed as a correct record.

DSFRA/95. Declarations of Interest

Members were invited to consider whether they had any **personal/personal and prejudicial interests** in items as set out on the agenda for the current meeting and declare any such interests at this time.

No interests were declared.

DSFRA/96. Minutes of Committees Etc.

(a) Human Resources Management and Development Committee

The Vice-Chair of the Committee (Councillor Mrs. Parsons) **MOVED** the Minutes of the meeting of the Committee held on 15 April 2009 which had considered, amongst other things:

- the final draft of "Making the Connections" - the Authority's Single Equality Scheme 2009/10 to 2011/12;
- a report on absence management;
- a update report on the staff survey;
- a report on a reduction in the number of Area Manager positions;
- a report on the Working Time Directive and other proposed changes to legislation and their potential impact on the Service;

- a report on the Driving Time Regulations and their potential impact on the Service; and
- an update report on the pay settlement for non-uniformed staff.

The Equality Advisor commented that the Single Equality Scheme had been produced following engagement with all key stakeholders and relevant community groups (e.g. Race Equality Councils; Learning Options (Devon); Compass (Somerset). The Chief Fire Officer commented that adoption of the strategy would help ensure that both the Authority and Service were able to translate their commitment to equality and diversity into practice. The Authority commended in particular Equality and Diversity Officer Michelle Smitham for her considerable achievement in producing the Scheme.

The Chairman also referred to the Local Government Association Equality and Diversity Charter and indicated his wish to see 100% sign-up to this by Authority Members.

RESOLVED

- (i) that, in accordance with the recommendation of the Human Resources Management and Development Committee (Minute HRMDC/39 refers), the final draft of “Making the Connections” – Devon & Somerset Fire & Rescue Authority Single Equality Scheme 2009/10 to 2011/12 be approved;
- (ii) That all fire and rescue authority Members be encouraged to sign the LGA Equality and Diversity Charter for fire and rescue authority Members and that a copy of the Charter be included in the induction material for new Members to sign;
- (iii) that, subject to (i) and (ii) above and in accordance with Standing Orders, the Minutes be adopted.

DSFRA/97. Confirmation of Rates Payable in 2009/10 under the Authority Approved Scheme of Members Allowances

The Authority considered a report of the Clerk to the Authority (DSFRA/09/10) on the rates of allowances to be payable in the forthcoming financial year, as required by the relevant Regulations. A full review of the Authority’s allowances scheme had been conducted in the previous year and, while the scheme provided for an annual uprating mechanism, the Authority was invited to consider whether it would wish the rates currently payable to be uprated for the current financial year.

RESOLVED that the rates of Member allowances payable in the current (2009/10) financial year be frozen at the levels as set for the previous financial year, as set out in Sections 2 and 3 of report DSFRA/09/10, with no automatic uprating to be applied.

(**NOTE:** in accordance with Standing Order 25(3) Councillor Ford requested that his vote against the above decision be recorded on the basis that he considered that the multipliers currently in operation for special responsibility allowances should be reduced).

DSFRA/98. The Accountabilities, Roles And Responsibilities of Members of the Devon and Somerset Fire and Rescue Authority

The Authority considered a report of the Clerk to the Authority (DSFRA/09/11) to which was appended a document setting out information on the accountabilities, roles and responsibilities of a fire and rescue authority Member. The document was based upon one currently in use by the Wiltshire and Swindon Fire and Rescue Authority and was intended to serve a number of purposes including general enhancement of Member engagement, compliance with best practice as required by the Annual Governance Statement and succession planning by assisting constituent authorities when determining appointments to this Authority.

RESOLVED

- (a) that the document attached to report DSFRA/09/11 and setting out the accountabilities, roles and responsibilities of a Member of the Authority be approved;
- (b) that the document be circulated to constituent authorities and used by the Chief Fire Officer and Clerk in discussing, with the political group leaders of constituent authorities, potential appointments to the Devon & Somerset Fire & Rescue Authority.

DSFRA/99. South West Regional Management Board

The Authority received the Minutes of the meeting of the South West Regional Management Board held on 23 March 2009 which had considered, amongst other things:

- a Highlight report summarising progress on projects being supported by the South West Regional Improvement and Efficiency Partnership (SW RIEP) and by workstreams addressing issues on a regional basis;
- a report on a revised Regional Business Plan 2009-11;
- the third edition of the Regional newsletter produced to raise awareness of regional collaboration;
- a progress report on the development of a regional climate change strategy; and
- a proposed Treasury Management Policy for the Board.

In particular the Authority considered the following recommendations from the Board:

- “(a) that each individual fire and rescue authority in the region be asked to encourage the signing of the e-petition currently posted on the official website of the Prime Minister and advocating continued disapplication of the Directive to the retained duty system (Highlight Report - Minute RMB/40 refers);
- (b) that individual South West Fire and Rescue Authorities be encouraged to nominate their own Member champion for climate change (Regional Climate Change Strategy Minute RMB/43 refers).”

In relation to the first issue, the Chairman reported that, at a meeting of the European Commission held on 29 April 2009, talks aimed at finding a solution to the proposal to remove the opt-out clause to the Working Time Directive had broken down as differences in views from EU countries were too great. Consequently, the proposal to remove the opt-out clause would be formally axed in May following which the Commission would decide how to proceed and whether to re-table any of the proposals.

RESOLVED

- (a) that Councillor Martin Leaves be appointed as the Devon & Somerset Fire & Rescue Authority Member Champion for climate change until the next Annual Meeting of the Authority;
- (b) that, subject to (a) above, the Minutes of the meeting of the South West Regional Management Board held on 23 March 2009 be noted.

DSFRA/100. Chairman's Announcements

The Authority received, for information, a schedule of activities undertaken by the Chairman on its behalf since the last meeting.

DSFRA/101. Chief Fire Officer's Announcements

The Chief Fire Officer reported for information on:-

- two fire fatalities that had occurred since the last meeting of the Authority. Both involved elderly males living in bungalows, one of which had a working smoke alarm fitted. There were a number of contributory and complex factors involved in both cases and the Service was looking to work in partnership with other agencies to develop a multi-agency referral programme to better target and cater for vulnerable groups;
- measures being taken by the Service both to brief staff on the current situation in relation to Swine flu and to ensure business continuity in the event of a subsequent pandemic;
- his successful nomination to the office of President of the Chief Fire Officers Association during 2011/12 and the potential benefits that should accrue to the Authority as a result of this.

The meeting started at 10.00hours and finished at 11.31hours.



DEVON & SOMERSET FIRE & RESCUE AUTHORITY

REPORT REFERENCE NO.	DSFRA/09/12
MEETING	DEVON & SOMERSET FIRE & RESCUE AUTHORITY
DATE OF MEETING	27 MAY 2009
SUBJECT OF REPORT	FINANCIAL OUTTURN FOR 2008/2009
LEAD OFFICER	Treasurer
RECOMMENDATIONS	<p>(a) <i>That, of the total underspend of £0.759m against the 2008/2009 revenue budget, it be noted that an amount of £0.297m is required to be carried forward to 2009/10 to fund incomplete schemes as outlined in paragraph 11.1 of this report;</i></p> <p>(b) <i>that, from the remaining underspend of £0.462m, an amount of £0.300m be transferred to Earmarked Reserves to fund the spending issues identified in paragraph 12.3 of this report;</i></p> <p>(c) <i>that the remaining balance of the revenue underspend of £0.162m be transferred to the General Reserve;</i></p> <p>(d) <i>that the capital determinations in relation to the funding of capital spending in 2008/2009, as provided in paragraph 18.1 of this report, be approved.</i></p> <p>(e) <i>that, subject to (a) to (d) above, the position in respect of the 2008/2009 Revenue and Capital Outturn, as indicated in this report be noted.</i></p>
EXECUTIVE SUMMARY	<p>This report provides the financial outturn position for 2008/2009, for both revenue and capital spending, and makes recommendations as to how variances from budget are to be dealt with.</p> <p>The figures included in this report are provisional at this stage, subject to the audit of the Accounts in July 2009.</p>
RESOURCE IMPLICATIONS	As indicated within the report.
EQUALITY IMPACT ASSESSMENT	No potentially negative impact sufficient enough to warrant a full impact assessment has been identified in the content of this report.

APPENDICES	A. Provisional Revenue Outturn Position 2008/2009. B. Summary of Reserve and Provision Balances at 31 March 2009
LIST OF BACKGROUND PAPERS	None.

1. INTRODUCTION

- 1.1 The purpose of this report is to provide Members with the final outturn position (subject to audit) for revenue and capital spending for the financial year 2008/2009, and to decide on how any variance from budget is to be dealt with. This report is in two parts, Section 1 deals with the revenue outturn position, and Section 2 deals with the position as regards capital spending.

2. SECTION 1 – REVENUE OUTTURN 2008/2009

- 2.1 This section of the report provides Members with the final outturn position for 2008/2009 in relation to revenue spending. Appendix A to this report shows revenue spending in 2008/2009 to be £69.543m against a net revenue budget of £70.302m, giving an underspend of £0.759m, equivalent to 1.08% of the total budget.
- 2.2 This final outcome is broadly in line with what had been projected throughout the year, as reported to each meeting of the Resources Committee. It had been identified that savings would be achieved from wholetime pay costs, in particular, as a consequence of an unexpected high number of vacancies from retirements. Savings from retained pay costs had also been projected mainly as a consequence of fewer fire calls. Appendix A provides a breakdown of spending and variations against all approved budget lines. It is inevitable that there will be variations against individual lines due to changing circumstances during the year, the volatility of some budgets e.g. retained pay costs, and the fact that this is only the second year's budget for the new combined authority. More detailed explanations of the major variations against budget lines are provided below in paragraphs 3 to 10.

3. EMPLOYEE COSTS

Wholetime Pay

- 3.1 Spending against wholetime pay costs is £0.458m less than budget, equivalent to just 1.42% of the wholetime pay budget. As reported to the 12 September 2008 meeting of the Human Resources Management and Development Committee, the Service was well below establishment during the year, some of which was planned to facilitate Phase 2 of the introduction of dual crewing of the aerial appliances. In addition, the number of vacancies has increased as a consequence of a higher number of retirements than anticipated.

Retained Pay

- 3.2 As the majority of retained firefighters are paid on a 'pay-as-you-go' basis, this budget line can be susceptible to volatility dependent on the number of fire calls during the year. It is pleasing therefore that 2008/2009 has been a relatively low year in terms of fire activity contributing to an underspend against retained pay costs of £0.238m. In addition, the number of retained firefighters opting to join the new Firefighter Pension Scheme is less than had been anticipated resulting in reduced employer's pension contributions.

Control Room Staff

- 3.3 Whilst spending against pay costs for control room staff is reported as £0.196m more than budget, it should be emphasised that the majority of this overspend (£0.129m) is matched by new burdens grant income (line 29 on Appendix A), to fund those additional control room staff recruited as part of the Initial Staff Pool (ISP) project during the transition period prior to cut-over to the Regional Control Centre (RCC). The remaining overspend reflects the need to maintain cover during a period of high long-term sickness levels.

Non-Uniformed Pay

- 3.4 Whilst spending against the budget line for non-uniformed staff reports only a small saving of £0.050m, it should be noted that the spending figure reported includes a Provision made of £0.292m in relation to the outcome of the implementation of the Job Evaluation process. It is anticipated that the process will be completed in the coming months, which will include back-dated arrears to April 2007. Details of total Provisions made are included in Appendix B - A Summary of Reserve and Provision Balances.

Fire Service Pensions

- 3.5 Fewer ill-health retirements than anticipated has resulted in a saving against fire service pension costs of £0.112m.

4. PREMISES RELATED COSTS

Repair and maintenance

- 4.1 As a consequence of slippage in spending on a small number of approved projects, this budget line is underspent by £0.141m. Due to the need to secure funding for the completion of these projects it is proposed in paragraph 11.2 of this report, that the majority of this underspend is transferred to an earmarked reserve.

Energy Costs

- 4.2 As a consequence of significant increases in utility costs, over and above what had been budgeted, additional spending of £0.167m has been incurred on utility costs.

5. TRANSPORT RELATED COSTS

Running Costs and Insurances

- 5.1 The main reason for an overspend of £0.106m against this budget line is as a consequence of the need to change insurance provider during the year following the cessation of trading of the mutual insurance company (FRAML). This resulted in the authority not receiving a full refund of unused premiums due to the Financial Services Authority (FSA) requirement that some monies were to be held by FRAML to cover any future claims.

Travel and Subsistence

- 5.2 The significant increases in fuel costs during 2008, over and above what had been budgeted for, is the main reason for an overspend of £0.185m against this budget line.

6. SUPPLIES AND SERVICES

Equipment and Furniture

- 6.1 Whilst spending on equipment and furniture is £0.230m more than budget it should be emphasised that the majority of this figure relates to training equipment and consumables required to cover additional courses, and the purchase of equipment to support the Urban Search and Rescue Team (USAR), which is more than offset by matching external training income and the Department for Communities and Local Government (CLG) New Dimensions grant (line 29 and 30 of Appendix A).

Catering

- 6.2 Whilst the costs of providing meals to training courses at the Service Training Centre are more than had been budgeted for, this reflects the increased number of courses held during the year, and is offset by the increased training income achieved from external organisations.

7. ESTABLISHMENT COSTS

Insurances

- 7.1 As has previously been highlighted in paragraph 5.1 above, the cessation of trading of FRAML has resulted in the authority having to change insurance provider during the year, resulting in some additional premiums.

8. PAYMENTS TO OTHER AUTHORITIES

Support Service Contracts

- 8.1 The main reason for an underspend against this budget line is as a result of a reduction in external Personnel support services due to the Service now having more internal human resources expertise in place. In addition, the actual fees from the Audit Commission were less than had been budgeted, following a consultation exercise relating to an appropriate level of increase.

9. CAPITAL FINANCING COSTS

Capital Charges

- 9.1 As has been reported to the Resources Committee throughout the financial year, slippage against the capital programme, for both 2007/2008 and 2008/2009, has resulted in savings against capital financing costs. The final position is that debt charges for 2008/2009 are £0.404m less than that budgeted.

Revenue Contribution to Capital Spending

- 9.2 The savings on debt charges from capital spending slippage has enabled further capital spending to be financed direct from revenue therefore avoiding the need to borrow. A total of £0.406m has been utilised in this way to fund the replacement of obsolete Breathing Apparatus cylinders (£0.170m), the purchase of vehicles which had originally been leased and have come to the end of the primary period (£0.211m), and the purchase of oil banded storage containers at each of the mechanical workshops (£0.025m).

10. **INCOME**

Treasury Management Investment Income

- 10.1 Whilst recent reductions in interest rates have had a detrimental impact on investment income on working balances, income targets for this year have been exceeded by £0.148m as a consequence of higher levels of working balances available for investment purposes, primarily caused by slippage in the cash spending profile of the major capital projects.

Grants and Reimbursements

- 10.2 The increased level of grant income of £0.310m relates to the release, from the CLG, of further New Dimensions grant monies to fund USAR activities, and New Burdens grant to fund costs associated with the transition to the RCC.

Other Income

- 10.3 Additional income of £0.292m has been achieved, over and above income targets, primarily as a consequence of additional training income from the delivery of recruit training for other Fire Services. In addition, the Service has recently signed a Memorandum of Undertaking with the Westcountry Ambulance Trust (WAT) relating to the co-responder arrangements, which has resulted in additional income from the WAT, based on performance levels.

Contributions to/from Reserves

- 10.4 At its meeting on 3 October 2008, the Resources Committee resolved to recommend that, in light of the projected underspend position, the contribution from the General Reserve of £0.153m, originally agreed as part of the of the budget setting process for 2008/2009, should be retained in the General Reserve (Minute RC/10(a) refers). This was subsequently approved by the Authority at its meeting on 23 October 2008 (Minute DSFRA/48(e)(i) refers). Additionally, at its meeting on 8 December 2008 the Committee resolved to recommend that an amount of £0.175m of the underspend be transferred to an Earmarked Reserve to provide funding for the costs associated with the decommissioning of existing radio systems following the implementation of the national radio scheme Firelink (Minute RC/14(a)(ii) refers). This was subsequently approved by the Authority at its meeting on 18 December 2008 (Minute DSFRA/63(d)(i) refers).

11 **CARRY FORWARDS FROM 2008/09 TO 2009/10**

- 11.1 It should be noted that included in this underspend figure is an amount of £0.297m relating to delays in spending on some committed projects. This is required to be carried forward into 2009/2010 to enable the completion of those projects which relate to:

- Property maintenance projects relating to replacement heating system at SHQ (Devon House), works at Topsham Fire Station and energy saving initiatives at fire stations - (£0.132m);
- External support costs relating to support services benchmarking project, transport review, business case for documentation management project, and risk management initiatives - (£0.083m);
- Implementation of new systems relating to improved asset management tracking and operational risk information systems (ORIS) - (£0.032m);
- Refit of the Fireboat – (£0.037m); and

- Programme to procure body cameras for operational use - (£0.013m).

11.2 It is recommended that an amount of £0.297m be transferred to Earmarked Reserves to fund the completion of these projects in 2009/2010.

12 PROPOSALS FOR UTILISATION OF THE UNDERSPEND

Health and Safety Executive Visit

- 12.1 A recent visit by the Health and Safety Executive (HSE) to Hatherleigh Fire Station has resulted in the receipt of a letter advising that HSE is not satisfied with the lack of shower facilities at that station and considers that urgent action should be taken to redress this position. Whilst this project is scheduled for completion in the financial year 2010/2011, this is not a satisfactory timeframe for the HSE and therefore funding needs to be identified to complete this project. Although this visit was confined to Hatherleigh there are eight other retained stations without shower facilities. The HSE has requested a confirmation schedule of when the programme of work for all these stations is to be completed. It is estimated that the installation of shower facilities to these nine stations will cost £0.103m.
- 12.2 This issue provides stark evidence of the difficulties of responding to legislative and welfare issues as well as remedial works for property requirements, without significant increases in the budget for property maintenance. This Service has 83 fire stations to maintain, one of the highest fire service portfolios in the country, which makes it increasingly difficult to keep pace with new requirements. The issue of inadequate shower facilities is just one example of areas where the Authority may be vulnerable to challenge. In its letter regarding Hatherleigh, the HSE also drew attention to the need for other basic welfare facilities (including drying rooms) and specifically drew attention to the Barnstaple and Bideford area. In our response to the HSE, the Service indicated that it would be reviewing, with the Capital Programme Working Party, other welfare facilities such as drying rooms and BA servicing facilities and would seek to accelerate improvements in provision of these facilities.
- 12.3 Given the underspend on the overall revenue budget highlighted in this report, an opportunity is available for some one-off funds to be allocated to improve the position highlighted by the HSE. An assessment by the Head of Physical Assets has indicated that an amount of £0.300m would provide the opportunity to carry out the most urgent of these required works (including the provision of shower facilities as highlighted in paragraph 12.1 above). It is therefore recommended that an amount of £0.300m be transferred to Earmarked Reserves to provide the funding for agreed works to be commenced during 2009/2010. A report will be presented to the next meeting of the Capital Programme Working Party to consider which individual schemes will be progressed.
- 12.4 It is recommended that the remaining underspend figure of £0.162m be transferred to the General Reserve. A report on the adequacy of the level of General Reserve is considered elsewhere on the agenda.
- 12.5 A summary position of Reserves and Provisions, including the recommendations included in this report, is included as Appendix B.

13 SUMMARY OF 2008/2009 REVENUE OUTTURN POSITION

- 13.1 An underspend of £0.759m against a total budget of £70.302m, equivalent to just over 1%, is a pleasing outcome and is testament to the robust budget monitoring arrangements in place to manage spending within agreed limits. Budget monitoring reports have been considered by each meeting of the Resources Committee during the financial year to consider the projected spending position, and agree management action where required. Even after allowing for the carry forward amount of £0.297m to fund incomplete projects, the underspend position provides the opportunity to 'ring fence' an amount of £0.300m to carry out urgent improvements to welfare facilities at fire stations, as highlighted by a recent visit of the HSE, and to also make a contribution of £0.162m to general reserve balances.
- 13.2 This is only the second completed year of the newly created combined fire and rescue authority and, given that the reported position for the previous year was similar to 2008/2009, the Authority is already creating a good track record of managing spending within budget. Members will be aware, however, that - given the current financial climate and the likely adverse impact to future funding levels - the ability to manage spending within budgets will undoubtedly become increasing difficult, particularly during the period of the next Spending Review. With this in mind it is vitally important that robust budget management arrangements continue across the organisation to ensure that resources are managed effectively during 2009/2010.

PART 2 - CAPITAL

14. CAPITAL PROGRAMME 2008/2009

- 14.1 The capital programme for 2008/2009 was originally set at £8.099m at the budget setting meeting held on the 15 February 2008. This figure was reduced to £7.060m following a report to the meeting of the Resources Committee held on the 3 October 2008 which identified slippage in the 2008/2009 programme and the need to increase the 2009/2010 programme accordingly (Minute *RC/11 refers).
- 14.2 In addition to this programme, an amount of £0.073m was available from grant funding made available by the CLG to fund a programme of Home Fire Risk Checks, installation of free 10 year smoke alarms and automated fire suppression systems.
- 14.3 Total spending against this programme was £5.840m as detailed in Table 1 overleaf. Of this spending an amount of £4.755m was made by cash, and a further £1.085m was accrued at the year end to reflect invoices not yet received.

TABLE 1 – SUMMARY OF CAPITAL SPENDING IN 2008/2009

Project	2008/2009 Revised Programme £000	2008/2009 Outturn £000	Variance £000
<u>Estates</u>			
Exeter East	1,450	1,590	140
Exeter West – Danes Castle	864	1,023	159
SHQ Infrastructure	449	230	(219)
USAR Project	20	15	(5)
Maintenance Ring Fenced	714	415	(299)
Slippage from previous years	624	624	-
Estates Sub total	4,121	3,897	(224)
<u>Fleet and Equipment</u>			
Appliance Replacement	1,760	930	(830)
Other vehicles	200	267	67
Equipment	309	81	(228)
BA Cylinder Replacements	170	170	-
Asset Management Plan	100	22	(78)
Slippage from previous years	400	400	-
Fleet and Equipment Sub total	2,939	1,870	(1,069)
Total Estates and Fleet and Equipment	7,060	5,767	(1,293)
Home Safety Checks/Smoke Alarms	-	73	73
Total	7,060	5,840	(1,220)

15. **FINANCING THE CAPITAL PROGRAMME**

- 15.1 Table 2 overleaf identifies how the 2008/2009 capital spending of £5.840m is to be financed.

TABLE 2 – SUMMARY OF CAPITAL FINANCING IN 2008/20098

	Actual Financing Required £000
<u>Borrowing</u>	5,325
<u>Other Financing Sources</u>	
Revenue Contribution to Capital Spending	
Approved contribution (as agreed at the meeting of Resources Committee on the 21 July 2008).	170
Additional contribution to fund bunded oil storage containers at workshops sites.	25
Purchase of appliance and light vehicles at expiry of leasing arrangements, funded from savings on leasing rentals and sale of vehicles.	211
Capital/Revenue Grants	
Home Fire Safety Initiative Capital Grant	73
Urban Search and Rescue (USAR) Grant	29
Incident Response Unit (IRU) Capital Grant	7
Sub Total - Other Financing Sources	515
Total Financing	5,840

Borrowing

- 15.2 Prior to the introduction of the Prudential Code in April 2004, the amount of borrowing that could be undertaken to fund capital spending was restricted by the government through the allocation of a Basic Credit Approval (BCA) to each local authority. An amount was then provided in the Revenue Support Grant allocation to fund that level of borrowing. Whilst the introduction of the Prudential Code has abolished the BCA, an amount is still included in the Revenue Support Grant allocation to support a level of borrowing through the allocation of the Supported Credit Expenditure (SCE). This means that the government will continue to provide support for borrowing by way of Revenue Support Grant up to the SCE amount, and any borrowing in excess of that figure would be classified as unsupported borrowing. The supported borrowing figure allocated for Devon & Somerset Fire & Rescue Authority (DSFRA) for 2008/2009 was set at £1.573m, therefore based on a requirement to borrow £5.325m, as illustrated in Table 2, an amount of £3.752m is to be funded from unsupported borrowing. Actual borrowing that took place during 2008/2009 was £5.100m, which is well within approved limits, as determined by the approved prudential indicators

16. SLIPPAGE

16.1 As is indicated from the figures in Table 1, actual capital spending during the year is £1.220m less than the approved capital programme. As was reported to the last meeting of Resources Committee on 4 February 2009, it had been anticipated that there would be some slippage against the programme, particularly in relation to replacement appliances due to delays in manufacturer build schedules. As this slippage only reflects changes to the timing of the costs being incurred and not a change in the overall cost of the programme there is no adverse impact against the approved Prudential Indicators. A revised capital programme for 2009/2010 to 2011/2012, incorporating the re-profiling of the slippage against individual projects, will be reported to the next meeting of the Resources Committee.

17. DRAFT PRUDENTIAL INDICATORS

17.1 The prudential indicators at this time are only in draft format, subject to the completion of the Statement of Accounts.

17.2 *Capital Expenditure*

This prudential indicator reports actual capital spending for the year against the approved programme. Spending has proved to be £1.220m less than anticipated as a consequence of delays on progressing capital projects.

Approved Indicator	£7.060m
Actual Expenditure	£5.840m
Variance	(£1.220) m

17.3 *Capital Financing Requirement (CFR)*

The CFR reflects the underlying need to borrow for capital purposes. Slippage in capital spending has resulted in less borrowing being required in 2008/2009 than had been forecast. As a consequence the actual CFR as at 31 March 2009 is less than the original indicator.

Revised CFR	£22.842m
Actual CFR	£21.276m
Variance	(£1.566) m

17.4 *Authorised Limit and the Operational Boundary for External Debt*

Actual external debt as at 31 March 2009 was £19.281m.

This is well within the authorised limit and operational boundary of £29.214m and £27.923m respectively, and therefore neither was breached.

17.5 *Ratio of Financing Cost to Net Revenue Stream*

This ratio aims to show the percentage of revenue resources which are applied to financing debt. The authority's revised estimate was that 2.48% would be applied and the actual figure is 0.16% below the estimate.

Capital Financing Costs	£2.116m
Interest on investments	(£0.500) m
Net Financing Costs	£1.616m

Net Revenue Stream	£69.543m
Percentage	2.32%
Estimated	2.48%
Variance	(0.16) %

It should be noted that the percentage figure for this Authority is a relatively low figure due to the fact that it has only been in existence as a stand alone Authority since 1998. The ratio will inevitably increase year on year as the level of borrowing to fund future capital programmes cumulatively increases.

18. DETERMINATION OF CAPITAL FINANCE

18.1 The Authority is required to determine its use of capital finance as defined by capital control legislation. The following use of capital finance resources is proposed:

- (i). That central government support to borrowing totalling £1.573m is used as authorisation to capitalise expenditure.
- (ii). That unsupported borrowing totalling £3.752m is used as authorisation to capitalise expenditure.
- (iii). That £0.109m is capitalised and funded from government grant.
- (iv). That an amount of £0.406m is capitalised and funded from a revenue contribution to capital spending.

KEVIN WOODWARD
Treasurer

Provisional Revenue Outturn 2008/2009

Line No		2008/2009 Revised Budget £000 (1)	Outturn £000 (2)	Variance over/(under) £000 (3)
	SPENDING			
	EMPLOYEE COSTS			
1	Wholetime uniform staff	32,143	31,685	(458)
2	Retained firefighters	12,073	11,835	(238)
3	Control room staff	1,827	2,023	196
4	Non uniformed staff	7,590	7,540	(50)
5	Training expenses	1,153	1,113	(40)
6	Fire Service Pensions recharge	1,797	1,685	(112)
		56,583	55,881	(702)
	PREMISES RELATED COSTS			
7	Repair and maintenance	1,078	937	(141)
8	Energy costs	465	632	167
9	Cleaning costs	375	316	(59)
10	Rent and rates	1,227	1,201	(26)
		3,145	3,086	(59)
	TRANSPORT RELATED COSTS			
11	Repair and maintenance	586	549	(37)
12	Running costs and insurances	1,127	1,233	106
13	Travel and subsistence	995	1,180	185
		2,708	2,962	254
	SUPPLIES AND SERVICES			
14	Equipment and furniture	2,237	2,467	230
15	Hydrants-installation and maintenance	85	76	(9)
16	Communications	1,420	1,374	(46)
17	Uniforms	764	750	(14)
18	Catering	118	170	52
19	External Fees and Services	120	80	(40)
20	Partnerships & regional collaborative projects	157	142	(15)
		4,901	5,059	158
	ESTABLISHMENT COSTS			
21	Printing, stationery and office expenses	402	421	19
22	Advertising	59	66	7
23	Insurances	326	383	57
		787	870	83
	PAYMENTS TO OTHER AUTHORITIES			
24	Support service contracts	623	553	(70)
		623	553	(70)
	CAPITAL FINANCING COSTS			
25	Capital charges	4,413	4,009	(404)
26	Revenue Contribution to Capital spending	0	406	406
		4,413	4,415	2
27	TOTAL SPENDING	73,160	72,826	(334)
	INCOME			
28	Treasury management investment income	(352)	(500)	(148)
29	Grants and Reimbursements	(1,357)	(1,667)	(310)
30	Other income	(943)	(1,235)	(292)
31	Internal Recharges	(53)	(56)	(3)
32	Contribution from Reserves	(153)	0	153
33	Contribution to Earmarked Reserve	0	175	175
33	TOTAL INCOME	(2,858)	(3,283)	(425)
34	NET SPENDING	70,302	69,543	(759)

SUMMARY OF RESERVE BALANCES AND PROVISIONS AS AT 31 MARCH 2009

RESERVES

Balance as at 1 April 2008		Spending in 2008/2009	Proposed Contribution	Balance as at 31 March 2009
£000		£000	£000	£000
4,291	General Reserve		162	4,453
	Earmarked Reserves			
31	North Division - Lundy Island	-6		25
25	Positive Pressure Ventilation Training	-8		17
5	Working at Height			5
185	RCC and Firelink systems	-68		117
15	GIS Gazateer			15
8	Grants	-8		0
0	2008/2009 carry forwards		297	297
0	Welfare Facilities at Fire Stations		300	300
269		-90	597	776
4,560	TOTAL	-90	759	5,229

PROVISIONS

Balance as at 1 April 2008		Spending in 2008/2009	Contribution	Balance as at 31 March 2009
£000		£000	£000	£000
442	Retained Firefighter Pension Contributions		55	497
294	Job Evaluation back dated costs to 1 April 2007		292	586
736	TOTAL	0	347	1,083



DEVON & SOMERSET FIRE & RESCUE AUTHORITY

REPORT REFERENCE NO.	DSFRA/09/13
MEETING	DEVON & SOMERSET FIRE & RESCUE AUTHORITY
DATE OF MEETING	27 MAY 2009
SUBJECT OF REPORT	RISK ASSESSMENT OF AN ADEQUATE LEVEL OF GENERAL RESERVES
LEAD OFFICER	Treasurer
RECOMMENDATIONS	<i>That the adequacy of the current levels of reserve balances, as highlighted in this report, be noted.</i>
EXECUTIVE SUMMARY	<p>The Authority, when setting its budget and council tax levels for the current year, debated amongst other things an appropriate level of general reserve to be held by the Authority and asked that a report be submitted to a future meeting setting out a risk assessment in relation to the level of reserves (Minute DSFRA/754(c) refers).</p> <p>This report now sets out that information.</p>
RESOURCE IMPLICATIONS	As indicated within the report.
EQUALITY IMPACT ASSESSMENT	No potentially negative impact sufficient enough to warrant a full impact assessment has been identified in the content of this report.
APPENDICES	A. Estimated Minimum Reserve Levels
LIST OF BACKGROUND PAPERS	Report DSFRA/09/5 (Statement on the Robustness of the Budget Estimates and Adequacy of the Devon and Somerset Fire and Rescue authority's Levels of Reserves) as considered by the Authority at its budget meeting on 16 February 2009.

1. LEGISLATIVE BACKGROUND

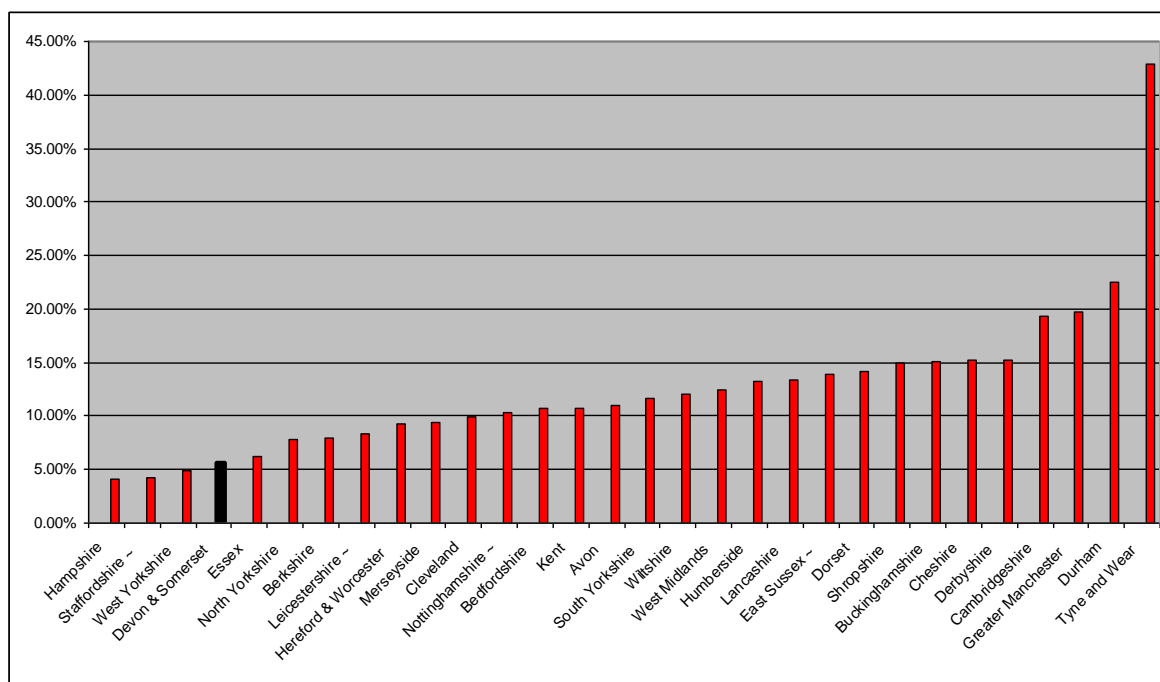
- 1.1 Sections 32 and 43 of the Local Government Finance Act 1992 require precepting authorities, such as Devon & Somerset Fire & Rescue Authority (DSFRA), to have regard to the level of reserves needed for meeting estimated future expenditure when calculating the budget requirement. In addition there are also a range of safeguards in place that help to prevent authorities over-committing themselves financially. These include:
- A duty to set a balanced budget;
 - The Chief Finance Officers duty to report on the robustness of estimates and adequacy of reserves;
 - The legislative requirement for each local authority to make arrangements for the proper administration of their financial affairs and that the chief finance officer has responsibility for those administration of those affairs (Section 112 of the Local Government Finance Act 1988 – this is, for combined fire and rescue authorities, a provision analogous to Section 151 of the LG Act 1972);
 - The requirements of the Prudential Code relating to capital financing
 - That the auditors will consider whether the Authority has established adequate arrangements to ensure that their financial position is soundly based;
 - The requirement that the Chief Finance Officer reports to the Authority's Members if there is or is likely to be unlawful expenditure or an unbalanced budget. This would include a situation where the authority's reserve levels have become seriously depleted, through utilisation, that the authority will not have sufficient resources to meet its expenditure in a particular financial year. In such a position the Authority would be prohibited from entering into new agreements involving the incurring of expenditure.
- 1.2 As part of its budget setting process at the meeting held on 16 February 2009, the Authority considered the report 'Statement on the Robustness of the Budget Estimates and Adequacy of the Devon and Somerset Fire and Rescue Authority's Levels of Reserves' to help inform decisions regarding budget setting. This report included information regarding current reserve levels and a review of its adequacy as regards meeting future unforeseen expenditure.
- 1.3 As part of the budget setting deliberations on 16 February 2009 the Authority also asked that a further report be submitted to a future meeting on the risk assessment associated with determining an appropriate level of general reserve.

2. REVISED ASSESSMENT OF MINIMUM LEVEL OF GENERAL RESERVE

- 2.1 A revised assessment indicates that a minimum level of general reserve to be held is £4.126m. Appendix A provides a detailed analysis of the financial risks included in this assessment. The actual level of general reserve held is £4.453m (including the proposal, considered elsewhere on the agenda, that a contribution of £0.162m be made from the 2008/2009 underspend).
- 2.2 The current levels are only slightly in excess of the minimum requirement, by an amount of £0.327m, and given the current financial climate and external factors not included in the minimum assessment, e.g. any adverse changes to future funding levels from the next Spending Review and expected capping criteria, it is my view that the current levels can only be regarded as adequate but not excessive.

- 2.3 It should also be emphasised that this revised assessment has been made on the basis of a minimum level of reserve balance, and not a maximum, and that should there be a need to utilise reserves during 2009/2010, then the Authority will need to consider action to replenish reserve levels.
- 2.4 The issue of adequate reserve levels has been very much in the spotlight within the last twelve months following the deterioration of the global banking system and the potential loss of some local authority investments from the Icelandic banks. This issue led to the release, by the Chartered Institute of Public Finance and Accountancy (CIPFA), of a revised Local Authority Accounting Practice (LAAP) Bulletin in November 2008 to provide further guidance on best practice as regards local authority reserves and balances. The key message from this bulletin was a reminder to Chief Finance Officers, in particular, of the importance of reviewing reserve balances to ensure that levels are adequate based upon changing circumstances. Whilst the DSFRA was not directly impacted by the Icelandic bank situation, as these banks are not included on the list of financial institutions that we invest with, it was - during the previous year (2007) - exposed by the problems of Northern Rock at the time that that bank was in trouble.
- 2.5 The level of reserve balances held are also subject to scrutiny as part of the external auditors role to consider whether the Authority has established adequate arrangements to ensure that its financial position is soundly based. This work will include an assessment of reserve levels, albeit that it is not the responsibility of the auditor to advise as to what are minimum or maximum levels. The most recent assessments by the Audit Commission, relating to the 2007/2008 Accounts and the 2008 Use of Resources Assessment, have provided reassurances that there are no concerns with regard to reserve balance levels and the strategy for maintaining reserves.
- 2.6 A level of general reserve balance of £4.453m is equivalent to 6.1% of the net budget requirement. Whilst comparable figures are not yet available for other fire and rescue authorities as at 31 March 2009, Table 1 overleaf compares the Authority general reserve balance with other fire and rescue authorities in England and Wales for the previous financial year, i.e. balances as at 31 March 2008. Based on these figures, a reserve balance equivalent to 6.1% places the Authority in the lower quartile, the average balance being 13.5% of revenue budget - Upper Quartile 15.0% and Lower Quartile 8.0%. At 6.1% the Authority balances are in fact 4th lowest in the country of all FRAs, being 29th out of 33.

TABLE 1 - ANALYSIS OF FIRE AND RESCUE AUTHORITY GENERAL RESERVE BALANCES AS AT 31 MARCH 2008



3. SUMMARY

3.1 An important part of the financial planning process is for levels of reserves and balances to be regularly reviewed to ensure that they are adequate to meet future spending requirements. This report provides Members with the outcome of the most recent risk assessment as to a minimum level of general reserve for this Authority. This assessment indicates that a minimum of £4.126m should be held, compared to the actual balance currently held of £4.453m.

3.2 Whilst the current balance is in excess of minimum requirements, it should be emphasised that there will inevitably be other factors which have not been included in the most recent risk assessment, for instance, changes in future funding levels arising from the next Spending Review which are very likely to have an adverse impact on financial planning in the medium term. With this in mind is my view that whilst current reserve balances can be deemed as adequate they can by no means regarded as excessive.

**KEVIN WOODWARD
TREASURER**

ESTIMATED MINIMUM RESERVES REQUIREMENT FOR 2009/2010

TYPE OF RISK	£
<p><u>Under-estimate of pay award</u> A provision is made for the eventuality that the pay award is settled at 1% more than included in the base budget. Total pay cost budget is just over £55m for 2009/2010.</p>	550,000
<p><u>Variation in call-out of retained fire-fighters</u> Spending against the budget for retained pay costs can be susceptible to volatility caused by spate weather conditions.</p>	200,000
<p><u>Phased transition to an improved Retained Duty System</u> Reductions in the number of hours of retained firefighter availability caused by changes introduced as part of the 2003 Pay Agreement, and the potential impact of the European Working Time Directive, has resulted in a review of the existing Retained Duty System. The original assessment carried out by the ex-Devon FRS was that it would need an additional 134 retained firefighters to maintain adequate cover arrangements in Devon.</p>	500,000
<p><u>Insurance funds/excesses on claims</u> A contingency is included for uninsured losses e.g. the write-off of an appliance which is leased, and the potential wind-up of the mutual insurance company (FRAML) in which the Authority has a capital investment.</p>	476,000
<p><u>Adverse impact from Treasury Management investments</u> The deterioration in confidence of the global banking system and the collapse of the Icelandic Banks has highlighted the risk to local authorities of relying on credit rating agencies to inform its investing strategy.</p>	1,000,000
<p><u>Local contribution to major incident covered by 'Bellwin' Scheme</u> Whilst emergency financial assistance from central government is available to assist authorities through the Bellwin Scheme in dealing with the immediate consequences of major unforeseen events (e.g. flooding), the amount of assistance available will not cover all costs, even in exceptional circumstances.</p>	220,000
<p><u>Impact of changes to International Financial Reporting Standards (IFRS)</u> The timetable for the transition from Generally Accepted Accounting Practice (UK GAAP) to IFRS has now been established for local government accounting. The standard requires the first year of IFRS compliant accounts for the financial year 2010/2011 with full comparative data for the previous year 2009/2010, therefore the date of transition is 1 April 2009. The change to the new standards will require new provisions to be made, in particular, authorities will be required to accrue for staff benefits, including paid leave, that are not taken at the balance sheet date. It is anticipated that this will have a significant impact in year 1 of the transition.</p>	850,000

TYPE OF RISK	£
<p><u>Provision for retained staff joining new pension scheme</u> The introduction of a new Firefighters Pension Scheme from April 2006 has for the first time provided retained firefighters with access to a pension scheme. For an organisation such as the Devon & Somerset Fire & Rescue Service (DSFRS), with significant numbers of retained firefighters, this has placed additional financial burden on the revenue budget as new retained firefighters join the Service and an employer's contribution is paid into the Pension Account. Contingency for new joiners over and above that provided for in the base budget is included here.</p>	80,000
<p><u>Provision for additional ill-health retirements</u> Changes to the funding arrangements relating to the Firefighters Pension Scheme from April 2006 have meant that any deficit between annual pension costs and employers/employees contributions are reclaimed from the Department for Communities and Local Government (CLG) on an annual basis. However, pension costs relating to local decisions to retire a firefighter on grounds of ill-health are not able to be reclaimed and are to be funded from the FRS revenue budget. Contingency needs to be made in the event that more ill-health retirements take place than budgeted for.</p>	200,000
<p><u>Potential variations in income</u> Provision is made in the event that income targets, particularly in relation to those income streams susceptible to the impact of the economic downturn, are not achieved e.g. training income and investment returns on working balances.</p>	180,000
<p><u>General contingency (e.g. fuel costs, adverse changes to borrowing rates)</u> An assessment has been made of further costs in the event that fuel costs, in particular, escalate during the year.</p>	190,000
<p><u>Adjustment for pooling of risks</u> A weighted calculation has been made to adjust the level of minimum reserve to reflect the fact that it is highly unlikely that all of the identified risks will occur during one financial year.</p>	(320,000)
ESTIMATED MINIMUM REQUIREMENT OF RESERVES	4,126,000



DEVON & SOMERSET FIRE & RESCUE AUTHORITY

REPORT REFERENCE NO.	DSFRA/09/14
MEETING	DEVON & SOMERSET FIRE & RESCUE AUTHORITY
DATE OF MEETING	27 MAY 2009
SUBJECT OF REPORT	FRAMEWORK FOR PARTNERSHIP WORKING
LEAD OFFICER	Head of Corporate Support
RECOMMENDATIONS	<i>That, subject to any amendments as may be agreed at the meeting, the Framework for Partnership Working as enclosed (page numbered separately with the agenda for this meeting be approved.</i>
EXECUTIVE SUMMARY	<p>Partnership working has become central to the delivery of effective services to meet local needs and all public sector organisations are now expected to work closely together. Partnership working offers many benefits and opportunities but it also involves risks and can place additional demands on the Authority's capacity.</p> <p>Enclosed (page numbered separately) with the agenda for this meeting is a draft Authority Partnership Framework designed to secure sound governance arrangements for partnership working which are in accordance with the Authority's Corporate Governance Code. However, it is expected that the framework will be modified over the coming months as feedback on its use is assessed to determine where improvements can be made.</p>
RESOURCE IMPLICATIONS	Nil.
EQUALITY IMPACT ASSESSMENT	No potentially negative impact sufficient enough to warrant a full impact assessment has been identified in the content of this report.
APPENDICES	Devon & Somerset Fire & Rescue Authority Framework for Partnership Working
LIST OF BACKGROUND PAPERS	<p>A Fruitful Partnership: effective partnership working (1998, Audit Commission)</p> <p>Developing Productive Partnerships (2002, Audit Commission/District Audit)</p> <p>Governing Partnerships: Bridging the accountability gap (2005, Audit Commission)</p> <p>Fire and Rescue Service partnership working toolkit for Local Area Agreements (2008, Communities and Local Government)</p> <p>Working better together? Managing local strategic partnerships (2009, Audit Commission)</p>

- 1 Partnership working has become central to the delivery of effective services to meet local needs and all public sector organisations are now expected to work closely together. It is widely recognised that partnership working has the potential to help:
 - deliver strategic objectives;
 - deliver services and effective operational performance;
 - improve quality and cost effectiveness;
 - ensure best use of scarce resources; and
 - deal with issues that cut across geographic and agency boundaries and where mainstream programmes alone cannot meet the need.
- 2 Partnership working offers many benefits and opportunities but it also involves risks and can place additional demands on the Authority's capacity. The Audit Commission, in its 2005 report *Governing Partnerships*, found that a third of organisations working in partnerships experienced problems arising from weak governance and accountability arrangements.
- 3 It is widely recognised that there is no one-size-fits-all model of governing partnerships so governance arrangements should be proportionate to the risks involved. The purpose of a framework for partnership working is, therefore, to provide a structured and proportionate approach that will enable the Authority to manage and review partnership working in such a way that will ensure its engagement in partnerships provides both improved outcomes for the community and value for money
- 4 The proposed framework for partnership working enclosed with the agenda for this meeting (and page numbered separately) has been developed following extensive research into reports produced, mainly by the Audit Commission, over the last ten years and examples of notable practice from other public authorities (including several fire and rescue authorities). It is expected that the framework will be modified over the coming months as feedback on its use is assessed to determine where improvements can be made. A key requirement will be to align the framework to the Authority's business management systems and process to ensure that information flows inform and support effective decision-making and that levels of controls are appropriate.
- 5 The Community Safety and Corporate Planning Committee has delegated authority to approve new partnerships in accordance with this framework. The Audit and Performance Review Committee will receive an annual partnership monitoring report and provide challenge as to the effectiveness of partnerships' contribution to achieving the Authority's strategic priorities and delivering value for money. It will also scrutinise the partnership monitoring arrangements as required by the Authority.
- 6 This framework provides sound governance arrangements for partnership working which are in accordance with the Authority's Corporate Governance Code. The Authority is asked to consider these arrangements as set out in the framework and make comments as appropriate with a view to approving the attached framework.

MIKE PEARSON
Head of Corporate Support