

**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

Monday 29 June 2009

A meeting of the Devon & Somerset Fire & Rescue Authority will be held on the above date, **commencing at 10.00hours in the Conference Rooms in Somerset House, Service Headquarters** to consider the following matters.

M. Pearson
Clerk to the Authority

A LARGE PRINT COPY OF THIS AGENDA IS AVAILABLE ON REQUEST

AGENDA

1. **Apologies**
2. **Minutes** of the meeting held on 27 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. Statement of Accounts 2008/2009

Report of the Treasurer (DSFRA/09/15) attached (Page 5)

6. Annual Governance Statement 2008/09

Report of the Chief Fire Officer and the Treasurer to the Authority (DSFRA/09/16) attached (Page 8)

7. Job Evaluation - Non-Uniformed Pay Scale

Report of the Head of Human Resources Management and Development (DSFRA/09/17) attached (Page 16)

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 Gordon, Leaves, Manning, Mills, Mrs. Nicholson and Viney.

11 Members to be appointed by Devon County Council.

8 Members to be appointed by Somerset County Council.

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

27 May 2009

Present:-

Councillors B. Hughes (Chairman), Button, Foggin, Ford, Gordon, Healey, S. Hughes, Leaves, Manning, Mochnacz, Mrs. Parsons and Yeomans

Apologies:-

Councillors Clatworthy, Dyke, Fry, Hannon, Lewis, Mrs. Nicholson, Parker, Tully, Viney, Wallace and Way

DSFRA/102. Minutes

RESOLVED that, subject to the replacement of “Holsworthy” for “Honiton” in Minute DSFRA/93 (Death of Councillor Des Shadrick), the Minutes of the meeting held on 6 May 2009 be signed as a correct record.

DSFRA/103. 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 this meeting and declare any such interests at this time.

No interests were declared.

DSFRA/104. Financial Outturn For 2008/09

The Authority considered a report of the Treasurer (DSFRA/09/12) setting out the final outturn position (subject to audit) for revenue and capital spending for the financial year 2008/09.

In relation to revenue, a net total underspend of £0.759m (1.08%) was indicated against the approved budget of £70.302m. Overspends in the budget areas for transport related costs (£0.254m), supplies and services (£0.158m) and establishment costs (£0.083m) had been off-set by underspends in the budget areas for employee costs (£0.702m), premises related costs (£0.059m) and support service contracts (£0.070m) and the report detailed the reasons for the variances in each of these areas. Slippage in the capital programme had resulted in debt charges for 2008/09 being £0.404m less than budgeted. This had enabled further capital spending totalling £0.406m to be financed direct from revenue to:

- replace obsolete breathing apparatus cylinders (£0.170m);
- the purchase of vehicles initially leased but at the end of the primary lease period (£0.211m); and
- purchase of oil bundled storage containers at each of the mechanical workshops (£0.025m).

Additional income totalling £0.753m had been realised and previous Authority decisions had resulted in £0.153m initially approved as a contribution to setting the 2008/09 revenue budget being retained in General Reserve; and £0.175m underspend being transferred to an Earmarked Reserve to fund costs associated with the decommissioning of the existing radio systems following implementation of the national Firelink radio scheme (Minutes DSFRA/48(e)(i) and DSFRA/63(d)(i) respectively refer).

Of the total net underspend of £0.759m, the report identified a total of £0.297m that it would be necessary to carry forward to 2009/10 to enable completion of the following projects committed in 2008/09:

- property maintenance (heating system at SHQ; works at Topsham Fire Station; energy saving initiatives at fire stations) (£0.132m);
- external support costs (support services benchmarking project; transport review; business case for documentation management project; risk management initiatives)(£0.083m);
- implementation of new systems (improved asset management tracking; operational risk information systems (ORIS))(£0.032m);
- refit of fireboat (£0.037m); and
- procurement of cameras for operational use (£0.013m).

In relation to the remaining underspend of £0.462m, the report referred to the recent visit by the Health and Safety Executive (HSE) to Hatherleigh fire station and the resulting letter advising that urgent action should be taken to redress the lack of welfare facilities (showers; drying rooms; breathing apparatus servicing facilities) at retained stations. While these were subject to programmed maintenance, the underspend presented the opportunity to utilise £0.300m to accelerate this programme by undertake the most urgent work which would be discussed with the Capital Programme Working Party prior to individual schemes being progressed. Subject to this being approved, it was proposed that the remaining £0.162m underspend should be transferred to General Reserve.

In relation to capital expenditure, the report indicated total spending of £5.840m against a revised approved programme of £7.060m. The report identified expenditure against individual schemes contained within the approved programme, reasons for slippage against the programme and the associated draft prudential indicators none of which had been adversely impacted as a result of the slippage. The report also set out the capital determinations for funding of capital spending in 2008/09 which the Authority was required to approve by capital control legislation.

RESOLVED

- (a) 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 detailed in paragraph 11.1 of report DSFRA/09/12 and outlined above and that an Earmarked Reserve be established to facilitate this;
- (b) 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 the report and outlined above;
- (c) that the remaining balance of the revenue underspend of £0.162m be transferred to the General Reserve;

- (d) that the following capital determinations in relation to the funding of capital spending in 2008/2009 be approved:
 - (i) central government support to borrowing totalling £1.573m be used as authorisation to capitalise expenditure;
 - (ii) unsupported borrowing totalling £3.752m be used as authorisation to capitalise expenditure;
 - (iii) that £0.109m be capitalised and funded from government grant;
 - (iv) that £0.406m be capitalised and funded from a revenue contribution to capital spending;
- (e) 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.

(SEE ALSO MINUTE DSFRA/105 BELOW)

DSFRA/105. Risk Assessment of an Adequate Level of General Reserves

The Authority received for information a report of the Treasurer (DSFRA/09/13) detailing a risk assessment of the minimum level of General Reserve, as requested at the budget setting meeting of the Authority on 16 February 2009 (Minute DSFRA/75(c) refers).

The Authority was required, by Sections 32 and 43 of the Local Government Finance Act 1992, to have regard – when calculating its budget requirement – to the level of reserves needed for meeting estimated future expenditure. A revised risk assessment, as appended to the report, indicated a minimum level of General Reserve for the Authority of £4.126m. The current level of General Reserve (allowing for inclusion of £0.162m from the underspend on the 2008/09 approved revenue budget – see Minute DSFRA/ above) was £4.453, equivalent to 6.1% of the net budget requirement. The view of the Treasurer was that, given the current financial climate and that certain external factors (e.g. the potential for adverse changes to future funding levels from the next Comprehensive Spending Review and revised capping criteria) were not included in the minimum assessment, the current level of General Reserve was adequate but not excessive.

The report also compared the 6.1% level of reserve for this Authority against the reserve balances for other fire and rescue authorities in England and Wales as at 31 March 2008. This indicated that the Authority was in the lower quartile (the average balance being 13.5% of the revenue budget) and was the fourth lowest in the country of all fire and rescue authorities, being 29th out of 33.

(SEE ALSO MINUTE DSFRA/104 ABOVE)

DSFRA/106. Framework For Partnership Working

The Authority considered a report of the Head of Corporate Support (DSFRA/09/14) to which was appended a draft Framework designed to secure sound governance arrangements for the Authority's partnership working. The Framework had been drafted with regard to a number of "best practice" publications, notably those produced by the Audit Commission, and to the Authority's Corporate Governance Code. The document was intended as a "living" document that could be modified as required over coming months in light of feedback on its use.

RESOLVED

- (a) that the Framework for Partnership Working as enclosed with the agenda for this meeting be approved;
- (b) that the Community Safety and Corporate Planning Committee be delegated authority to make consequential revisions to the Framework as and when they arise.

DSFRA/107. Chairman's Announcements

The Chairman reported, for information, on:

- attendance (together with Councillors Gordon, Healey and Manning) at the Fire 2009 Conference held in Birmingham on Tuesday 12 to Thursday 14 May 2009;
- attendance at the election of the new Lord Mayor for Plymouth City Council on Friday 15 May 2009; and
- attendance at the Plymouth City Council Lord Mayor's Civic Service on Sunday 17 May 2009.

The Chairman also provided those Authority Members present at the meeting with a copy of a letter received from the Lympstone Amateur Boxing Club seeking sponsorship for retained firefighter Matt Mason who had been selected to represent England at the World Police and Firefighter Games to be held in Vancouver.

DSFRA/108. Chief Fire Officer's Announcements

The Chief Fire Officer reported on a fatality that had occurred on 23 May on farmland in Okehampton. No fire extinguishing action had been necessary and the cause of death was still subject to inquest.

The meeting started at 10.00hours and finished at 11.18hours.



DEVON & SOMERSET FIRE & RESCUE AUTHORITY

REPORT REFERENCE NO.	DSFRA/09/15
MEETING	DEVON & SOMERSET FIRE & RESCUE AUTHORITY
DATE OF MEETING	29 JUNE 2009
SUBJECT OF REPORT	STATEMENT OF ACCOUNTS 2008/2009
LEAD OFFICER	Treasurer
RECOMMENDATIONS	
<p><i>That, in accordance with the requirements of the Accounts and Audit Regulations 2003 (as amended) the Authority's draft Statement of Accounts for 2008/2009 be approved and the Chairman authorised to sign it on behalf of the Authority.</i></p>	
EXECUTIVE SUMMARY	
<p>This report presents the Authority's draft Statement of Accounts for 2008/2009 for approval. The Accounts and Audit Regulations 2003 (as amended) require the Authority to approve the draft Accounts by the 30 June. At this stage the Accounts are still to be audited and will be subject to audit scrutiny during July and August 2009. The Regulations also require the audited Accounts to be published by the 30 September 2009.</p>	
RESOURCE IMPLICATIONS	As indicated in the report.
EQUALITY IMPACT ASSESSMENT	An initial assessment has revealed that there are no equality issues arising from this report.
APPENDICES	A. Draft Statement of Accounts 2008/09 Booklet (TO FOLLOW)
LIST OF BACKGROUND PAPERS	Financial Outturn Report 2008/2009 – report reference DSFRA/09/12 as reported to the meeting of DSFRA held on the 27 May 2009.

1. INTRODUCTION

- 1.1 The Accounts and Audit Regulations 2003 (as amended) require the annual draft Statement of Accounts to be approved, either by the full Authority or appropriate Committee so delegated to do so, by the end of June each year.
- 1.2 Usually, as in the previous financial year, the draft Statement of Accounts would be approved by the Authority's Audit and Performance Review Committee (APRC) in accordance with the powers delegated to it. In light, however, of the deferred local authority elections this year and the consequent requirement to move the Authority's Annual Meeting (at which Committee appointments and dates are usually set) from the end of May to July, it is not practicable to submit the 2008/09 draft Statement of Accounts to the relevant Committee. Accordingly, they are now being presented to this meeting for consideration and approval to secure compliance with the relevant Regulations.
- 1.3 It should be noted that, at this stage, the Accounts remain to be audited and as such will be subject to audit scrutiny during July and August 2009.

2. THE STATEMENT OF ACCOUNTS

- 2.1 The Statement of Accounts booklet for 2008/2009 will be dispatched separately to this agenda but prior to the dater of the meeting (29 June 2009). This is because, at the time of circulating papers for the current meeting, final figures from the Authority actuary in relation to pension costs were still awaited. Financial Reporting Standard 17 (FRS 17) requires, however, that the accounts include pension costs on the basis of future liabilities rather than in-year costs. This necessitates an annual review to be carried out by the actuary in time for the accounts to be prepared. Although not available at the time of despatch for this agenda, the actuary has committed to providing these figures in good time for the Statement of Accounts to be prepared and dispatched prior to the meeting.
- 2.2 The Statement of Accounts is intended to give stakeholders clear information about the Authority's financial position. The format and content of the Accounts is specified by a Code of Practice, issued by the Chartered Institute of Public Finance and Accountancy (CIPFA), which ensures that local authority Accounts are prepared on a consistent basis.
- 2.3 The core statements included in the Accounts are:
- The Income and Expenditure Account, which reports the Service Expenditure Analysis, in accordance with the Best Value Accounting Code of Practice, including details of the surplus/deficit for the year ending 31 March 2009, and how the Service cost has been financed.
 - Then Balance Sheet, which records the assets and liabilities of the Authority as at 31 March 2009.
 - The Cash Flow Statement, which provides details of the sources and application of the Authority's funds during the year.

3. SUMMARY OF FINANCIAL PERFORMANCE

Income and Expenditure Account

- 3.1 A report on the financial performance of the Authority for 2008/2009 was considered at the last meeting on 27 May 2009 (Minute DSFRA/104 refers). It was reported at that meeting that spending against the revenue budget was £0.759m less than had been budgeted, primarily as a consequence of savings from staffing costs. It was agreed at that meeting that of this figure, an amount of £0.597m be transferred to earmarked reserves to fund specific spending issues, and the balance of £0.162m be transferred to the General Fund.
- 3.2 The position of the Income and Expenditure Account for 2008/2009 is included on Page 14 of the Accounts. Whilst this reports a deficit for the year rather than the surplus reported at the last meeting it should be emphasised that the figure included in the Income and Expenditure Account includes a number of non-cash entries required to be included in this statement under the Accounting Code of Practice. For instance, the Income and Expenditure Account is required by Financial Reporting Standard 17 (FRS 17) to include increases in future pension liabilities, as assessed by the authority actuary. Details of a complete list of these non-cash entries are included as Note 9 to the Accounts.
- 3.3 A reconciliation of the deficit, as reported in the Income and Expenditure Account, and the actual impact to the General Fund is shown on Page 15 of the Accounts. This illustrates that the financial performance of the Authority for 2008/2009 has enabled an amount of £0.162m to be transferred to the General Reserve, increasing the amount on the General Reserve from £4.291m, as at 1 April 2008, to £4.453m by the 31 March 2009.

Balance Sheet

- 3.4 The second key financial statement included in the Accounts is the Balance Sheet. This reports the net asset or liability position of the Authority as at 31 March 2009. This statement, included as page 13 of the Accounts, reports that - as at 31 March 2009 - the liabilities of the Authority exceed its assets. It should be emphasised, however, that this figure includes a liability in relation to future pension liabilities, as required to be reported under FRS17. This position does not cause the Authority any funding concerns and the inclusion of the pension liability is required to highlight the build up of pension liabilities. This reflects the fact that the pension costs of firefighters, as is the case for police officers, are not paid for from a fully funded pension scheme.

4. AUDIT OF ACCOUNTS 2008/2009

- 4.1 It is a requirement of the Auditing Standard (SAS610), introduced in 2003, that the Audit Commission report to those charged with the governance of the Accounts certain issues should they arise. Such issues include the reporting of any misstatements identified in the Accounts. The Audit Commission will be presenting this report to the Authority at a future meeting prior to 30 September 2009.
- 4.2 The Accounts will be subject to audit inspection during July and August 2009, following which – in accordance with the Regulations - they must be published by the 30 September 2009. The final Accounts will include an audit certificate signed by the Audit Commission.

KEVIN WOODWARD
Treasurer



DEVON & SOMERSET FIRE & RESCUE AUTHORITY

REPORT REFERENCE NO.	DSFRA/09/16
MEETING	DEVON & SOMERSET FIRE & RESCUE AUTHORITY
DATE OF MEETING	29 JUNE 2009
SUBJECT OF REPORT	ANNUAL GOVERNANCE STATEMENT 2008/09
LEAD OFFICER	Chief Fire Officer and Treasurer to the Authority
RECOMMENDATIONS	
<p>(a) <i>That the current position resulting from addressing the identified areas of required activity in the 2007/08 Annual Governance Statement, as set out in Appendix A to this report, be noted;</i></p> <p>(b) <i>That the Annual Governance Statement required to accompany the 2008/09 final accounts, as set out in Appendix B to this report, be approved and the Chairman and Chief Fire Officer authorised to sign it on behalf of the Authority.</i></p>	
EXECUTIVE SUMMARY	
<p>This report sets out progress against those significant internal control issues identified in the 2007/08 Annual Governance Statement. It also outlines the current standing of the Authority's corporate governance processes and proposes a draft Annual Governance Statement to accompany the 2008/09 final accounts.</p>	
RESOURCE IMPLICATIONS	Nil.
EQUALITY IMPACT ASSESSMENT	An initial assessment has revealed that there are no equality issues arising from this report.
APPENDICES	<p>A. Progress against significant internal controls issues identified in 2007/08 annual Governance Statement.</p> <p>B. Draft Annual Governance Statement 2008/09.</p> <p>C. Governance Arrangements Schematic (ENCLOSED SEPARATELY).</p>
LIST OF BACKGROUND PAPERS	Annual Governance Statement 2007/08.

1 INTRODUCTION

- 1.1 The Accounts and Audit Regulations (Amendment) (England) 2003 (as amended) place a requirement on relevant authorities, including combined fire and rescue authorities, to publish an Annual Governance Statement (AGS). Whilst it is convenient to include this statement within an authority's final accounts, it is not specifically a finance related statement and forms part of the authority's corporate obligations in respect of corporate governance and risk management.
- 1.2 The Chartered Institute of Public Finance Accountancy (CIPFA) in conjunction with the Society of Local Authority Chief Executives (SOLACE) has published extensive guidance to assist authorities in producing the Annual Governance Statement. This guidance has been followed as far as practicable in relation to the production of the 2008/09 AGS for the Devon and Somerset Fire and Rescue Authority.
- 1.3 The appendices to this report set out, respectively:
- progress in addressing those issues identified in the 2007/08 AGS (Appendix A);
 - the proposed AGS to accompany the Devon and Somerset Fire and Rescue Authority 2008/09 final accounts (Appendix B);
 - a schematic of Governance arrangements (Appendix C).
- 1.4 The remainder of this report addresses in summary each of these appendices

2. GOVERNANCE OBJECTIVES

- 2.1 In the "Delivering Good Governance in Local Government" guidance produced jointly by CIPFA/SOLACE, CIPFA specifies some eight specific governance areas (or objectives) that should be subject to annual review. SOLACE identified a further six areas which sit within, and are subsets of, the first CIPFA identified objective. The CIPFA objectives are identified below and in producing the 2007/08 AGS the Authority reviewed its position against all of these objectives. Following production and of the 2007/08 AGS and its consideration as part of the external audit process for the Statement of Accounts (to which the AGS is linked), however, the Authority was advised that the 2008/09 AGS should only address those areas where actions were identified in the 2007/08 AGS as being needed.

Objective 1 deals with the compliance with principal statutory obligations and organisational objectives. Member engagement and development was identified as an action point together with staff awareness training which is being effected through such means as the refreshed "Whistleblowing" code.

Objective 2 considers the identification of principal risks to the achievement of objectives. Partnership Framework and Risk Management still need to be addressed by the Authority in 2009/10 mainly in the areas of the training and embedding of the risk management culture throughout the organisation. This work is in progress and will be ongoing throughout 2009/10.

Objective 3 requires the Authority to identify key controls to manage risk. The area of Business Continuity Planning is now complete with the publication of harmonised Business Continuity Plans and advanced preparation for Pandemic Influenza.

Objective 4 requires the Authority to seek assurances on the effectiveness of key controls. Again there was compliance in the main with departmental heads having a general awareness of emergent risks and how to manage these. Further improvements to the process are proposed however for the Authority by obtaining and recording individual assurances from all departmental managers and the continuing increase in the internal audit of both Stations and Headquarter's functions.

Objective 5 is concerned with the evaluation of assurances and the identification of gaps in control. SMB reviews all reports whilst Service Planning and Risk & Insurance incorporate recommendations into action plans and the Risk Register respectively. This is an ongoing process.

Objective 6 concerns the action plan for the improvement of the system of corporate governance. Under this objective the need for a broader understanding of risk management across the service has been identified. This will include (inter alia) Fraud awareness training and a new draft Performance Management Framework.

Objective 7 relates entirely to the production of the Annual Governance Statement.

Objective 8 sets out the requirement for this report on the review of governance to be presented to Members for information and approval. These objectives are self-evidently fulfilled.

3. 2007/08 ANNUAL GOVERNANCE STATEMENT AND ACTION PLAN

- 3.1 The AGS included in the 2007/08 final accounts included five significant internal control issues which were required to be addressed during 2008/09. Appendix A summarises the position as at 31 March 2008 in relation to these for the Devon and Somerset Fire and Rescue Authority. The full Audit trail supporting this position statement is contained in a separate document available on request. Substantial progress has been made against each of the outstanding issues.
- 3.2 Following an IDeA facilitated Member Diagnostic, an approach to enhanced Member engagement (including, amongst other thing, "workshop" sessions following formal Authority/Committee meetings to explore relevant issues in greater detail) has been implemented. Further enhancements to the engagement process (e.g. development of a local induction programme based upon the regionally-developed framework; consideration to introduction of a Member Development Review process – based upon the regional model piloted in Dorset) are ongoing.
- 3.3 In relation to the Partnership Framework (a requirement of the 2007/08 AGS), while the Authority has now approved a Framework this was only done at its last meeting and was, therefore, outside the reporting period for the 2008/09 AGS. Consequently, it has been necessary to refer again to production of the Framework in the Significant Governance Issues Section of the draft 2008/09 AGS (see Appendix B).
- 3.4 Considerable progress has also been made in terms of raising the profile and awareness of corporate risk management following combination, with the Service Management Board having reviewed the operation of the Authority's Corporate Risk Profile to ensure that risks to the Authority's strategic objectives and corporate plans were appropriately identified and managed. Further work will still be required in 2009/10 (and potentially beyond) to ensure that corporate risk management is fully embedded at all levels within the new organisation.

4. 2008/09 ANNUAL GOVERNANCE STATEMENT

4.1 Attached at Appendix B is the draft AGS for 2008/09. It sets out at paragraph 4.1 those Significant Governance issues required to be addressed by Action Plans in 2009/2010.

4.2 Finally, Appendix C aims to provide in diagrammatic form the interrelationship between each aspect of the Authority's governance arrangements and the factors influencing, and being influenced by, the AGS.

5. RISK MANAGEMENT IMPLICATIONS AND CONCLUSION

5.1 The Annual Governance Statement is fundamental to the risk management of the Authority. The statement shows that the Devon and Somerset Fire and Rescue Authority critically examined its internal control environment and a set of actions to improve, where necessary, this environment for the Authority over the coming year has been developed. Specifically, therefore, the Authority is asked to:

- note the progress made against those areas for improvement set out in the 2007/08 AGS;
- to consider with a view to approving the 2008/09 Statement; and
- subject to its approval, to authorise the Chairman and Chief Fire Officer to sign it on behalf of the Authority.

Lee Howell
CHIEF FIRE OFFICER

Kevin Woodward
TREASURER

APPENDIX A TO REPORT DSFRA/09/16

ANNUAL GOVERNANCE STATEMENT 2007/08 – POSITION STATEMENT ON IDENTIFIED AREAS OF REQUIRED ACTIVITY			
Identified Issue	Action Needed	Complete	Comment
Member engagement and development	Member engagement programme to be established	Ongoing	Departmental Service Plan Objective
Partnership framework required	To be produced	Ongoing	Departmental Service Plan Objective
Risk Management Training required	Embed Risk management awareness	Ongoing	Departmental Service Plan Objective
Employee Code of Conduct required	Implement new CLG Code of Conduct when issued	Awaited	FRS Core values are incorporated in Contracts of Employment
Business Continuity Plans	BCPs needed	Complete	Plans published Feb 2009

DEVON & SOMERSET FIRE & RESCUE AUTHORITY
ANNUAL GOVERNANCE STATEMENT 2008/09

1. SCOPE OF RESPONSIBILITY

- 1.1 The Devon & Somerset Fire & Rescue Authority is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The Authority also had a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.
- 1.2 In discharging this overall responsibility, the Authority is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, which include arrangements for the management of risk.
- 1.3 The Authority has approved and adopted a code of corporate governance, which is consistent with the principles of the CIPFA/SOLACE framework Delivering Good Governance in Local Government. A copy of the code is on our website at www.dsfire.gov.uk or can be obtained from Clerk to the Authority. This Statement explains how the Authority has complied with the code and also meets the requirements of regulation 4(2) of the Accounts and Audit Regulations 2003 (as amended) in relation to the publication of a statement on internal control.

2. THE PURPOSE OF THE GOVERNANCE FRAMEWORK

- 2.1 The governance framework comprises the systems and processes, and culture and values, by which the authority is directed and controlled and its activities through which it accounts to, engages with and leads the community. It enables the Authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.
- 2.2 The system of internal control is a significant part of the framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Authority's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.
- 2.3 A governance system has been in place for the Authority up to the year ended 31 March 2009 and up to the date of approval of the annual report and statement of accounts.

3. REVIEW OF EFFECTIVENESS

- 3.1 The Authority has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of the effectiveness is informed by the work of the executive managers within the Authority who have responsibility for the development and maintenance of the governance environment, the Head of Internal Audit's annual report, and also by comments made by the external auditors and other review agencies and inspectorates.
- 3.2 Throughout 2008/09 the Authority maintained and reviewed its governance framework in a

number of ways. In particular:

- a. the Service Management Board reviewed the operation of the Authority's Corporate Risk Profile to ensure that risks to the Authority's strategic objectives and corporate plans were appropriately identified and managed. The outcome of this work will be shared with the Authority during Summer 2009;
- b. The Authority received and/or adopted:
 - Three year Corporate Plan;
 - Statement of Accounts 2007/08;
 - Annual Governance Report 2007/08
 - External Auditors' Management Letter;
 - Budget Monitoring Reports;
 - Periodic Performance Reports;
 - Medium Term Financial Plan;
 - CPA was refreshed and preparation for CAA (Awareness Raising) commenced;
 - A revised code of Members conduct and introduction of local assessment regime in accordance with legislative requirements, ;
 - Internal Audit Annual report 2007/08.
- c. The Audit and Performance Review Committee provided an additional level of review to a number of these plans and strategies;
- d. Internally, Service Planning and Review carried out a continuous assessment of the implementation of policies and procedures throughout the organisation, including follow-up on progress against the action plans;
- e. Internal Audit undertook a number of planned reviews of systems and internal control procedures across a range of functions in the Authority. Each review contained an opinion on the internal controls in place and any unsatisfactory audit opinions resulted in recommendations for improvement, which were implemented by Management. Copies of these reviews were sent both to the Authority's Treasurer and Monitoring Officer;
- f. The Authority has established, as required by law, a Standards Committee to oversee its ethical conduct. The composition of this committee has recently been revised to facilitate operation of the local assessment regime;
- g. The Authority adopted a corporate governance code which brought elected Members closer to the decision making process and served to strengthen overall governance arrangements;

3.3 We have been advised on the implications of the result of the review of the effectiveness of the governance framework and a plan to address weaknesses and ensure continuous improvement of the system is in place.

4. SIGNIFICANT GOVERNANCE ISSUES

4.1 Continuing appraisal of the governance and internal control mechanisms during the accounting period has identified internal control issues which the Authority will address in the next year via Action Plans to deal with the following issues:

- a. The Authority will continue to progress Member engagement and development including a structured approach to induction based on the Regional Model;
- b. The Authority will produce and implement a partnership framework. This will also include an ongoing review of partnership value and our contribution;
- c. Corporate Risk Management training will be delivered throughout the organisation in

order to embed this within its culture.

- d. Action plans will be monitored and amended as necessary to provide a refined focus on continuous improvement in order to embed this within the Authority's culture and provide service-wide coordination.

4.2 We propose over the coming year to take steps to address the above matters to further enhance our governance arrangements. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operation as part of our next annual review.

Lee Howell
CHIEF FIRE OFFICER

Bernard Hughes
AUTHORITY CHAIRMAN

DEVON & SOMERSET FIRE & RESCUE AUTHORITY



REPORT REFERENCE NO.	DSFRA/09/17
MEETING	DEVON & SOMERSET FIRE & RESCUE AUTHORITY
DATE OF MEETING	29 JUNE 2009
SUBJECT OF REPORT	JOB EVALUATION – NON-UNIFORMED STAFF PAY SCALE
LEAD OFFICER	Head of Human Resources Management and Development
RECOMMENDATIONS	
<p>(a) <i>That points on the non-uniformed staff pay scale above those published by the Local Government Employers be determined on the following basis:</i></p> <p>(i) <i>that points 50 to 55 be determined by using pay points currently in use within the organisation (based on the Senior Manager scale formerly used by Devon County Council);</i></p> <p>(ii) <i>that points 56 to 61 be determined by applying a differential factor of 1.020 between each point;</i></p> <p>(b) <i>that, subject to (i) and (ii) above, the pay scale as detailed in Appendix A be adopted; and</i></p> <p>(c) <i>that any points beyond point 61 that may be required in the future, be determined by applying a differential factor of 1.020 between each point.</i></p>	
EXECUTIVE SUMMARY	
<p>The local government national pay scale applying to non-uniformed professional and administrative support staff, ranges from point 4 to point 49. Points above this scale are at local discretion and local government organisations are able to develop bespoke arrangements.</p> <p>Up until now, posts in the Service with higher responsibility were accommodated in various different ways. However, the new job evaluation scheme has been designed to include the assessment of all professional and administrative posts, other than those of the Senior Management Board, and so it is necessary to formalise the pay scale beyond point 49 to replace the previous different ways of accommodating higher level posts.</p>	
RESOURCE IMPLICATIONS	There are no additional resource implications associated with this proposal. The costs associated have previously been reported to the Authority as part of the overall job evaluation implementation cost.
EQUALITY IMPACT ASSESSMENT	An initial assessment has revealed that there are no equality issues arising from this report.

APPENDICES	A. Proposed Pay Scale including National Pay Points 7 to 49 (based on april 2008 pay rates).
LIST OF BACKGROUND PAPERS	Nil.

1. BACKGROUND

- 1.1 The local government national pay scale applying to non-uniformed professional and administrative support staff, ranges from point 4 to point 49 (see Appendix A). These points are updated annually by the Local Government Employers in line with any nationally agreed cost of living increase. Points above this scale are at local discretion and local government organisations are able to develop bespoke arrangements for posts with more responsibility than those covered by the national pay scale.
- 1.2 Up until now, posts in the Service with higher responsibility were accommodated in various different ways. One scale in use is the former Senior Manager scale inherited from Devon County Council. Other posts were placed on pay points equivalent to the uniformed roles of Group or Area Manager.
- 1.3 The new job evaluation scheme has been designed to include the assessment of all professional and administrative staff posts other than those of the Senior Management Board. Consequently, it is necessary to formalise the pay scale beyond point 49 to replace the previous different ways of accommodating the higher level posts.

2. PROPOSED PAY SCALE

- 2.1 Pay points 7 to 49 are as published by the Local Government Employers. These points provide an appropriate pay range for the majority of jobs within the organisation.
- 2.2 The higher level pay points currently in use within the organisation, which are based on the Senior Manager scale formerly used by Devon County Council, would fit well as part of the new pay and grading structure and provide appropriate pay levels for points 50 to 55.
- 2.3 The remaining pay points, 56 to 61, require a formalised method for their determination. The easiest way to do this is to establish a differential factor that can be applied from one pay point to the next. In considering what level of factor might be appropriate, the differentials between points on the national pay scale in the range 4 to 49 have been analysed. These differentials vary, apparently randomly, between 1.00 and 1.06 although the majority are between 1.020 and 1.030. The average differential is 1.028 and the median is 1.026. There is no single mode figure.
- 2.4 For the purposes of calculating the cost of implementing a new pay and grading structure to accompany the job evaluation scheme, a differential factor of 1.020 (i.e. 2%) was used. This was shared with UNISON at the time and was the basis for the financial models presented to the Authority. Applying a differential factor of 1.020 to determine the pay points 56 to 61 would result in a pay scale that covers the full range of salaries currently paid in the organisation.

3. CONCLUSION

- 3.1 The proposed 1.02 differential factor to determine pay points 56 to 61 is relatively modest considering that the average differential on the national scale (between points 4 to 49) is 1.028 and the median is 1.026. The use of points determined using this factor, together with the points based on the Senior Manager scale formerly used by Devon County Council, provides a pay scale that covers the full range of salaries currently paid in the organisation and to which the job evaluation outcomes align well.

- 3.2 The job evaluation system has not resulted in any jobs that would require salaries above point 61. However, should such a requirement arise in the future, it would seem appropriate that the same factor (i.e. 1.02) be used to determine the appropriate further points.

JANE SHERLOCK

Head of Human Resources Management and Development

APPENDIX A TO REPORT DSFRA/09/17

PROPOSED PAY SCALE INCLUDING NATIONAL PAY POINTS 7 TO 49 (BASED ON APRIL 2008 PAY RATES)

SCP	Salary
7	£12,629
8	£13,027
9	£13,421
10	£13,703
11	£14,587
12	£14,891
13	£15,291
14	£15,570
15	£15,895
16	£16,278
17	£16,663
18	£16,991
19	£17,626
20	£18,270
21	£18,937
22	£19,427
23	£19,998
24	£20,652
25	£21,306
26	£22,001
27	£22,730
28	£23,473
29	£24,402
30	£25,220
31	£26,016
32	£26,784
33	£27,573
34	£28,353

SCP	Salary
35	£28,947
36	£29,714
37	£30,546
38	£31,439
39	£32,475
40	£33,328
41	£34,207
42	£35,079
43	£35,953
44	£36,838
45	£37,665
46	£38,575
47	£39,460
48	£40,338
49	£41,204
50	£42,233
51	£43,506
52	£44,597
53	£45,684
54	£46,775
55	£47,864
56	£48,821
57	£49,798
58	£50,793
59	£51,809
60	£52,846
61	£53,902