

**M. Pearson  
CLERK TO THE AUTHORITY**

---

**To: The Chair and Members of the  
Devon and Somerset Fire and  
Rescue Authority**

**(see below)**

**SERVICE HEADQUARTERS  
THE KNOWLE  
CLYST ST GEORGE  
EXETER  
DEVON  
EX3 0NW**

---

Your ref :  
Our ref :  
Website : www.dsfire.gov.uk

Date : 19 May 2011  
Please ask for : Steve Yates  
Email : syates@dsfire.gov.uk

Telephone : 01392 872200  
Fax : 01392 872300  
Direct Telephone : 01392 872329

**DEVON & SOMERSET FIRE & RESCUE AUTHORITY**  
**(Ordinary Meeting)**

**Friday 27 May 2011**

A meeting of the Devon & Somerset Fire & Rescue Authority will be held on the above date, **commencing at 10.45 hours (or on the conclusion of the preceding meeting of the Authority Annual Meeting, whichever is the later) in the Conference Rooms in Somerset House, Service Headquarters** to consider the following matters.

M. Pearson  
Clerk to the Authority

**PLEASE NOTE THAT A LARGE-PRINT VERSION OF THIS AGENDA IS AVAILABLE ON REQUEST**

**A G E N D A**

**1. Apologies**

**2. Items Requiring Urgent Attention**

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

**3. 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**

### **4. Questions and Petitions by the Public**

In accordance with Standing Orders, to consider any questions and petitions submitted by the public. Questions must relate to matters to be considered at this meeting of the Authority. Petitions must relate to matters for which the Authority has a responsibility or which affects the Authority. Neither questions nor petitions may require the disclosure of confidential or exempt information. Questions and petitions must be submitted in writing or by e-mail to the Clerk to the Authority by **midday on Tuesday 24 May 2011**.

### **5. Address by the Fire Brigades Union**

In accordance with Standing Order 13, the Fire Brigades Union has asked to address the Authority on the draft Corporate Plan 2011/12 to 2013/14, the consultation thereon the eight key proposals including changes to crewing arrangements on some stations, such as day crewed plus.

### **6. Questions by Members of the Authority**

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

### **7. Minutes of Committees, Working Parties Etc.**

#### **(a) Human Resources Management and Development Committee**

The Chairman, Councillor Cann, to **MOVE** the Minutes of the meeting of the Committee held on 11 April 2011 attached (Page 1).

***RECOMMENDATION that, in accordance with Standing Orders, the Minutes be adopted.***

#### **(b) Audit and Performance Review Committee**

The Chairman, Councillor Dyke, to **MOVE** the Minutes of the meeting of the Committee held on 12 May 2011 attached (Page 4)

***RECOMMENDATION that, in accordance with Standing Orders, the Minutes be adopted.***

#### **(c) Resources Committee**

The Chairman, Councillor Gordon, to **MOVE** the Minutes of the Committee held on 18 May 2011 attached (Page 9).

#### ***RECOMMENDATIONS***

- (i) that the recommendation at Minute RC/27(a) (Financial Performance Report 2010/11) be considered in conjunction with item 10 (Financial Outturn 2010/11) below;***
- (ii) that the recommendation at Minute RC/28 (Capital Programme 2011/12 to 2013/14) be approved;***
- (iii) that, subject to (i) and (ii) above and in accordance with Standing Orders, the Minutes be adopted.***

### **8. Results and Recommendations arising from Consultation on the Devon & Somerset Fire & Rescue Authority Corporate Plan 2011/12 to 2013/14 and Eight Key Proposals**

Report of the Chief Fire Officer (DSFRA/11/11) attached (Page 13)

9. **Corporate Measures and Targets**

Report of the Chief Fire Officer (DSFRA/11/12) attached (Page 31)

10. **Financial Outturn 2010/11**

Report of the Treasurer (DSFRA/11/13) attached (Page 41)

11. **Annual Treasury Management Report 2010/11**

Report of the Treasurer (DSFRA/11/14) attached (Page 56)

12. **Authority Approved Scheme of Members Allowances - Mileage Allowances**

Report of the Clerk to the Authority (DSFRA/11/15) attached (Page 66)

13. **South West Regional Management Board Accounts 2010/11**

Report of the Treasurer (*TO FOLLOW*)

14. **Devon & Somerset Fire & Rescue Service Year-End Performance Report April 2010 - March 2011**

Report of the Deputy Chief Fire Officer (DSFRA/11/) attached (Page 68)

15. **Chairman's Announcements**

16. **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:-

*Devon County Council Appointments (subject to confirmation at its Annual Meeting on 26 May 2011)*

Councillors Boyd, Cann, Eastman, Foggin, Fry, Gribble, Hughes OBE, Radford, Randall Johnson, Smith and Way.

*Somerset County Council Appointments (subject to confirmation at its Annual Meeting on 25 May 2011)*

Councillors Bakewell, Bown, Burrige-Clayton, Dyke, Healey (Chairman), Horsfall, Woodman and Yeomans.

*Plymouth City Council Appointments (subject to confirmation at its Annual Meeting on 20 May 2011)*

Councillors Drean, Gordon, Leaves and Wright.

*Torbay Council Appointments (subject to confirmation at its Annual Meeting on 24 May 2011)*

Councillors Brooksbank and Mills.

## **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.

**HUMAN RESOURCES MANAGEMENT AND DEVELOPMENT COMMITTEE**  
(Devon and Somerset Fire and Rescue Authority)

11 April 2011

Present:-

Councillor Cann (Chairman), Boyd, Healey (vice Bown), Leaves (vice Mrs Nicholson) and Manning

Apologies:-

Councillors Bown, Burridge-Clayton, Mrs. Nicholson and Mrs Turner.

**\*HRMDC/27. Minutes**

**RESOLVED**

- (a) that the Minutes of the public part of the meeting held on 21 January 2011 be signed as a correct record, and;
- (b) that the Minutes of the meeting held in Part 2 (in the absence of the press and public) on 21 January 2011 be signed as a correct record.

**\*HRMDC/28. Declarations of Interest**

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

No interests were declared.

**\*HRMDC/29. Absence Management**

The Committee received for information a report of the Director of People and Organisational Development (HRMDC/11/3) that provided an update in respect of the Service performance for absence levels in 2010/11.

The Human Resources Manager reported that the actual level of absence to February 2011 was 7.38 days/shifts lost per person as compared with the same period in 2009/10 which was 7.22 days per person. Although the Service was on track to meet the target level set, performance was 2.3% down on last year.

The Committee noted that action was being taken to address issues that had been identified, including:

- A presentation had been prepared in respect of dealing with absence and all staff were to receive a 15 minute interactive training session, whilst Line Managers would be receiving a 45 minute session;
- Consideration was being given to stress management training for Line Managers.

Councillor Cann expressed the view that, whilst this action was commendable and the reduction in sickness absence was very positive, he felt that the target set for sickness absence of 9 days/shifts lost per person was not sufficiently challenging. Reference was also made to the position in respect of long term sickness and whether there was any information available in respect of the age profile for this area.

The Human Resources Manager reported that this information had not been sought out previously but that it could be provided. The Committee sought an assurance that the return to work monitoring was being undertaken robustly. It was noted that Line Managers were required to complete form L3 and this was followed up. The reporting process for sickness absence had been changed recently and action was being taken to ensure that meetings were being held with staff who had reached the trigger point on absence and that Line Managers were provided with appropriate guidance for dealing with this.

**\*HRMDC/30. Streamlining of Assessment & Development Centres (ADCs)**

The Committee considered a report of the Director of People and Organisational Development (HRMDC/11/4) that set out recommendations for streamlining ADCs to a 3 exercise model in future, including 2 role plays plus written exercises. The benefits of adopting this approach were to achieve long term savings as a result of increasing the number of candidates who could be assessed at each ADC event, reducing pressure on the assessors in the process.

**RESOLVED** that the recommendations as set out within Section 5 of the report be endorsed.

**\*HRMDC/31. Public Duties and Equality Impact Assessment**

This item was deferred for consideration at a future meeting.

**\*HRMDC/32. Retained Duty System: Outcome from Part-Time Workers Regulations Employment Tribunal**

The Committee received for information a report of the Director of People and Organisational Development (HRMDC/11/5) that set out the findings of the test cases which had been taken in two authorities (Kent and Royal Berkshire) which had originally been raised under the Part Time Workers (Prevention of Less Favourable Treatment) Regulations in 2001. These test cases had subsequently been subject to the Employment Tribunals process and a determination had now been made. This will result in a compensation payment for the staff affected as set out within paragraph 2.3 of the report and, in order to comply with the Regulations following the compensation, amendments to the Grey Book were required.

The Human Resources Manager reported that the costs associated with the compensation payments had to be met by the fire and rescue service. There had been a sum of £1million set aside in a reserve to cover these costs but it was difficult to quantify the exact implications for the Service at this time due to issues such as pension. He added that the Treasurer was collating information in respect of the financial implications which would be reported to the Resources Committee at its meeting on 18 May 2011.

**\*HRMDC/33. Regional Control Centre (RCC) Update**

The Committee received for information a report of the Director of People and Organisational Development (HRMDC/11/6) outlining the position for staff affected by the cancellation of the Regional Control Centre project.

**\*DENOTES DELEGATED MATTER WITH POWER TO ACT**

The meeting started at 10.00hours and finished at 11.00hours



**AUDIT AND PERFORMANCE REVIEW COMMITTEE**  
(Devon and Somerset Fire and Rescue Authority)

12 May 2011

Present:-

Councillors Dyke (Chairman), Gribble, Healey (vice Burrige-Clayton), Mills and Radford.

Apologies:-

Councillor Drear

**\*APRC/29.      Minutes**

**RESOLVED** that the Minutes of the meeting held on 2 February 2011 be signed as a correct record.

**\*APRC/30.      Internal Audit Plan 2011/12**

(An item taken in accordance with Section 100B(4)(b) of the Local Government Act 1972).

The Chairman decided that this should be considered as a matter of urgency to enable the Committee to formally endorse the 2011/12 internal audit plan at the earliest opportunity.

The Committee received a circulated document setting out the proposed areas for internal audit work in 2011/12 and the allocation of this between the Service's own Audit and Review Team and the Devon Audit Partnership.

**RESOLVED** that the internal audit plan 2011/12 be considered later during the meeting in conjunction with the other items on internal audit.

***(SEE ALSO MINUTE \*APRC/34(a) BELOW)***

**\*APRC/31.      Declarations of Interest**

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

No interests were declared.

**\*APRC/32.      Audit Commission Items**

**(a)      Audit Progress Summary To 14 April 2011**

The Committee received for information a document outlining:

- reports issued by the Audit Commission since the last meeting (including the Opinion Audit Plan 2010/11 and Audit fee letter 2011/12);
- work currently in progress (including the interim audit 2010/11 and the ongoing review of the Authority's preparedness for the introduction of the International Finance Reporting Standard [IFRS]); and

- Audit Commission events and national reports (including production of a series of briefing papers on IFRS).

**(SEE ALSO MINUTES \*APRC/32(b) and (c) BELOW)**

**(b) Opinion Audit Plan 2010/11**

The Committee received for information a document on audit work to be undertaken for the audit of financial statements and value for money conclusion for 2010/11. The document detailed the testing strategy to be used, key milestones and deadlines, the fee for the audit and areas of special risk to be considered (including implementation of IFRS; transfer of New Dimension assets; and accounting processes relating to the formal dissolution of the South West Regional Management Board).

The Treasurer also reported on a change to the Accounts and Audit Regulations whereby the Committee would now only be required to formally sign-off the fully audited Authority accounts prior to the end of September in any given financial year. As a matter of good practice, however, the draft accounts would still be presented to the Committee prior to the August recess.

**(SEE ALSO MINUTE \*APRC/32(a) ABOVE)**

**(c) Annual Audit Fee 2011/12**

The Committee received for information a letter setting out the Audit Commission fees payable in 2011/12 for its work on:

- the audit of the Authority's financial statements;
- the value for money conclusion; and
- the Whole of Government accounts audit.

The Scale Fee for the above work had been set at £75,155 and represented:

- no inflationary increase for 2011/12 in the audit and inspection scale of fees;
- a cut in the scale fees resulting from the Audit Commission's new approach to local value for money audit work; and
- a cut in scale audit fees of 3% for local authorities, police and fire and rescue authorities reflecting lower continuing audit costs post-implementation of IFRS.

**(SEE ALSO MINUTE \*APRC/32(a) ABOVE)**

**\*APRC/33.**

**Devon & Somerset Fire & Rescue Service Year End Performance Report: April 2010 To March 2011**

The Committee considered a report of the Deputy Chief Fire Officer (APRC/11/5) setting out the performance and progress of the Devon & Somerset Fire & Rescue Service (DSFRS) for the period April 2010 to March 2011 against those goals, activities and targets as contained within the Authority's approved Corporate Plan for that period.

In particular, the following were noted:

- that the target to reduce deaths in accidental dwelling fires per 100,000 population by 20% over 11 years to 31 March 2014 compared with the five years to 31 March 2003 had been exceeded (43 deaths against a target figure of 42 deaths over the 11 year period), with Devon & Somerset featuring in the third quartile nationally in relation to this measure. This was, however, dealing with a very small base and, of the four fatalities recorded during 2010/11:
  - all lived alone;
  - it was believed that all were under the influence of alcohol;
  - three of the properties had no smoke detection equipment; and
  - two of the individuals were believed to have had mental health issues;
- that, in relation to accidental dwelling fire casualties, whilst there had been an increase in the last twelve months from 2.83 casualties to 3.13 per thousand population (taking the Service above the South West regional average rate of 2.89), the introduction of the national Incident Recording System (IRS) had nonetheless seen the Service move from being in the third quartile of performers nationally to the first quartile, top 25% of performers;
- that, whilst accidental dwelling fires had decreased by 3.8% compared with the previous year, this was not sufficient to achieve the target rate. It was noted, however, that the peak in accidental dwelling fires in December had been reflected across the whole South West region and had subsequently dropped back down for the last three months;
- that the number of deliberate primary fires (excluding vehicles) per 10,000 population had decreased from a rate of 2.25 in 2009/10 to 2.11 in 2010/11, bringing the Service into line with the “excellent” fire and rescue service national average and securing a better performance than the regional average of 2.18;
- that the decrease by 5.7% for primary fires per 10,000 population, when compared to the previous year’s figure, meant that the Service had secured and exceeded its year-end target and was now within the second quartile of performers nationally in relation to this target;
- that, following the introduction of call challenging procedures in Control, malicious false alarm calls attended per 1,000 population had decreased from 51% in 2005/06 to 43% in 2010/11, placing the Service in the top quartile of performers nationally for this target;
- that, for false alarms due to automatic fire detection per 1,000 non-domestic properties, whilst the Service remained in the top quartile for all fire and rescue services nationally, it was still below the regional average and the average of “excellent” fire and rescue services;
- that the target for non-domestic property fires per 10,000 non-domestic premises had, by a 13.6% reduction compared with the previous year, met and exceeded the year-end target placing the Service in the second quartile of fire and rescue service performers nationally;

- that the Service was recording just below the public sector average days lost to sickness (8.25 days compared to 8.3 days for all public sector) albeit that this was still above the overall national average of 6.4 days and a private sector average of 5.8 days;
- that there had been a decrease in performance in relation to emergency response standards for both dwellings and road traffic collisions;
- that the financial target not to overspend against approved budget had been met and the financial target to achieve savings arising from combination exceeded.

Members commented that, overall, the report represented a success story for the Authority.

**\*APRC/34.**

### **Internal Audit Matters**

#### **(a) Audit & Review 2010/11 Year End Report**

The Committee received for information a report of the Deputy Chief Fire Officer (APRC/11/6) on progress by the Service's Audit and Review Team against work outlined in the approved 2010/11 Audit and Review Plan which provided assurance statements for completed audits. The report detailed the assurance statements (ranging from "comprehensive" to "no assurance") developed to evaluate and report audit conclusions and also detailed some ten fully completed audits (in areas such as human resources sickness management; procurement; and operations and resilience operational data), with a further three at draft report stage.

The report outlined key audit findings including good practice examples and areas for improvement. All recommendations arising from the completed audits were translated into agreed management actions to facilitate continuous improvement and would be monitored to ensure implementation. A report would be submitted to a future meeting detailing progress in implementing measures identified in approved action plans.

Additionally, the Committee received a paper setting out proposed areas for internal audit in 2011/12 and the allocation of this work between the Service's Audit and Review Team and the Devon Audit Partnership.

**RESOLVED** that the 2011/12 Annual Internal Audit Plan detailing work to be undertaken in that financial year by the Audit and Review Team and the Devon Audit Partnership be endorsed.

***(SEE ALSO MINUTE \*APRC/30 ABOVE)***

#### **(b) Devon Audit Partnership Annual Internal Audit Monitoring Report 2010/11**

The Committee received for information a document produced by the Devon Audit Partnership (DAP) and summarising the findings of the internal audit work it had undertaken on behalf of the Service during the last financial year and including:

- Key financial systems:
  - payroll (good standard);
  - main accounting system (good standard);
  - creditors (good standard);
  - debtors (good standard);

- Area finance and administration:
  - West Somerset (good standard);
  - North Devon area (good standard);
  - East Devon area (improvements required).

The Treasurer reported that all recommendations contained in the DAP annual internal audit monitoring report had been translated into action plans. The Committee would receive at a future meeting a report setting out progress on addressing those issues as contained in the approved action plans.

**\*DENOTES DELEGATED MATTER WITH POWER TO ACT**

The meeting started at 10.00hours and finished at 11.10hours.

## **RESOURCES COMMITTEE**

(Devon and Somerset Fire and Rescue Authority)

18 May 2011

### Present:-

Councillors Gordon (Chair), Drean (vice Smith), Horsfall, Leaves (vice Hughes OBE), Turner, Woodman and Yeomans

### Apologies:-

Councillors Hughes OBE and Smith

### Also in attendance:-

Councillors Bown, Dyke, Eastman, Foggin, Fry, Healey and Way.

### **\*RC/25. Minutes**

**RESOLVED** that the Minutes of the meeting of the Committee held on 28 January 2011 be signed as a correct record.

### **\*RC/26. Declarations of Interest**

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

No relevant interests were declared.

### **RC/27. Financial Performance Report 2010-11**

The Committee considered a report of the Treasurer to the Authority (RC/11/5) that set out a draft financial outturn position against the 2010/11 Revenue Budget, together with details of the Authority's performance against the financial targets set.

The Treasurer stated that total spending was £73.760million against an approved Revenue Budget of £75.135million, representing an underspend of £1.375million, equivalent to 1.83% of the total budget. He drew attention to the proposals that had been put forward for utilisation of the underspend, namely:

- To transfer £0.896million to the Change and Improvement Reserve, and;
- To transfer the balance of £0.479million to the Comprehensive Spending Review (CSR) 2010 Budget Strategy Reserve.

It was noted that the underspend position was due largely to the strategy that had been adopted by the Service in response to the CSR 2010 announcement that fire and rescue services could expect a 25% reduction in government grant over the next four years and that savings would need to be set aside to bridge the gap in the future. The Chairman commended the officers, members and staff on the commitment that had been demonstrated in order to generate savings across the organisation.

Reference was made to the position in respect of the recent judgement following the Employment Tribunal on the Part Time Workers (Less than Favourable Working Conditions) Regulations which had meant that an additional amount of £0.556m had been charged to the 2010/11 accounts to increase the provision set aside for the extra compensation costs that were anticipated.

Members of the Committee commented upon the other financial performance indicators as set out within Section C of report RC/11/5 and in particular, the outstanding debt as at 31 March 2011. It was suggested that the target of 10% of the total debt needed to be revised as it was not realistic given that the removal of 2 current debtors would reduce this level to 3.22%. The Clerk added, in response to a question regarding the risk assessment of suppliers and customers that, given the level of work being undertaken by the Training Academy, that a risk assessment of customers' financial standing should perhaps be undertaken and that he would pursue this matter.

## **RESOLVED**

- (a) That the Fire & Rescue Authority at its meeting on 27 May 2011 be recommended to approve that the underspend against the 2010-11 revenue budget of £1.375m be utilised to fund the following additional transfers to Earmarked Reserves, as outlined in paragraph 11.1 of this report;
  - (i) That an amount of £0.896m be transferred to the Change and Improvement Reserve, and;
  - (ii) That the remaining underspend, estimated to be £0.479m be transferred to the Comprehensive Spending Review (CSR) 2010 Budget Strategy Reserve.
- (b) that, subject to (a) above, the following be noted:
  - (i) The draft position in respect of the 2010-2011 Revenue and Capital Outturn, as indicated in this report.
  - (ii) That the underspend figure against the revenue budget of £1.375m includes;
    - a transfer of £0.726m to the Earmarked Reserve of CSR 2010 Budget Management Reserve, as agreed in-year by the Authority.
    - a transfer of £0.657m to the Earmarked Reserve of 2010-11 Carry Forwards Reserve to fund committed projects not delivered by 31 March 2011.
    - a transfer of £1.374m to the Earmarked Reserve of Grants Unapplied Reserve, as required under new International Financial Reporting Standards (IFRS).
    - an increase of £0.556m in the Provision set aside to fund the impact of the Employment Tribunal relating to the Part Time Workers (Less than Favourable Working Conditions), as outlined in paragraph 3.4 of this report.
  - (iii) The performance against the 2010-2011 financial targets.

**RC/28. Capital Programme 2011/12 to 2013/14**

The Committee considered a report of the Director of Service Support and Treasurer (RC/11/6) that set out proposals to revise the Capital Programme over the period 2011/12 to 2013/14 as a result of an additional £2.021million in debt free grant that the Service had received from the Department for Communities and Local Government.

The Director of Service Support advised the Committee that the revisions to the Capital Programme included:

- Proposals to maintain the estates programme;
- To bring forward spending of £0.678million for a number of special appliances and harmonising vehicles as a legacy of combination.

It was noted that the remainder of the grant in the sum of £1.343million would be utilised to reduce the Service's borrowing, so providing cumulative savings in debt charges of £0.423million during the period 2011/12 to 2013/14.

**RESOLVED** that the Authority be recommended to approve the revised Capital Programme for 2011-12 to 2013-14 as set out in Appendix B to Report RC/11/6 (as appended to these Minutes for reference).

**\*DENOTES DELEGATED MATTER WITH POWER TO ACT**

The meeting started at 10.00hours and finished at 11.05hours



## APPENDIX B

## Revised Capital Programme (2011/12 to 2013/14)

2010/2011 DRAFT outturn (£000)	Item PROJECT	2011/12 (£000)	2012/13 (£000)	2013/14 (£000)
	<b>Estate Development</b>			
(7)	1 Exeter Middlemoor	30		
52	2 Exeter Danes Castle	10		
39	3 SHQ major building works	96		
	4 Major Projects - Training Facility at Exeter Airport	1,000	1,900	
1,091	5 Minor improvements & structural maintenance	1,650	1,750	1,750
90	6 Welfare Facilities	37		
34	7 Diversity & equality			
10	8 USAR works	560		
	9 Minor Works slippage from 2010-11	1,689		
<hr/> 1,309	<b>Estates Sub Total</b>	<hr/> 5,072	<hr/> 3,650	<hr/> 1,750
	<b>Fleet &amp; Equipment</b>			
1,642	10 Appliance replacement	397	1,400	1,700
328	11 Specialist Operational Vehicles	1,315		
68	12 Vehicles funded from revenue			
96	13 Equipment	127	200	200
23	14 Asset Management Plan (Miquest) software	129		
<hr/> 2,157	<b>Fleet &amp; Equipment Sub Total</b>	<hr/> 1,968	<hr/> 1,600	<hr/> 1,900
<hr/> <b>3,466</b>	<b>SPENDING TOTALS</b>	<hr/> <b>7,040</b>	<hr/> <b>5,250</b>	<hr/> <b>3,650</b>
	<b>Programme funding</b>			
2,050	Main programme	3,757	4,500	3,650
179	Revenue funds	802	750	
1,237	Grants	2,481		
<hr/> <b>3,466</b>	<b>FUNDING TOTALS</b>	<hr/> <b>7,040</b>	<hr/> <b>5,250</b>	<hr/> <b>3,650</b>



# DEVON & SOMERSET FIRE & RESCUE AUTHORITY

<b>REPORT REFERENCE NO.</b>	DSFRA/11/11
<b>MEETING</b>	DEVON & SOMERSET FIRE & RESCUE AUTHORITY (Ordinary Meeting)
<b>DATE OF MEETING</b>	27 MAY 2011
<b>SUBJECT OF REPORT</b>	RESULTS AND RECOMMENDATIONS ARISING FROM CONSULTATION ON THE DEVON & SOMERSET FIRE & RESCUE AUTHORITY CORPORATE PLAN 2011/12 TO 2013/14 AND EIGHT KEY PROPOSALS
<b>LEAD OFFICER</b>	CHIEF FIRE OFFICER
<b>RECOMMENDATIONS</b>	<p>(a) <i>that the outcome of the consultation on the Draft Corporate Plan 2011/12 to 2013/14, as summarised in this report and detailed in the appended consultation report, be noted</i></p> <p>(b) <i>that the recommendations associated with the eight key proposals, as amended where appropriate to reflect the outcomes of the consultation, be considered for approval.</i></p>
<b>EXECUTIVE SUMMARY</b>	<p>This report presents a summary of the results and recommendations from the consultation on the Draft Corporate Plan 2011/12 – 2013/14 and eight key proposals. The consultation took place over a twelve week period between 17/01/2011 and 10/04/2011. The questionnaire results show that most respondents agree with implementing the eight key proposals. Written comments received from the surveys, letters and emails show that there are some concerns relating to specific proposals. An underlying message from the results is that some respondents are not aware that the business support functions of Devon and Somerset Fire and Rescue Service are a focus for identifying efficiencies and improvement.</p>
<b>RESOURCE IMPLICATIONS</b>	As indicated in the report.
<b>EQUALITY IMPACT ASSESSMENT</b>	

<b>APPENDICES</b>	A Detailed consultation report (enclosed separately with this agenda and page numbered separately)
<b>LIST OF BACKGROUND PAPERS</b>	<p>Report DSFRA/10/26 considered by the meeting of the Authority held on 16 December 2010.</p> <p>Report CSCPC/11/2 considered by the meeting of the Committee held on 13 January 2011.</p>

## 1. INTRODUCTION AND CONTEXT

1.1 On 17 January 2011 consultation commenced on the Draft Strategy 'Towards 2014', Draft Corporate Plan 2011/12 to 2013/14 and eight key proposals. The twelve week consultation period closed on 10<sup>th</sup> April 2011.

1.2 The consultation on the Draft Corporate Plan and eight key proposals was set against the context of the public sector finances and our approach to meet the anticipated budget shortfall. The following information was shared with staff earlier this year and provides the context for the paper that follows.

*"The Government have stated that the Fire & Rescue Service as a whole will receive a 25% reduction in Government grant over the next four years as part of the Comprehensive Spending Review for 2011/2014.*

*Whilst we know what our (DSFRS) settlement is for 2011 and 2012 (1% reduction in year 1 and slight growth of 2% in year 2), we do not know what our settlement will be for 2013/14 or 2014/15. As a result, we have had a good first two year settlement compared with other Fire & Rescue Services but are anticipating a far worse settlement for the subsequent two years.*

*The Government have said that they will 'back load' grant reductions for the Fire & Rescue Service to give us time to make arrangements to reduce costs. The total figures for the whole of the Fire & Rescue Service are 6% for the first two years, meaning that in 2013 and 2014, 19% still needs to be found from the FRS budget as a whole (almost an average of 10% in each year).*

*Therefore, we need to start to make changes now to avoid having to find what could equate to £3.5m in 2013 and a further £3.5m in 2014. This does not include inflation or other budget pressures.*

*The Minister has outlined the following areas where he believes efficiencies could be made:*

- *Flexible staffing arrangements*
- *Improved sickness levels*
- *Pay restraint and recruitment freezes*
- *Shared services/ back office functions*
- *Improved procurement*
- *Sharing Chief Officers and other senior staff*
- *Voluntary amalgamations between Fire & Rescue Authorities*

*These will all be explored further and many of these are already included within the proposals that follow.*

*It should be noted that this issue is not of our making. However, we have a responsibility and an obligation to manage the resultant impact effectively and with your help we can do just that. Moving forward together. Shaping our service for the future.*

*We have no plans to close fire stations or reduce fire engines as a result of these budget reductions.*

*We believe there will be no need for large scale compulsory redundancies but we will need staff to be flexible in their roles and, in some cases, move to different roles if this is to be achievable. We may seek to establish levels of interest in voluntary redundancy, flexible retirement and early retirement – evidence to date suggests that staff welcome this approach.*

*We will continue to crew front line fire engines appropriately and meet our emergency response standards which remain unchanged.*

*We will continue to lobby Government for a fairer allocation mechanism of the 'fire' pot of money, in particular we want to see a 'sparsity factor' included.*

*We plan to meet our budget shortfall through:*

- *Improving efficiency*
- *Reducing spending and;*
- *Generating income.*

*Improving efficiency by:*

- *Better management and control of spending and suppliers*
- *Sharing managers and operational/business support functions*
- *Changing how we respond to co-responder calls for the ambulance service*
- *Providing better targeted prevention advice*
- *Buying slightly smaller fire engines for relevant areas*
- *Commencing discussions with staff as to how we can make the existing shift system work better rather than imposing a new shift pattern/start finish times*
- *Savings from reductions in the senior management team in 2010*
- *Managing with fewer operational and non operational staff (standardising crewing levels in Somerset & Devon, considering Day Crewed Plus and improving business processes)*

*Reducing costs:*

- *Risk managed approach to reduce spend*
- *Not attending repeated false alarms from the same premises and/or charge for repeated defective alarm system call outs*
- *Ending the Regional Management Board (a political body)*
- *Reducing spending by Councillors*
- *Pay restraint (recognising national conditions of service apply)*
- *Using money saved in 2010/11 as a result of tight budget management (ring fenced reserves).*

*Generating income:*

- *Selling training and other services to public sector and private sector companies*

*Given what we know at this time, these are our intended actions to meet the budget shortfall. Our energies have been directed to date on avoiding closure of fire stations, reducing the number of fire engines and not making compulsory redundancies. At this stage, we believe that with flexibility from staff and trade unions we can meet the budget shortfall without resorting to these less palatable changes."*

1.3 The type of savings we are progressing include;

- *robust budget management and control of non essential spending on non salary budgets which could generate £1.5m;*
- *increased income generation could generate over £1m;*
- *procurement improvements and efficiencies could realise over £1m;*
- *non uniform staff reductions could equate to over £500k.*

However, we will still need to consider changes that affect staff given that this equates to approx 85% of all costs. We therefore want to continue to work with staff to develop future options.

## **Consultation Approach**

- 1.4 As in previous years, the annual requirement to produce an Integrated Risk Management Plan (IRMP) has been integrated with the production of the Corporate Plan. Normally the document is published before 31 March, but as the budget announcement was delayed towards the end of 2010, and because of the nature of the proposals being put forward for consultation, it was agreed that publication of the joint IRMP / Corporate Plan should be delayed to allow for a full consultation to be undertaken.
- 1.5 The consultation invited views and opinions on the draft strategy and draft corporate plan but specifically sought opinion on eight key proposals included in the plan. These key proposals were:
- Co-responding
  - Targeted prevention services
  - Targeted protection services
  - Light Rescue Pumps (LRPs)
  - Cost recovery for repeat faulty automatic fire alarms (AFAs)
  - Crewing arrangements (Including consideration of Day Crewed Plus)
  - Standardisation of crewing arrangements across Devon and Somerset; and
  - Commercial activity.

1.6 These proposals were specifically consulted on as they were considered to have most influence on changing aspects of our service.

1.7 This report presents a high level summary of the key consultation results together with the recommendations for consideration by the Authority. A full detailed report on the consultation is set out in Appendix A to this report which is enclosed separately with the agenda for this meeting.

## **2. SUMMARY OF CONSULTATION METHODOLOGY**

- 2.1 On 13 January 2011 the Community Safety and Corporate Planning Committee approved the consultation approach for engaging with key stakeholders. In accordance with the agreed approach staff involvement was focused around specific engagement workshops held for those proposals where staff are most likely to be affected. These workshops gave staff opportunity to informally ask questions and feedback their opinions.
- 2.2 Key stakeholders were written to directly, and the consultation was also promoted in local newspapers, outgoing emails and social media (Facebook and Twitter) to increase public awareness. A consultation document and questionnaire were developed specifically for capturing opinion on the eight key proposals.
- 2.3 Dedicated pages on the internet site provided links to the key documents (the consultation document, published Equality Impact Assessments, the full Draft Corporate Plan and the Draft Strategy) and gave details of how people could respond to the proposals.
- 2.4 Respondents had the following opportunities to respond:
- the Service website,

- telephone,
- email,
- fax
- by writing to the Consultation Officer at Service Headquarters.
- hard copy or online questionnaire survey

2.5 The online survey could be accessed both through the front page of the Service’s external website and through the links attached to the stakeholder emails and social media posts.

2.6 In discussion with the Service’s Communities and Workplace Equality section, links were provided on the Service website to facilitate the translation of the website and consultation documents online.

2.7 In total the consultation attracted 328 responses as shown in Table 1.

Table 1: Summary of survey responses

Surveys – Paper	117
Surveys – Online	179
Letters / Emails	32
Total Responses	328

2.8 In response to the data collected, both quantitative and qualitative techniques were used to analyse the responses received.

2.9 In the presentation of the qualitative results the number of times a particular theme was commented on is identified in brackets after each comment. This is provided to give an indication of the frequency of opinion.

**3. SUMMARY OF RESULTS AND RECOMMENDATIONS FOR KEY PROPOSAL 1: CHANGING HOW WE RESPOND TO CO-RESPONDER CALLS FOR THE AMBULANCE SERVICE**

***(Note: Co-responding schemes are in place at 19 of our fire stations where firefighters, trained to deal with some medical emergencies respond to medical incidents at the request of the Ambulance Service).***

3.1 Key stakeholders were asked to comment on a proposal where appropriately trained firefighters are sent directly to the medical emergency from their home address or place of work. The current arrangement requires the Ambulance Service control room to contact the Fire Service control room first, whereby up to five firefighters will be mobilised to attend the fire station to collect a suitable vehicle and they then proceed to the incident. We considered an alternative option where only one firefighter would attend after being alerted directly by the South West Ambulance Service.

3.2 The results of the online survey were positive and showed support for the proposal. Up to 288 respondents answered questions on this proposal. Overall 67.7% (195) of respondents agreed that the proposal should be implemented. Those who disagreed or did not know how they felt were asked to provide additional information as to why they held their opinion. The key reasons for disagreement were:

- There should be separate fire and medical services; co-responding should complement the fire and rescue primary role and not duplicate the role of paramedics (20)
- There should not be a single or lone responder; currently co-responders are sent in pairs for safety and to deliver better care (18)
- Changes should only be made to save lives more effectively and to improve the services delivered. Why change the existing system which works well? (16)
- There may be issues around staffing, resilience and recruiting fire-fighters. Any new staff would result in increased training and salary costs. (14)

3.3 Five key stakeholders provided comments to Key Proposal 1 by letter/email. These responses included:

- concerns that the Fire Authority would be exposed to considerable costs;
- that the areas of responsibility between the two services [fire&rescue and ambulance] are not clearly defined;
- concerns that rural fire cover would suffer; and
- that sending only one fire fighter is not enough for an emergency.

3.4 The Fire Brigades Union expressed concern that the “fire service should not be a sticking plaster for the ambulance service.” In addition the union sought clarification on the following points:

- insurance for employee when undertaking the role of co-responder
- crewing of appliances - never restricted due to co-responder only being available for medical calls
- recruitment of extra firefighters - this process can take in excess of a year, so how would DSFRS manage the additional pressure on crewing during the period of recruitment?"

3.5 The Retained Firefighters’ Union considered that only having one person responding was unacceptable. It also thought that taking a van between the place of work and home may have issues.

***Recommendation 1***

3.6 The Retained Firefighters’ Union (which is the only trade union representing fire-fighters working on a co-responding basis) has engaged positively and proactively with both the Authority and Service Managers on this issue and recognises the need to reduce costs whilst maintaining or improving public safety. In addition, staff working on the busiest co-responder fire stations have actively engaged with the staff workshops and as such an agreed position where both time and money is saved can be presented to Members of the Authority based on:

- Three firefighters to be alerted
- Two firefighters to attend co-responder emergencies
- Crews to be alerted directly by South West Ambulance Service
- Harmonisation of payment rates at fire fighter level
- This arrangement to be reviewed in one year’s time



3.7 **It is recommended to the Authority that this arrangement be adopted.**

4. **SUMMARY OF RESULTS AND RECOMMENDATIONS FOR KEY PROPOSAL 2:  
PROVIDING MORE TARGETED PREVENTION SERVICES AND ADVICE**

4.1 Key stakeholders were asked to comment on a proposal to achieve a better outcome for the community by delivering a more targeted service to those most vulnerable and at risk. The number of prevention services delivered directly to the community will be reduced, but more time and effort will be spent on ensuring that the services that are delivered are targeted at those members of the community that will benefit most from our help. To achieve this, it will be necessary to work closely with our key partners to ensure that our targeting is effective. The service's commitment to provide accessible community safety information to the wider public will not change. A benefit of this proposal is that it would also release up to £100,000 for re-investment into community safety.

4.2 The results of the online survey were positive and showed support for the proposal. Up to 277 respondents answered questions on this proposal. Overall 71.8% (199) of respondents agreed that the proposal should be implemented. Those who disagreed or did not know how they felt were asked to provide additional information as to why they held their opinion. The key reasons for these responses were:

- Proactively educating and informing the public is very important and should not be reduced. (12)
- Improvements shouldn't need any additional funding (especially if other services are cut) (9)
- Concentrating on a smaller group of people adversely affects the wider population. Why limit help? (8)
- Most 'vulnerable', as defined in the proposal, are least likely to listen to advice and do not deserve special attention (7)

4.3 Five key stakeholders provided comments to Key Proposal 2 by letter/email. These responses included:

- support for targeting our prevention service to the most vulnerable people;
- recognition of the importance of partnership working;
- questions as to how the most vulnerable groups would be identified;
- concerns and opportunities around future funding; and
- that existing DSFRS youth prevention and home safety check initiatives should be retained.

4.4 The Retained Firefighters' Union agreed with the proposal.

4.5 The Fire Brigades Union welcomed the targeted approach but asked whether the Service intended to stop home fire safety visits to the elderly and stated that it could not agree with the proposal to spend the money saved from this change, £100,000, in services that should be covered by other services - drug and alcohol abuse, domestic violence and abuse and mental health issues. It was felt that this money should be re-invested in recruiting 3 wholetime firefighters per year.

### ***Recommendation 2***

Having listened to the results of the consultation it is recommended that the proposal is implemented with the following criteria:

Wide communication is undertaken with stakeholders to explain how the vulnerable groups are identified

4.6 ***It is recommended to the Authority that this arrangement be adopted.***

### **SUMMARY OF RESULTS AND RECOMMENDATIONS FOR KEY PROPOSAL 3: PROVIDING MORE TARGETED PROTECTION SERVICES AND ADVICE**

- 5.1 Key stakeholders were asked to comment on the proposal to expand a system of fire safety checks (currently being piloted) which are less time consuming for both the fire service and the business community than a full fire safety audit. These checks, which are less time consuming, would be introduced as a first step. Fire safety audits would only be carried out where a need has been identified in a fire safety check; following a complaint from the public or partner agency; or where a fire has occurred.
- 5.2 The results of the online survey were very positive and showed support for the proposal. Up to 263 respondents answered questions on this proposal. Overall 79.5% (209) of respondents agreed that the proposal should be implemented. Those who disagreed or did not know how they felt were asked to provide additional information as to why they held their opinion. The key reasons for these responses were:
- Why change it? The proposal is less effective – worries about high risk properties being missed, less reach from fewer events and a reliance on referrals and statistics. (10)
  - Regular checks are important.(6)
  - Audits to be carried out based on risk (eg. new businesses).(3)
- 5.3 Four key stakeholders provided comments to Key Proposal 2 by letter/email. Of these responses the proposal was broadly supported, there were recommendations for increased partnership working with local authorities and also for seeking opportunities for cost recovery.
- 5.4 A response was received from a staff group representing fire safety officers. Their key suggestion was to increase the scope of the proposal to include conducting fire safety checks rather than audits following fires events and complaints. It was also suggested that performance measurement is focused on the number of checks/audits resulting in enforcement action.
- 5.5 The Retained Firefighters' Union supports the proposal.
- 5.6 The Fire Brigades Union supports the proposal.

### ***Recommendation 3***

5.7 Having listened to the results of the consultation it is recommended that the proposal is implemented with the following criteria:

- To extend the use of fire safety checks to include after fire events and complaints.

- To consider developing performance measurement indicators based on the number of checks / audits resulting in enforcement action.

5.8 **It is recommended to the Authority that this arrangement be adopted.**

**6. SUMMARY OF RESULTS AND RECOMMENDATIONS FOR KEY PROPOSAL 4: PROVIDING SMALLER FIRE ENGINES TO MEET LOCAL NEED**

6.1 Key stakeholders were asked to comment on the proposal to introduce smaller fire engines to those areas where having a larger fire engine is a disadvantage and where there is not necessarily the requirement to have the larger engine. The current arrangements for getting additional equipment and support to an incident would continue.

6.2 The results of the online survey were very positive and showed support for the proposal. Up to 268 respondents answered questions on this proposal. Overall 80.2% (215) of respondents agreed that the proposal should be implemented. Those who disagreed or did not know how they felt were asked to provide additional information as to why they held their opinion. Comments from the public included:

- It's a good idea for inaccessible areas as long as all risks are taken into account (11)
- Determination of the suitability of using a Light Rescue Pump or what equipment is needed for an incident may be a problem which needs to be resolved early on. (10)
- As the range of incidents in any area is large, the more equipment and water that can be carried the better. (8)
- Smaller pumps mean reduced manpower (sic) and equipment which lessens resilience (and potentially increases the need for the attendance of multiple pumps at incidents). (7)

6.3 Four key stakeholders provided comments to Key Proposal 4 by letter/email. Of these responses there was general support with the caveat that the views of the crews should be sought and safe systems of work maintained. One of these responses considered the proposal to be inappropriate.

6.4 The Retained Firefighters' Union commented that many stations struggle with large fire appliances and that for many years the stations have been asking the service to review them. It was stated that there is a need to ensure that we have got the resources to carry out the work without compromising the safety of our fire-fighters.

6.5 The Fire Brigades Union hoped that with their contribution in this process that a vehicle will be bought that is fit for purpose. The union indicated that there were the following outstanding issues to be agreed: the number of crew, equipment carried and mobilisation criteria.

6.6 The comments provided from the staff workshops indicated that staff were supportive of the proposal and would like to be involved if the proposal progresses.

***Recommendation 4***

6.7 Having listened to the results of the consultation and staff engagement it is recommended that the proposal is implemented with the following criteria:

- Continue staff involvement in the evaluation of these fire engines

- Extensive communications to be undertaken in the areas where smaller fire engines are to be used

6.8 **It is recommended to the Authority that this arrangement be progressed.**

7. **SUMMARY OF KEY RESULTS AND RECOMMENDATIONS FOR PROPOSAL 5: RECOVERING COSTS FOR REPEATED DEFECTIVE AUTOMATIC FIRE ALARM SYSTEM CALL OUTS**

7.1 Key stakeholders were asked to comment on the proposal to recover costs and reduce false alarms; the purpose of the proposal is not to make a profit but to only recover the costs incurred as a result of attending repeated false alarms caused by poorly maintained or defective automatic fire alarm systems. We would therefore continue to respond to such calls but there would be a financial incentive for commercial owners to ensure their systems are fit for purpose. Over time, fewer false alarms would be presented, ensuring fire appliances remain available for real emergencies. The Localism Bill 2010 seeks to introduce the ability for fire and rescue services to charge for responding to false reports of fire caused by automatic fire detection equipment. Should this Bill become law we propose to adopt the powers contained within it and recover our costs accordingly. It is important to note that we would not be recovering costs for attendance at calls made by any individual as this would only apply to those repeat calls from defective or poorly maintained automatic fire alarm systems which repeatedly give false alarms.

7.2 The results of the online survey were very positive and showed support for the proposal. Up to 267 respondents answered questions on this proposal. Overall 91.8% (245) of respondents agreed that the proposal should be implemented. Those who disagreed or did not know how they felt were asked to provide additional information as to why they held their opinion. The key reasons for these responses were:

- People will be encouraged not to call or will turn off alarms they can't afford to maintain for fear of being charged. (9)
- Definition of 'repeated' needs to be made clear through the wider clear communication of the change if it is made. (7)
- How do you determine what is defective vs. what is oversensitive? (6)
- The FRS is a public service that should respond to any alarm to ensure public peace of mind as much as anything else. (6)

7.3 Four key stakeholders provided comments to Key Proposal 5 by letter/email. These responses included support for the proposal, concern that there would be a conflict of interest between enforcing and charging and concern that charging would promote negative behaviour through switching off alarms.

7.4 The Fire Brigades Union does not support the proposal and does not believe that the Service should be charging for repeated attendance. It is the unions view that any repeated calls or poorly maintained systems should be dealt with first by training. This will reduce calls and if systems are not being maintained then this should be dealt with by enforcement.

7.5 The Retained Firefighters' Union agrees with the proposal. It considers that charging businesses for call outs will ensure systems are well maintained. This in turn will make it a safer place to be for their employees and clients.

### ***Recommendation 5***

7.6 Having listened to the results of the consultation it is recommended that the proposal is implemented, should the Localism Bill become enacted and the new legislation permits, with the following criteria:

- The detail of what constitutes a repeated false alarm is widely communicated to businesses.
- The charging structure (cost recovery) is widely communicated to businesses.
- Within the Service's Protection Strategy, work with business owners to ensure appropriate systems and maintenance arrangements are put in place.

7.7 ***It is recommended to the Authority that this arrangement be adopted.***

### **8. SUMMARY OF RESULTS AND RECOMMENDATIONS FOR KEY PROPOSAL 6: MANAGING WITH FEWER OPERATIONAL STAFF BY LOOKING TO MAKE CHANGES TO CREWING ARRANGEMENT ON SOME STATIONS, SUCH AS DAY CREWED PLUS**

8.1 Key stakeholders were asked to comment on the introduction of a crewing system called Day Crewed Plus. The system is successfully used in other fire and rescue services in England and also in Europe. It works by having operational fire-fighters permanently located at a fire station during the day, similar to the day crewed system, then during the evening the same fire-fighters remain on call to attend emergencies throughout the night. To enable this to work the fire-fighters must remain close to or on the station during the evening.

8.2 The results of the online survey were supportive of the proposal. Up to 257 respondents answered questions on this proposal. Overall 78.2% (201) agreed that the fire and rescue service should require fire-fighters to work the type of fire station crewing arrangement that best meets local requirements and 61.2% (156) of respondents agreed that the proposal should be implemented. Those who disagreed or did not know how they felt were asked to provide additional information as to why they held their opinion. The key reasons for these responses were:

- Shifts are too long. Fire-fighters will be tired and ineffective. (12)
- Morale and general wellbeing would be lower as the proposal will affect the work / life balance and family life. WT fire-fighters should not have the threat that RDS staff will take their jobs hanging over them. (10)
- Consideration ought to be given to things other than cost (firefighter's opinions, local requirements, community safety work). (10)
- Unfair and outdated badly thought out proposal. (8)

8.3 Six key stakeholders provided comments on Key Proposal 6 by letter/email. These responses included comments that:

- recognised the need to make savings and be efficient;
- considered the proposal to be a reduction in service standards and family values;
- expressed concern over firefighter and public safety; and

- that there appeared to be no facility or indication that any local public consultation in respect of specifically identified localities would be adopted by the fire authority prior to any implementation.

- 8.4 Seven staff responses were received that were against the proposal. Five of these were on behalf of operational fire station Watches and two were submitted from individuals.
- 8.5 The Retained Firefighters' Union stated that at the current time they do not have members who are affected by this proposal.
- 8.6 The Fire Brigades Union does not support the proposal to introduce Day Crewed Plus. It considers the duty system to be in breach of the Working Time Directive, the Sixth Edition of the Grey Book and it believes there has been no Equality Impact Assessment of the effects on equality that cover age, disability, gender reassignment, pregnancy and maternity, race, religion and belief, sex and sexual orientation.
- 8.7 Feedback from the staff engagement workshops indicated that some whole time staff are not fully aware of all the approaches being taken by Service Managers to meet the anticipated budget shortfall and as such feel that operational firefighters are bearing the brunt of savings. As outlined earlier, this is not the case but it remains the perception of some staff. Whilst there were many specific questions raised as to how the proposal would operate, there were some concerns raised as to what would happen in the future if further savings were needed and statements such as 'change should be driven by what is best for the community not fiscal policy'.

***Expressions of interest***

- 8.8 It was intended that effective engagement with trade unions on this issue (including negotiation as to payment rates, duty system etc) would take place but it became clear that the Fire Brigades Union do not support the application of this model within the Service, despite the Fire Brigades Union having agreed an identical system in Lancashire and a similar system operating in Merseyside. The reasons for this different approach are not clear.
- 8.9 As such, in order to determine if such a model would be workable, discussions were held through a series of staff workshops and the opening 'offer' was increased to match that which was presented by Lancashire Fire & Rescue Service and agreed with the Lancashire Fire Brigades Union.
- 8.10 Expressions of interest to work this revised proposal were sought from all wholetime Firefighters, Crew Managers and Watch Managers. In total this amounted to 635 letters. Expressing an interest was entirely voluntary and did not commit the individual at this stage.
- 8.11 In total 92 members of staff expressed an interest in working the day crewed plus duty system. This represents a 14.5% response from whole time staff (Firefighter to Watch Manager) and clearly indicates an interest from rank and file staff in this model. Staff were asked to identify where they would most like to work such a system; the most popular stations are shown in ranked order of interest in Table 2 overleaf. Staff were free to express an interest for more than one station and did not have to include the station where they currently work.

Table 2: Ranked summary of interest by station.

Station	Ranked order of interest
Plympton	1
Paignton	2
Plymstock	= 3
Exmouth	= 3
Torquay	5
Barnstaple	6
Exeter (M'moor)	= 7
Camels Head	= 7
Taunton	9
Crownhill	10
Exeter (Danes)	11
Greenbank	12
Bridgwater	= 13
Yeovil	= 13

(Correct as of 19 May 2011)

- (Notes:**
- 1. Seven members of staff withdrew their interest after they had submitted their forms and two expressions of interest were received from fire-fighters from other fire and rescue services.**
  - 2. The list above merely indicates where staff interested would wish the system to work. Any decision to introduce this system would clearly start at a point where there is interest as this system would be voluntary).**

### **Recommendation 6**

8.12 The consultation document and staff briefings have presented Day Crewed Plus as one model worthy of consideration – there may be others options that could also work locally. Taking into account the views from staff and public through consultation and staff engagement it is recommended that the following is progressed as part of our budget strategy:

Commence discussions with Trade Unions in an attempt to either:

- secure a collective agreement with respect to Day Crewed Plus on a limited number of stations, or
- alternatively, agree a different staffing model for DSFRS which presents significant savings.

8.13 The intended outcome is to improve efficiency of DSFRS without reducing the service delivered to the public.

8.14 The DCFO has been asked to lead discussions with Trade Unions with the aim to secure agreement on a future model and a subsequent report will be presented to members shortly. It may not be possible to secure agreement with the trade unions, however discussions will be entered into with an open mind from a Service Management perspective and it is expected that trade unions will adopt a similar approach.

8.15 It is anticipated that these initial discussions will aim to be concluded within one month.

8.16 **It is recommended to the Authority that this arrangement be noted and that a subsequent paper with specific proposals be presented to a future Fire Authority meeting.**

**9. SUMMARY OF RESULTS AND RECOMMENDATIONS FOR KEY PROPOSAL 7:  
MANAGING WITH FEWER OPERATIONAL STAFF BY STANDARDISING STATION  
STAFFING LEVELS ACROSS DEVON AND SOMERSET**

9.1 Key stakeholders were asked to comment on the proposal to review the staffing levels across the wholetime fire stations and determine the most appropriate number of fire-fighters to provide emergency response and maintain firefighter safety. This will mean that stations in Somerset have the same number of firefighters on each whole time watch and the same leave arrangements as fire stations in Devon. This proposal only relates to those fire stations crewed by wholetime firefighters. The current station staffing levels were set before Devon and Somerset FRS combined in 2007.

9.2 The results of the online survey were positive and showed support for the proposal. Up to 258 respondents answered questions on this proposal. Overall 71.3% (184) of respondents agreed that the proposal should be implemented. Those who disagreed or did not know how they felt were asked to provide additional information as to why they held their opinion. The key reasons for these responses were:

- Can't have a standard system where station's responsibilities (number of pumps / aerials / urban / rural) are all different. (14)
- Proposal may reduce resilience / adversely affect service delivery. (5)
- Purely a cost cutting / money saving idea (4)
- Bad for morale (3)

9.3 Five key stakeholders provided comments to Key Proposal 7 by letter/email. These responses included disagreement with the proposal as presented in 9.1 above due to the impact it will have on frontline services. There was also agreement with the proposal.

9.4 A detailed proposal on increasing productivity on the current duty system was received from the staff at Yeovil Fire Station. The suggestion in essence is not to reduce the number of Firefighters on each whole time watch to that in Devon (7 Firefighters), but to set the watch establishment level at 8. This will allow station based staff to undertake additional activity with an increase in productivity, including some work that is currently undertaken by officers within the Group Support Team at Somerset. As a result, Day Crewed Plus (if adopted) would not be applied at this station.

9.5 Members are recommended to agree to this subject to an annual review of the effectiveness of the arrangement. The establishment therefore at Yeovil would become 7+1 per whole time watch, supported by Retained Duty System staff at the station.



- 9.6 This example does show how engagement at station level can ensure efficiencies are made whilst taking staff with us on this journey during what are unprecedented times. It is encouraging that staff understand the need for us to make savings and are prepared to work with the Service Management to ensure the impact of such is managed locally.
- 9.7 Following staff representations around the viability of the Technical Rescue capability at Barnstaple and Bridgwater, it is recognised that due to the high level of skills required to carry out these tasks, and the length of time required to develop the competency to be an effective team member, it is important to maintain resilience within the workforce at these locations. Therefore the watch strength on these stations will be set at eight.
- 9.8 This further demonstrates meaningful consultation and a willingness to respond to constructive contributions which aim to ensure we provide cost effective solutions without impacting on the service delivered to the public.
- 9.9 The Fire Brigades Union response called for this proposal to be removed from the corporate plan as it is not achievable. The reason given is that current staffing levels reflect the number of special appliances and the union suggested that any changes to establishment/staffing levels can only be looked at once an agreement is reached on shift patterns as laid down in Key Proposal 6.
- 9.10 The Retained Firefighters' Union agrees with the proposal but questioned why after 4 years are there still so many differences between Devon and Somerset. Their response stated the need to ensure that if a lower crewing level is used then this must be adequate to be able to perform the many tasks required.
- Recommendation 7**
- 9.11 Having listened to the results of the consultation and staff engagement it is recommended that the following consistent arrangement be implemented:
- The number of wholetime fire-fighters per watch on a one pump station in both Devon and in Somerset will be consistent at seven
  - Yeovil Fire Station will operate with a watch strength of seven plus one, subject to a review of effectiveness on an annual basis
  - The number of wholetime fire-fighters per watch on a one pump special rescue tender station in both Devon and in Somerset will be consistent at eight
  - The number of wholetime fire-fighters per watch on a two pump station in both Devon and in Somerset will be consistent at thirteen
- 9.12 We will engage with key stakeholders (e.g. Town Councils) to reassure them that public safety and response times will not be compromised.
- 9.13 These proposals will not make any wholetime firefighter compulsorily redundant.
- 9.14 No firefighter currently located on a station where there is a requirement to reduce staff numbers will be required to move
- 9.15 These arrangements will take place over time as and when staff leave, are promoted or retire from the stations affected.
- 9.16 **It is recommended to the Fire Authority that this arrangement be adopted.**

**10. SUMMARY OF RESULTS AND RECOMMENDATIONS FOR KEY PROPOSAL 8:  
SELLING TRAINING AND OTHER FUNCTIONS**

- 10.1 Key stakeholders were asked to comment on the proposal to expand the range of training offered and develop further commercial opportunities. To do this will require deliberate and active marketing of the products offered and the development of the DSFRS brand.
- 10.2 The results of the online survey were positive and showed support for the proposal. Up to 260 respondents answered questions on this proposal. Overall 75% (195) of respondents agreed that the proposal should be implemented. Those who disagreed or did not know how they felt were asked to provide additional information as to why they held their opinion. The key reasons for these responses were:
- Corners might be cut/distraction from primary function especially if trainers are taken off stations. (5)
  - The service lacks to business skills to make this succeed (See Fire Service College) (3)
  - Good idea if a market has been identified. Income should be used to avoid having to cut corners.(3)
  - DSFRS should not need to sell services to fund itself. (3)
- 10.3 Four key stakeholders provided comments to Key Proposal 8 by letter/email, and two Representative bodies provided comment. (Total individual responses: 6). These responses included comments that income generation should not become the primary focus, whether there was sufficient capacity to provide commercial training and support for the proposal.
- 10.4 The Retained Firefighters' Union agree with the proposal but that it must result in better fire and rescue service for our own staff and community.
- 10.5 The Fire Brigades Union supports the proposal as long as it does not have a negative impact on our emergency response and training.
- 10.6 The feedback from the staff workshops was generally very positive towards the development of commercial services. A need to improve communication on commercial services within the organisation was identified.

***Recommendation 8***

- 10.7 ***It is recommended to the Fire Authority that this arrangement be adopted.***

**11. SUMMARY OF DRAFT CORPORATE PLAN RESULTS AND RECOMMENDATIONS**

- 11.1 There were few comments received on the Draft Corporate Plan 2011/12 to 2013/14. Of those received nine were from external respondents, three from a representative bodies and one from a member of staff.
- 11.2 The responses received were very specific in their content but there was a general recognition of the need to make savings as a result of the macroeconomic environment and that savings should not compromise the saving of lives. Opinions were given that suggested cuts were only at the expense of front line staff and that there were no reductions being considered for back office administration staff.

- 11.3 A small number of respondents (8) from the whole consultation expressed the view that the supporting information for the consultation explained the proposals in very broad detail and contained insufficient detail to enable an informed opinion to be given.
- 11.4 Respondents offered alternative suggestions as a means of achieving savings and included:
- Conduct a review of administration functions
  - Reduce senior managers
  - Delay the appliance replacement programme
  - Delay the building maintenance programme
  - Consider charging for lift rescues
- Recommendation 9**
- 11.5 In addition to the changes outlined above, additional changes to the draft corporate Plan are:
- Use the term fire engine in public documents
  - Provide more information regarding our approach to improving fire fighter safety
  - List the Environment Agency as a specific strategic partner
- 11.6 It is recognised that some of these proposals will require change and we remain committed to working with staff to deliver efficiencies in the way we operate. The alternative of reducing the service to the public by closing fire stations or reducing the number of fire engines just to save money is not necessary or recommended at this stage. Members, however, will be aware that the financial pressure on the Service for the future means that we need to start now to ensure we don't have to make less palatable decisions in the future.

**LEE HOWELL**  
**Chief Fire Officer**



# DEVON & SOMERSET FIRE & RESCUE AUTHORITY

<b>REPORT REFERENCE NO.</b>	<b>DSFRA/11/12</b>
<b>MEETING</b>	<b>DEVON &amp; SOMERSET FIRE &amp; RESCUE AUTHORITY (Ordinary Meeting)</b>
<b>DATE OF MEETING</b>	<b>27 MAY 2011</b>
<b>SUBJECT OF REPORT</b>	<b>CORPORATE MEASURES AND TARGETS</b>
<b>LEAD OFFICER</b>	<b>CHIEF FIRE OFFICER</b>
<b>RECOMMENDATIONS</b>	<i>That the Authority considers, with a view to approving, the corporate measures and targets as set out in the report.</i>
<b>EXECUTIVE SUMMARY</b>	<p>This report presents the results of the DSFRS (Draft) Strategy 'Towards 2014' consultation which took place between 17/01/2011 and 10/04/2011. The result of the consultation proposes changes that seek to provide a more concise structure to the strategy.</p> <p>Accompanying the Strategic Principles are proposed corporate measures and targets. These proposed measures and targets are developed free from a Government framework and intend to be simpler and more meaningful to the public.</p>
<b>RESOURCE IMPLICATIONS</b>	As indicated in the report.
<b>EQUALITY IMPACT ASSESSMENT</b>	
<b>APPENDICES</b>	A. Example of a revised structure of the strategy 'Towards 2014'
<b>LIST OF BACKGROUND PAPERS</b>	Detailed consultation report (enclosed separately with this agenda and page numbered separately)

## **1. INTRODUCTION**

- 1.1 On 17 January 2011 consultation commenced on the Draft Strategy 'Towards 2014'. The strategy was open for consultation during the same twelve week period as the Draft Corporate Plan 2011/12 to 2013/14 and the eight key proposals. The consultation closed on 10 April 2011.
- 1.2 The development of the Draft Strategy 'Towards 2014' and the abolishment by the Coalition Government of the National Indicator Set provides opportunity to review the corporate measures and targets. The intention of the Coalition Government is to reduce the administrative burden on local authorities and part of this is to provide more autonomy for authorities to set their own performance standards.
- 1.3 This report presents a high level summary of the strategy consultation together with the proposed measures and targets for consideration by the Authority.
- 1.4 A full detailed report on the consultation results is contained within the document also detailing the outcome of the consultation on the draft Corporate Plan 2011/12 to 2013/14 and Eight Key proposals, as referred to in an earlier report and enclosed separately with the agenda for this meeting.

## **2. SUMMARY OF CONSULTATION METHODOLOGY**

- 2.1 The consultation on the Draft Strategy 'Towards 2014' followed the approach agreed on 13 January 2011 by the Community Safety and Corporate Planning Committee for the Draft Corporate Plan 2011/12 to 2013/14 and the eight key proposals.
- 2.2 Key stakeholders were written to directly, and the consultation was also promoted in local newspapers, outgoing emails and social media (Facebook and Twitter) to increase public awareness.
- 2.3 The draft strategy was available electronically on the website together with the Draft Corporate Plan 2011/12 to 2013/14 and the consultation leaflet. Stakeholders were invited to comment on the strategy through one of the following opportunities:
- the Service website
  - telephone
  - email
  - fax
  - by writing to the Consultation Officer at Service Headquarters.

## **3. SUMMARY OF DRAFT STRATEGY RESULTS AND RECOMMENDATIONS**

- 3.1 In contrast to the survey responses to the eight key proposals, there were few comments received on the Draft Strategy 'Towards 2014'. Of those received three were from external respondents, one from a representative body and an internal submission from senior managers.
- 3.2 The responses were supportive of the strategic intent described within the strategy. Specific proposals to make the strategy more concise were received from senior managers. These recommendations have been incorporated within the recommendations below.

3.3

The recommended changes are presented in the diagram and tables below.

**Recommendation 1**

**To adopt three Strategic Principles as per the diagram below.**

Diagram 1: Proposed strategic principles



Rather than have a specific principle that focused on partnerships, we plan to ensure this work is reflected in all that we do.

**Recommendation 2.**

**To adopt the following proposed changes to the Commitments aligned to the Strategic Principles.**

**To reduce the number of commitments in Strategic Principle 1 (Work with people, communities, businesses and partners to make Devon and Somerset a safer place to live, work and visit) from three to two as presented below in Table 1.**

**To simplify the wording of one commitment and add a Commitment relating to partnership working to Strategic Principle 2 (Respond to local regional and national emergencies with the appropriate skills and resources) as presented below in Table 2.**

**To clarify the wording of one commitment and add a Commitment relating to partnership working to Strategic Principle 3 (Work hard to be an excellent organisation) as presented below in Table 3.**

Table 1: Proposed commitments to Strategic Principle 1

Strategic Principle 1
Work with people, communities, businesses and partners to make Devon and Somerset a safer place to live, work and visit
Proposed Commitments
Fewer deaths, injuries and incidents caused by fires **
Fewer deaths, injuries and incidents caused by non fire emergencies
<del>Fewer deaths, casualties and incidents caused by domestic fires</del>
<del>Fewer deaths, casualties and incidents in non-domestic properties</del>

Table 2: Proposed commitments to Strategic Principle 2

<b>Strategic Principle 2</b> Respond to local regional and national emergencies with the appropriate skills and resources
Proposed Commitments
We will fulfil our obligations under the Fire Services Act 2004 to make provision for dealing with emergencies <del>specified as core functions within the act.</del>
Our emergency response teams will be deployed with the appropriate skills and resources
To work with partner agencies to respond to local, regional and national emergencies with the appropriate skills and resources **
The number, composition and distribution of our emergency response teams will be based on the risks to the communities they serve
We will respond to other incidents taking into account the risks, costs and benefits to the community

Table 3: Proposed commitments to Strategic Principle 3

<b>Strategic Principle 3</b> Work hard to be an excellent organisation
Proposed Commitments
Create an environment within which people respond positively to constant change *
Be transparent and accountable to our stakeholders
Optimise our use of resources
Minimise our environmental impact
Partnerships will be managed to ensure that they deliver improved outcomes to the community and value for money **
Make DSFRS one of the best organisations in the UK in which to work
Review and continually improve the way we work

Key:

- \* = amended wording
- \*\* = new commitment
- abc = deleted wording

- 3.4 If the above recommendations are approved the structure of the Strategy 'Towards 2014' will be amended. An example of how the structure of the strategy may be amended is provided in Appendix A.

#### 4. **CORPORATE MEASURES AND TARGETS**

4.1 The Service has in place many performance measures to inform the day to day management activities of the organisation. These measures are regularly reviewed by the Service Management Board and Service Improvement Group. These are quite detailed and whilst we intend to continue to provide this information, we also intend to present our progress in a simpler way to give a clearer sense of direction of our progress.

4.2 The development of the new top level corporate measures has involved the contributions of senior and middle managers between February and April 2011. The view of these managers was to simplify the existing corporate measures as in many cases they would mean little either to our own staff or to stakeholders. The new measures were constructed with the focus of making them more meaningful to the public.

##### ***Recommendation***

***The corporate measures and targets to support the Strategy 'Towards 2014' presented in Tables 4, 5 and 6 below are adopted.***

***(Note: We will continue to record and publish detailed performance reports which will be submitted to the Authority).***

Table 4: Proposed corporate measures and targets for Strategic Principle 1

<b>Strategic Principle 1: Work with people, communities, businesses and partners to make Devon and Somerset a safer place to live, work and visit</b>	
<b>Measure</b>	<b>Target</b>
1: Deaths which occur as a result of fire in the places where people live	<i>To achieve a downward trend in fire deaths in places where people live</i>
2: Injuries which occur as a result of fire in the places where people live	<i>To maintain a downward trend in fire injuries in places where people live</i>
3: Incidents which occur as a result of fire in the places where people live	<i>To reduce incidents as a result of fire in places where people live</i>
4: Deaths which occur as a result of fire in the places where people work and visit	<i>To maintain a downward trend in fire deaths in places where people work and visit</i>
5: Injuries which occur as a result of fire in the places where people work and visit	<i>To maintain a downward trend in fire injuries in places where people work and visit</i>
6: Incidents which occur as a result of fire in the places where people work and visit	<i>To reduce incidents as a result of fire in places where people work and visit</i>



Table 5: Proposed corporate measures and targets for Strategic Principle 2

Strategic Principle 2: Respond to local regional and national emergencies with the appropriate skills and resources	
Measure	Target
7: Occasions where our response standards are met – 1 <sup>st</sup> attendance in 10 minutes for dwelling fires	<i>To achieve an upward trend in performance for 1<sup>st</sup> attendance in 10 minutes at dwelling fires</i>
8: Occasions where our response standards are met – 1 <sup>st</sup> attendance in 15 minutes for RTCs	<i>To achieve an upward trend in performance for 1<sup>st</sup> attendance in 15 minutes at RTCs</i>
9: A publicly available and current Local Community Plan for each station	<i>100% of all LCPs to be publicly available by 1<sup>st</sup> April of each year</i>

Table 6: Proposed corporate measures and targets for Strategic Principle 3

Strategic Principle 3: Work hard to be an excellent organisation	
Measure	Target
10: EFQM assessment score	<i>To progress towards the EFQM 'excellence' benchmark score by 31 March 2014</i>
11: Staff survey results	<i>To continue improvement in staff survey results</i>

4.3 When the DSFRS targets were set for 2010/11 a new approach was adopted of establishing our targets set against national performance e.g.

- 2010/11 = top 25%
- 2011/12 = top 25%
- 2012/13 = top 15%
- 2013/14 = top 10%

We are committed to achieving excellence and increased visibility of our progress. The approach presented for approval aims to provide a clearer picture as to where we are on this journey of continuous improvement.

**LEE HOWELL**  
Chief Fire Officer

**APPENDIX A TO REPORT DSFRA/11/12**

**Example structure of the Strategy showing the Strategic Principles, Commitments and an explanation of what we will do. (Note: not presented in published format)**

Strategic Principle 1: Work with people, communities, businesses and partners to make Devon & Somerset a safer place to live, work and visit

Our Commitment	We will:
Fewer deaths, casualties and incidents caused by fires	Engage with people and local communities to make living in their homes safer, particularly with those that we have identified from community input and through research as being the most vulnerable. We will be actively targeting, tailoring and promoting our Prevention products and services, which we will also make available through a range of easily accessible channels.
	Target the delivery of our fire prevention services to those most at risk of domestic fires. Some of our prevention services may be provided through alternative arrangements, for example through Community Advocates (a mixture of DSFRS employees and others from outside the Service), volunteers, partnership referrals and, where appropriate, other agencies commissioned and paid for by us.
	Take a risk-based approach to working closely with businesses and owners of non-domestic property for them to achieve high levels of compliance with the relevant fire safety legislation. The impact on businesses of compliance inspections is minimised by us working jointly with other regulatory bodies.
	Engage with businesses and owners of non-domestic property to help them reduce the risk of fire or other incidents by actively targeting and promoting fire safety and other information, which will also be available through a range of easily accessible channels.
	Go beyond the provision of a response to building regulation consultations by influencing businesses, developers, construction companies and planning authorities to consider the wider benefits of enhanced fire safety measures, such as sprinkler systems, when they apply for and determine planning applications.
Fewer deaths, casualties and incidents caused by non-fire emergencies	Work as a key partner in our local road safety initiatives to engage with and educate the main target groups that suffer or cause Road Traffic Collisions, including rolling out educational programmes in schools and colleges. We will develop and use innovative approaches to target and engage with high-risk and vulnerable groups that are otherwise hard to reach.
	Work with Local Authority Children’s Services and the Police to reduce anti-social behaviour and its consequences by using appropriate interventions and community-based schemes with targeted individuals in order to do as much as we can to prevent them from entering into the Criminal Justice System unnecessarily.
	Seek new opportunities for exploiting our knowledge and experience for developing innovative new approaches to benefit communities and businesses within other aspects of the community safety agenda, such as health, fairness, citizenship and quality of life.

Strategic Principle 2: Respond to local, regional & national emergencies with the appropriate skills and resources

Our Commitment	We will:
We will fulfil our obligations under the Fire Services Act 2004 to make provision for dealing with emergencies	Continue to extinguish fires and protect life and property in the event of fire; and rescue and protect people from serious harm in the event of road traffic collisions.
	Respond to other emergencies such as chemical, biological, radioactive and nuclear incidents, major transport incidents, incidents likely to cause harm to the environment and respond to other emergencies as directed by the Secretary of State.
Our emergency response teams will be deployed with the appropriate skills and resources	Develop and deliver training to reflect the safety critical risks associated with each role so that every member of our emergency response teams is able to contribute safely and effectively when responding to the wide range of challenges he or she faces.
	Make staff availability sufficiently flexible and send out the most appropriate appliances and equipment to reflect the levels of risk and activity in the community.
	Maintain and update the skills and assets that enable us to make a significant contribution to the regional and national resilience capability necessary for protecting communities from civil contingencies and incidents impacting on national security.
The number, composition and distribution of our emergency response teams will be based on the risks to the communities they serve	Actively involve people from all sections of our in communities across Devon & Somerset to take into account risk and equality and diversity issues in the planning of our emergency response services.
	Change the distribution and composition of our emergency response teams and resources from the old national post-war standards to new standards that match the variation of risk in the local communities of Devon & Somerset.
We will respond to other incidents taking into account the risks, costs and benefits to the community	Educate people in Devon & Somerset to help them understand that our response to those emergency calls for which there is no statutory obligation on us to do so, will be proportionate to the risk to them and the costs and benefits to the community. We will stop sending a standard response to these types of incident where it is no longer sustainable to do so and our response may involve asking other agencies or non-governmental organisations (NGOs) to respond instead.
	Rescue people from flooding incidents.
	Be commissioned, and paid where appropriate, to deliver other services to the community. We may charge a fee to recover the costs associated with responding to an incident for which we have no legal obligation to attend.
We will work with partner agencies to respond to local, regional and national emergencies	Identify and develop strategic and operational partnerships based on organisational need and complementary strengths and capabilities.
	Share operational resources and processes by working in closer collaboration with our neighbouring Fire & Rescue Services (FRS) and key partners in the South West, as well as FRS and other organisations elsewhere.

**Strategic Principle 3: *Work hard to be an excellent organisation***

Our Commitment	We will:
To create the environment within which people respond positively to constant change	Gather and evaluate business intelligence from external sources, such as research, economic and societal trends, changes to political and legislative requirements, stakeholder needs and expectations in order to better understand and anticipate opportunities and threats to the organisation and respond swiftly and appropriately.
	Operate a simpler organisational structure that is arranged around processes and services to provide us with the organisational flexibility to deploy staff and resources rapidly to meet identified risks and challenges.
	Put in place a medium-term financial strategy that is sufficiently flexible to compensate for changes in the way we are funded and the amount of funding we receive. We will look to exploit the intellectual capital within the organisation and our ability to generate income by seeking new customers in the form of other FRS and other agencies, introducing new processes and marketing new commercial services.
To be transparent and accountable to our stakeholders	Continue to uphold our democratic accountability through the Devon & Somerset Fire & Rescue Authority. We will work together with Authority Members to deliver agreed levels of service that provide value for money to the people of Devon & Somerset and report openly on spending, contracts and tenders over £500 in value.
	Provide a range of opportunities to stakeholders from all sections of our communities to participate in decision-making and encouraging them to be involved in those decisions that affect their interest.
	Set and communicate a clear direction and strategic focus that unites our people to share and fulfil the organisation's core purpose and achieve its objectives.
	Deliver high levels of stakeholder confidence by ensuring risks are identified and appropriately managed by implementing a governance framework that is biased towards processes and responsibilities for service delivery. Each of our business processes will have an accountable Process Owner and will be managed by a dedicated Process Manager.
To optimise our use of resources	Be more business-like in our approach to planning, performance management and improvement, taking a risk-based approach to the targeting of our services by exploiting all of the intelligence available to us to ensure that we use our resources in the most effective and efficient manner.
	Evaluate and implement alternative options for our Capital Investment Programme.
	Encourage community use of those stations where we have invested in the facilities that enable communities to benefit from our fixed assets.
	Develop sustainable supplier relationships, managed through open, honest and fair procurement and contract management.
	Understand and manage our end-to-end processes better, including those that extend beyond our organisational boundary into partner organisations, to achieve the desired outcomes and expected levels of performance.
	Streamline our 'back office' processes to eliminate unnecessary bureaucracy and to give us the potential for offering a commercial service as a means of generating an alternative income stream.
	Encourage and enable people across the organisation to engage in dialogue to share information, knowledge and good practice but at the same time, be able to assure the quality, security and accessibility of the data and information we hold and, where appropriate, share.
	Put in place fair and transparent data sharing agreements with our key partners to facilitate the secure and timely transfer of data and information to enable prompt

Our Commitment	We will:
	decisions to be made and appropriate action to be taken.
	Stop carrying out those activities that do not contribute to meeting agreed customer or stakeholder requirements.
	Ensure our employees are sufficiently skilled to achieve organisational objectives and be able to recognise and make good use of the alternative skills and experience available to us from within our workforce.
Partnerships will be managed to ensure that they deliver improved outcomes to the community and value for money	Work together with partners to achieve mutual benefit by supporting one another with expertise, resources and knowledge to achieve shared goals. We will understand and manage the cost of our input into a partnership as well as evaluating and putting a value on its successful outcome.
	Work constructively with the Unions to improve service delivery and organisational performance.
	Develop joined-up ways of working with other emergency services and agencies.
	Make the best possible use of the alternative skills and abilities of people from other sectors (through secondments and other mechanisms) and vice-versa, by working in partnership with and learning from high-performing organisations in different parts of the public sector, industry, commerce and the voluntary sector.
To minimise our environmental impact	Continually monitor, measure and evaluate our carbon footprint and reduce it across all aspects of our work by developing and implementing sustainable solutions to the issues we face. We will conduct business impact assessments on all new or changed policies, processes and resources to ensure we have considered the ecological as well as the economic and societal issues.
	Build and refurbish our stations and other buildings to meet the highest affordable environmental standards, reduce our harmful emissions and develop alternative options to reduce our consumption of natural resources, minimise waste and improve recycling.
To make DSFRS one of the best organisations in the UK in which to work	Be employing a workforce that more closely reflects the diversity of the people in Devon and Somerset.
	Offer terms and conditions that reflect each employee's role and commitment to the organisation and, for example, exploit information technology to enable people to work more flexibly and support a responsible work/life balance.
	Enhance our employees as individuals, as well as team members, through training and development according to the role in which they work and/or the agreed career plan.
	Ensure individual and team objectives are aligned with the organisation's mission and vision and recognise and reward people for creativity and innovation in the workplace.
	Provide our employees with as good a working environment and safe conditions as practicable.
To review and continually improve the way we work	Regularly analyse our own internal performance data and that of our partners to understand our existing and potential capabilities; identify improvements to our services and the way we deliver them; and seek to minimise the cost of running the organisation.
	Be operating a clear and transparent framework of processes that informs and supports decision-making, resilience, performance improvement and change, supported by a consistent process management and improvement approach that actively encourages our people to improve their processes through creativity and innovation.
	Learn from post-incident reviews and fire investigations to see what worked well and what we could have done better, gain insight and share that knowledge within the organisation and, as appropriate, with partners, communities and businesses to reduce risk and improve safety.



# DEVON & SOMERSET FIRE & RESCUE AUTHORITY

<b>REPORT REFERENCE NO.</b>	DSFRA/11/13
<b>MEETING</b>	DEVON AND SOMERSET FIRE AND RESCUE AUTHORITY (Ordinary Meeting)
<b>DATE OF MEETING</b>	27 MAY 2011
<b>SUBJECT OF REPORT</b>	FINANCIAL OUTTURN 2010-2011
<b>LEAD OFFICER</b>	TREASURER
<b>RECOMMENDATIONS</b>	<p>(a) <i>That the following two proposed transfers to Earmarked Reserves, as outlined in paragraph 11.1 of this report, be approved;</i></p> <ul style="list-style-type: none"> <li><i>I. an amount of £0.896m be transferred to the Change and Improvement Reserve, and;</i></li> <li><i>II. an amount of £0.465m be transferred to the Comprehensive Spending Review (CSR) 2010 Budget Strategy Reserve</i></li> </ul> <p>(b) <i>That the capital determinations in relation to the funding of the 2010-11 capital spending, as detailed in paragraph 17.1 of this report, be approved;</i></p> <p>(c) <i>That subject to (a) and (b) above, the position in relation to the Revenue and Capital Outturn, as indicated in this report, be noted.</i></p>
<b>EXECUTIVE SUMMARY</b>	<p>This report provides the financial outturn position for 2010-11, for both revenue and capital spending, and makes recommendations as to how the underspend against the revenue budget of £1.361m is to be utilised.</p> <p>The figures included in this report are provisional at this stage, subject to the audit of the Accounts in July 2011.</p>
<b>RESOURCE IMPLICATIONS</b>	As indicated within the report.
<b>EQUALITY IMPACT ASSESSMENT</b>	Not applicable

<b>APPENDICES</b>	<p>A. Provisional Revenue Outturn Position 2010-2011.</p> <p>B. Summary of Reserve and Provision Balances at 31 March 2011</p>
<b>LIST OF BACKGROUND PAPERS</b>	Financial Performance Report 2010-11 (RC/11/5) to Resources Committee 18 May 2011

## 1. INTRODUCTION

1.1 This report provides the Authority with the final outturn position (subject to audit) for revenue and capital spending for the financial year 2010-11, and makes recommendations as to how the underspend against the revenue budget is to be utilised. The report is in two parts. Section 1 deals with the revenue outturn position while Section 2 deals with the position in relation to capital spending.

## 2. SECTION 1 – REVENUE OUTTURN 2010-11

2.1 Total revenue spending in 2010-11 was £73.774m, as compared to an agreed budget of £75.135m, resulting in an underspend of £1.361m, equivalent to 1.81% of total budget. A summary of spending is shown in Table 1 below, and Appendix A provides a more detailed analysis of spending against individual, budget heads.

**TABLE 1 – SUMMARY OF REVENUE SPENDING 2010-11**

	£m	£m
<b>Approved Budget</b>		<b>75.135</b>
Gross Spending ( <i>Appendix A Line 28</i> )	75.982	
Gross Income ( <i>Appendix A Line 33</i> )	(4.965)	
Net Spending		71.017
<u>PLUS Transfers to Earmarked Reserves</u>		
- CSR 2010 Budget Strategy Reserve ( <i>Appendix A line 35</i> )	0.726	
- 2010-2011 Carry Forwards ( <i>Appendix A Line 36</i> )	0.657	
- Grants Unapplied ( <i>Appendix A Line 37</i> )	1.374	
Total Transfer to Earmarked Reserves ( <i>Appendix A Line 38</i> )		2.757
<b>TOTAL NET SPENDING</b>		<b>73.774</b>
<b>NET UNDERSPEND</b>		<b>(1.361)</b>

2.2 An underspend of this size is clearly a very good outcome and is largely as a result of instructions given by the Chief Fire Officer and Senior Management Board to budget holders that only essential spending should be undertaken in-year on non-salary budget lines. This has resulted in budget managers trimming back spend across the whole organisation, delivering in-year savings which can be set aside now and used to assist future budgets in 2013-14 and 2014-15 when more severe reductions in Fire Service grants are anticipated. This is in addition to savings on employee costs as a result of a zero percent pay award in 2010, which is less than forecasted when the budget was set.

2.3 Proposals on how to utilise the underspend were reported to the meeting of Resources Committee on the 18 May 2011. The Committee recommended that two transfers to Earmarked Reserves be made, as follows;

- An amount of £0.896m to the Change and Improvement Reserve - to be used to fund Invest-to-Save projects identified through the Change and Improvement Programmes.
- The balance of £0.465m to be transferred to the CSR 2010 Budget Strategy Reserve – to provide further financial contingency towards budget setting in 2013-14 and 2014-15.



2.4 Further details of each of these proposals are contained in paragraph 11.1 of this report.

2.5 An analysis of spending against all approved budget lines is shown in Appendix A. It is inevitable that there will be variations against individual budget lines, due to changing circumstances, volatility associated with some budget lines, and the instruction to budget holders to only commit spending that is deemed to be essential. Details of the major variations against individual budget lines are explained in paragraphs 3 to 9 below

### **3. EMPLOYEE COSTS**

#### ***Wholetime Staff***

3.1 Spending against wholetime pay costs is £0.368m less than budget, primarily as a consequence of a zero pay increase from July 2010, as compared to the 1.0% provision that had been made in setting the 2010-11 budget.

#### ***Retained Staff***

3.2 Spending on retained pay costs is shown as £0.502m over budget, however it should be noted that this figure includes additional provision of £0.556m for future costs in relation to the impact of the Employment Tribunal case made in 2010 under the Part-Time Workers (Less than Favourable Working Conditions) Regulations. Members will recall that the Tribunal eventually ruled that the claimants were engaged in broadly the same work as their named comparators (wholetime firefighters) and that they were treated less favourably in respect of access to pension rights and payment for sickness absence.

3.3 For Devon and Somerset Fire and Rescue Authority, as the largest employer of retained firefighters in the UK, the financial impact of this ruling is significant, particularly as the ruling includes backdated payments to the year 2000. The Authority has prudently already set aside funds of £0.949m into a Provision from previous years underspends to fund these payments. It is an accounting requirement that this Provision is reviewed at the year-end to ensure, as far as possible, that sufficient sums are made available to pay for the payments when they are actually made in the future.

3.4 The latest circular issued by the National Joint Council for Employers provided further details of the negotiated settlement, including the amounts of compensatory payments to be paid, although it does not include the element relating to pension rights, which will be subject to further negotiations between the Fire Brigades Union and the Department of Communities and Local Government (CLG). Based on this new information it is now estimated that this first phase of the settlement will cost the Authority an amount of £0.643m, and that the pension element will be £0.862m, giving a total liability of £1.505m. As this cost is £0.556m in excess of the existing Provision set aside, it is required to charge this amount to the 2010-11 revenue account to increase the Provision to the required level.

#### ***Control Room Staff***

3.5 The underspend on control room staffing costs is primarily from vacancies as a consequence of the government decision to cancel the FireControl project resulting in a reduced need to employ temporary staffing. Savings have also been achieved from a zero pay award.

#### ***Non-Uniformed Staff***

3.6 A total saving of £0.309m against non-uniformed pay costs again includes the impact of a zero pay award from April 2010, and also savings from the Senior Management restructure in 2010, which resulted in the deletion of two non-uniformed posts.

### ***Training Expenses***

- 3.7 As a consequence of slippage in the delivery of some training courses an underspend of £0.093m has been achieved against this budget line. A carry forward of £0.085m has been made into 2011-12 to fund the completion of these courses.

### ***Fire Service Pension Costs***

- 3.8 The overspend against Fire Service Pension costs of £0.079m primarily relates to the impact of a National Fraud Initiative (NFI), conducted through the Audit Commission during 2010, which identified that a number pensioners in receipt of an injury pension award were not being paid the correct amount due to outdated information relating to individual's government awarded injury benefits.

## **4. PREMISES RELATED COSTS**

### ***Repair and Maintenance***

- 4.1 Slippage in the delivery of some planned maintenance projects has resulted in an underspend of £0.197m against this budget line. A carry forward of £0.050m has been made into 2011-12 to fund the completion of some of these schemes.

### ***Energy Costs***

- 4.2 A saving of £0.075m on energy costs has been achieved primarily as a result of refunds in gas payments relating to previous years, but also from the impact of carbon management initiatives introduced during 2010 e.g. installation of smart meters into stations to monitor usage.

### ***Rent and Rates***

- 4.3 The saving against rent and rates of £0.110m is primarily as a result of the receipt of a one-off refund of rental payments during 2010-11.

## **5. TRANSPORT RELATED COSTS**

### ***Repair and Maintenance***

- 5.1 An underspend against this budget line of £0.136m is primarily as a result of savings achieved on maintenance contracts and some slippage of projects.

### ***Travel and Subsistence***

- 5.2 The main reason for an underspend against travel costs is as a result of slippage in the light vehicle replacement programme, resulting in savings on contract car hire costs.

## **6. SUPPLIES AND SERVICES**

### ***Equipment and Furniture***

- 6.1 An underspend against equipment, including ICT projects, is primarily as a result of budget holders being instructed to defer spending unless deemed to be essential. This has resulted in savings which can be diverted to those key projects identified through the Change and Improvement Programmes.

### ***Communications***

- 6.2 Whilst this budget line is overspent by £0.092m, as a result of the system upgrades required in preparation for the FireControl project, these costs are offset by additional new burdens grant income (Appendix B Line 30) received from the CLG to fund these costs.

### ***Uniforms and Personal Protective Equipment***

- 6.3 It had been anticipated that the agreed replacement of Personal Protective Equipment (PPE) would have been delivered by the end of the financial year, however, in the event, due to delays with the project, the delivery date has slipped into April 2011. A carry forward of £0.422m into 2011-12 has been made to fund the replacement costs.

### ***Catering Costs***

- 6.4 As a consequence of a reduction in the number of training courses delivered e.g. recruitment courses, spending on meal provisions is less than budget.

## **7. PAYMENTS TO OTHER AUTHORITIES**

### ***Support Service Contracts***

- 7.1 An increase in the contract with the Occupational Health Unit has resulted in an overspend against this budget line.

## **8. CAPITAL FINANCING COSTS**

### ***Capital Charges***

- 8.1 Savings of £0.155m against capital charges has been achieved primarily as a consequence of slippage in capital spending in the year and the consequent reduction in the need to borrow to fund capital spending.

## **9. INCOME**

### ***Treasury Management Investment Income***

- 9.1 The income from temporary investments has exceeded targets by £0.067m as a result of an improved cash flow position following early borrowing in the financial year when borrowing rates were particularly low.

### ***Grants and Reimbursements***

- 9.2 Whilst the Authority has received £1.542m more in grant income than budgeted, it should be emphasised that an amount of £1.374m of this figure relates to grants received to fund specific projects, but which have not been spent by the year-end. The introduction of the new accounting standards under International Financial Reporting Standards (IFRS) requires a different accounting treatment for such grants. Under the new rules, for any grant that has not been applied, and for which there is no requirement for the grant to be repaid if not spent at year-end, we are now required to identify such grants to the Committee and carry forward such sums into 2011-12 via a transfer into an Earmarked Reserve. This Reserve will then fund those projects for which the grants were originally intended when expenditure is incurred. An analysis of such grants is shown in paragraph 10.1.

### ***Other Income***

- 9.3 Other income targets e.g. training courses are down by £0.164m in 2010-11 primarily as a result of the impact of the economic downturn. This position will be improved in the future as new courses are delivered through the Training Academy and income generation is increased.

**10. CONTRIBUTION TO EARMARKED RESERVES**

10.1 The 2010-11 outturn figures in Appendix A includes three transfers to Earmarked Reserves, as follows:

- **CSR 2010 Budget Management Reserve (£0.726m)** - At the meeting of the Fire and Rescue Authority meeting, held on the 3 November 2010, it was approved that an amount of £0.726m be transferred to an Earmarked Reserve, to be called ‘CSR 2010 Budget Strategy Reserve’, to be utilised to provide some financial contingency towards the budget strategy to be adopted in response to the reductions in government grants over the CSR period. This amount was generated through an exercise carried out in-year through the officer led Service Improvement Group (SIG), to identify at least 10% efficiency savings from non-salary budget heads.
- **2010-11 Budget Carry Forwards (£0.657m)** – a number of committed projects planned to be delivered by the end of March 2011 have not been completed or delivered on time, and budget carry forwards are therefore required to enable the completion of those projects in 2011-12. These projects relate to;
  - Replacement Personal Protective Equipment (£0.422m).
  - Property maintenance projects (£0.050m).
  - Training Courses relating to workforce development and Gold Command (£0.085m).
  - Interagency Liaison Officers (£0.036m).
  - Firelink Radio Costs, shortfall in grant funding from the CLG (£0.064m)
- **Grants Unapplied (£1.374m)** – as is outlined in paragraph 9.2 of this report, under the new IFRS accounting arrangements, any unused grants at the year-end, which are not subject to repayment are to be identified and carried forward to 2011-12. An analysis of such grants is shown in Table 2 below.

**TABLE 2 – UNSPENT GRANTS TO BE CARRIED FORWARD TO 2011-2012**

<b>Grant Received From</b>	<b>£m</b>	<b>Purpose of Grant</b>
Department of Communities and Local Government (CLG)	0.699	To fund Urban Search and Rescue (USAR) costs associated with staffing, training equipment and accommodation.
Department of Communities and Local Government (CLG)	0.228	To fund residual costs associated with the decision by the government to abandon the Regional FireControl project e.g. staffing costs and station end equipment.
Somerset Councils – “Safer Somerset”	0.261	To fund community safety initiatives within Somerset
DeFRA	0.075	To fund rescue boat operator training
Torbay Councils – “Safer Torbay”	0.082	To fund community safety initiatives within Torbay

<b>Grant Received From</b>	<b>£m</b>	<b>Purpose of Grant</b>
Plymouth City Council/Devon and Cornwall Police Authority	0.028	To fund community safety vehicles
Yarlington Homes	0.001	To fund cycle training at Martock School.
<b>TOTAL</b>	<b>1.374</b>	

## **11. PROPOSALS FOR UTILISATION OF THE UNDERSPEND**

11.1 Following consideration of the financial outturn position at the meeting of Resources Committee, held on the 18 May 2011, it is recommended that the underspend figure of £1.361m be used to fund two further transfers into Earmarked Reserves, as follows:

- (a) **Change and Improvement Programme (£0.896m)** - Members will be well aware of the strategic ambition of the Authority 'Towards 2014' to make DSFRS one of the best fire and rescue authorities in the country. This journey requires a different way of doing business across the organisation to ensure that our resources are targeted towards those projects that will contribute to our vision, and also deliver the budget savings required as a consequence of 25% reductions in Fire Service grants by 2014-15 announced as part of CSR 2010.

Work is already well advanced, including the creation of two separate Programmes of Service Delivery and Business Support, recruitment of the Business Change Team, the introduction of the governance arrangements to oversee the delivery of the Programmes, and the identity of the key priority projects to be considered in the next twelve months. Each project will be subject to the approval of the Portfolio Board, which is represented by the Chief Fire Officer and the Senior Management Board, based upon sound business cases which can identify demonstrable benefits to the Service.

Based on the key priority projects to be considered in the first phase, it has been estimated that programme and project costs will be £1.635m, compared to the £0.739m already provided for in the base budget for 2011-12, leaving a shortfall of £0.896m. It is therefore proposed that an amount of £0.896m of the 2010-11 underspend be transferred to an Earmarked Reserve "Change and Improvement Reserve". Funds will subsequently be released from this Reserve, to individual projects, by the Portfolio Board, on the approval of final business case stage for each project, and when a return on investment has been identified. As such this investment can be seen as an invest-to-save initiative.

- (b) **CSR 2010 Budget Strategy Reserve (0.465m)** – it is proposed that the remaining underspend of £0.465m be transferred to the existing reserve of CSR 2010 Budget Strategy Reserve, which when added to the existing balance of £0.726m, would increase the balance to £1.191m to be available to offset future grant reductions.

11.2 A summary position of Reserves and Provisions, including the recommendations included in this report, is included as Appendix B.

**12. SUMMARY OF REVENUE SPENDING**

- 12.1 Members will be well aware, from regular budget monitoring reports considered during the financial year, of the strategy adopted to seek in-year savings which can be set aside in Reserve, in response to the CSR 2010 announcement of 25% reductions in Fire Service grants over four years.
- 12.2 It is therefore pleasing that this strategy has contributed to a further amount of £1.361m being available for transfer to Authority Reserves and Balances. The two recommendations included in this report are both focused on assisting budget setting in 2013-14 and 2014-15, when the impact of the 25% reduction in grants will be the most severe. This reflects the commitment of staff to work differently in order to generate savings across the organisation.
- 12.3 The Authority is asked to approve these recommendations.

**13. SECTION 2 – CAPITAL OUTTURN 2010-11**

- 13.1 The capital programme for 2010-11 was originally set at £6.847m at the budget setting meeting held on the 14 February 2010. This programme figure has been increased to £7.539m during the year to reflect slippage in spending from the previous year of £0.404m, and new projects of £0.288m, to be funded from grant income or revenue contributions. As has been reported to meetings of the Resources Committee during the year within quarterly budget monitoring reports, whilst these changes represent an increase in the 2010-11 programme they do not represent an increase in the overall borrowing requirement.
- 13.2 Total spending against this programme was £3.466m as detailed in Table 2 overleaf. Total cash payments relating to capital spending during the financial year amounted to £3.588m (including invoices paid in relation to the previous financial year for which accruals were made as at 31 March 2010), and a further £0.459m was accrued at the year-end to reflect invoices not yet received by 31 March 2011.

**TABLE 2 – SUMMARY OF CAPITAL SPENDING IN 2010-11**

Capital Programme 2010/2011					Variation to budget		
Item	PROJECT	2010/11	2010/11	2010/11	Slippage (£000)	Savings (£000)	Total variation (£000)
		(£000) Budget	(£000) Draft outturn	(£000) Variation to budget			
<b>Estate Development</b>							
1	Exeter Middlemoor	44	(7)	(51)	30	21	51
2	Exeter Danes Castle	169	52	(117)	10	107	117
3	SHQ major building	135	39	(96)	96		96
4	Major building works new starts	0	0	-			0
5	Minor improvements & structural maintenance	2,802	1,091	(1,711)	1,689	22	1,711
6	Welfare facilities 2009/10	127	90	(37)	37		37
7	Diversity & equality	34	34	-			0
8	New Dimensions (USAR) works	150	10	(140)	140		140
<b>Estates Sub Total</b>		3,461	1,309	(2,152)	2,002	150	2,152
<b>Fleet &amp; Equipment</b>							
9	Appliance replacement	2,061	1,642	(419)	397	22	419
10	Specialist Operational Vehicles	1,163	328	(835)	637	198	835
11	Vehicles (funded from revenue)	68	68	-			0
12	Equipment	634	96	(538)	127	411	538
13	Asset Management Plan (Miquest) software	152	23	(129)	129		129
<b>Fleet &amp; Equipment Sub Total</b>		4,078	2,157	(1,921)	1,290	631	1,921
<b>Overall Capital Totals</b>		7,539	3,466	(4,073)	3,292	781	4,073

14. **FINANCING THE 2010-11 CAPITAL PROGRAMME**

14.1 Table 3 below identifies how the 2010-11 capital spending of £3.466m is to be financed.

**TABLE 3 – SUMMARY OF CAPITAL FINANCING IN 2010-11**

	<b>Actual Financing Required £m</b>
<b><u>Borrowing</u></b>	<b>2.050</b>
<b><u>Other Financing Sources</u></b>	
<u>Revenue Contribution to Capital Spending</u>	
Purchase of appliance and light vehicles funded from revenue savings i.e. leasing rentals and vehicle sales.	0.068
Station improvements agreed to be funded from Earmarked Reserves e.g. welfare facilities.	0.090
<u>Capital/Revenue Grants</u>	
CLG Grant to support capital spending	1.193
Urban Search and Rescue (USAR) Grant	0.010
Equality and Diversity Grant	0.034
South West Ambulance Trust to fund station improvements at shared sites	0.021
<b>Sub Total - Other Financing Sources</b>	<b>1.416</b>
<b>Total Financing</b>	<b>3.466</b>

**Borrowing**

14.2 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 2010-11 Revenue Support Grant allocation to support a level of borrowing through the allocation of the Supported Credit Expenditure (SCE). This means that the government continues to provide support for borrowing by way of Revenue Support Grant (RSG) 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 and Somerset FRA for 2010-11 was set at £1.808m, therefore based on a requirement to borrow £2.050m, as illustrated in Table 3, an amount of £0.242m is to be funded from unsupported borrowing. Actual borrowing that took place during 2010-11 was £3.000m, which is well within approved limits, as determined by the approved prudential indicators



## 15. SLIPPAGE

15.1 As is indicated from the figures in Table 2, actual capital spending during the year is £4.073m less than the agreed programme, of which an amount of £3.292m has been identified as being as a result of slippage in spending against individual projects. 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. This slippage has been included in the revised capital programme for 2011-12, as reported to the meeting of Resources Committee held on the 18 May 2011.

15.2 The remaining underspend of £0.781m has been identified as savings against individual projects, resulting in a reduction of the same amount in the borrowing requirement.

## 16. DRAFT PRUDENTIAL INDICATORS

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

### 16.2 Capital Expenditure

This prudential indicator reports actual capital spending for the year against the approved programme. Spending has proved to be £4.073m less than anticipated as a consequence of delays on progressing capital projects.

Approved Indicator	£7.539m	
Actual Expenditure	£3.466m	
Variance		(£4.073) m

### 16.3 Capital Financing Requirement (CFR) – External Borrowing

The CFR reflects the underlying need to borrow for capital purposes. Given that spending is £4m less than programmed, the need to borrow to fund capital spending is also reduced by a similar amount.

Revised CFR	£32.128m	
Actual CFR	£28.251m	
Variance		(£3.877) m

### 16.4 Capital Financing Requirement (CFR) – Other Long Term Liabilities

This CFR reports long term financing liabilities other than external borrowing, e.g. Private Finance Initiative (PFI) and Finance Leases, which under accounting rules are required to be reported alongside traditional borrowing liabilities. For 2010-11 the actual liabilities had been assessed as £0.250m less than the original target. This variance follows an in-year review, carried out by Gloucestershire County Council, of the long-term liability figures for the tri-partite PFI facility at Severn Park Training Centre.

Revised CFR	£1.916m	
Actual CFR	£1.666m	
Variance		(£0.250) m

### 16.5 Authorised Limit and the Operational Boundary for External Debt

Actual external debt as at 31 March 2011 was £28.609m.

This is well within the authorised limit (absolute maximum borrowing approval) and operational boundary of £40.488m and £37.726m respectively, and therefore neither was breached.

16.6 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 3.80% would be applied and the actual figure is 0.21% below the estimate.

Capital Financing Costs	£3.160m
Interest on investments	(£0.137) m
Net Financing Costs	£3.023m
Net Revenue Stream	£75.135m
Percentage	4.01%
Estimated	3.80%
Variance	0.21%

It should be noted that whilst the ratio is slightly above the in-year target it is still well below the 5% threshold that the Authority has set itself.

17. **DETERMINATION OF CAPITAL FINANCE**

17.1 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;

- That central government support to borrowing totalling £1.808m is used as authorisation to capitalise expenditure.
- That unsupported borrowing totalling £0.242m is used as authorisation to capitalise expenditure.
- That £1.258m is capitalised and funded from government grant.
- That an amount of £0.158m is capitalised and funded from a revenue contribution to capital spending.

**KEVIN WOODWARD**  
Treasurer

**SUBJECTIVE ANALYSIS OF REVENUE SPENDING**

Outturn Statement 2010-2011		2010/11 Budget	Year To Date Budget	Spending to Month 12	Draft Outturn	Draft Variance over/ (under)
		£000 (1)	£000 (2)	£000 (3)	£000 (4)	£000 (5)
<b>Line No</b>	<b>SPENDING</b>					
	<b>EMPLOYEE COSTS</b>					
1	Wholetime uniform staff	32,568	32,568	32,200	32,200	(368)
2	Retained firefighters	12,121	12,121	12,623	12,623	502
3	Control room staff	2,160	2,160	2,040	2,040	(120)
4	Non uniformed staff	9,327	9,327	9,018	9,018	(309)
5	Training expenses	1,178	1,178	1,085	1,085	(93)
6	Fire Service Pensions recharge	1,939	1,939	2,018	2,018	79
		<b>59,293</b>	<b>59,293</b>	<b>58,984</b>	<b>58,984</b>	<b>(309)</b>
	<b>PREMISES RELATED COSTS</b>					
7	Repair and maintenance	1,140	1,140	943	943	(197)
8	Energy costs	525	525	450	450	(75)
9	Cleaning costs	383	383	338	338	(45)
10	Rent and rates	1,232	1,232	1,122	1,122	(110)
		<b>3,280</b>	<b>3,280</b>	<b>2,853</b>	<b>2,853</b>	<b>(427)</b>
	<b>TRANSPORT RELATED COSTS</b>					
11	Repair and maintenance	674	674	538	538	(136)
12	Running costs and insurances	1,088	1,088	1,052	1,052	(36)
13	Travel and subsistence	1,500	1,500	1,227	1,228	(272)
		<b>3,262</b>	<b>3,262</b>	<b>2,817</b>	<b>2,818</b>	<b>(444)</b>
	<b>SUPPLIES AND SERVICES</b>					
14	Equipment and furniture	2,366	2,366	2,143	2,143	(223)
15	Hydrants-installation and maintenance	97	97	111	111	14
16	Communications	1,439	1,439	1,531	1,531	92
17	Uniforms	1,060	1,060	629	629	(431)
18	Catering	244	244	171	171	(73)
19	External Fees and Services	448	448	479	479	31
20	Partnerships & regional collaborative projects	135	135	116	116	(19)
21	USAR Equipment	25	25	1	1	(24)
		<b>5,814</b>	<b>5,814</b>	<b>5,181</b>	<b>5,181</b>	<b>(633)</b>
	<b>ESTABLISHMENT COSTS</b>					
22	Printing, stationery and office expenses	425	425	356	356	(69)
23	Advertising	54	54	15	15	(39)
24	Insurances	319	319	290	290	(29)
		<b>798</b>	<b>798</b>	<b>661</b>	<b>661</b>	<b>(137)</b>
	<b>PAYMENTS TO OTHER AUTHORITIES</b>					
25	Support service contracts	617	617	713	713	96
		<b>617</b>	<b>617</b>	<b>713</b>	<b>713</b>	<b>96</b>
	<b>CAPITAL FINANCING COSTS</b>					
26	Capital charges	4,859	4,865	4,704	4,704	(155)
27	Revenue Contribution to Capital spending	6	0	0	68	62
		<b>4,865</b>	<b>4,865</b>	<b>4,704</b>	<b>4,772</b>	<b>(93)</b>
28	<b>TOTAL SPENDING</b>	<b>77,929</b>	<b>77,929</b>	<b>75,913</b>	<b>75,982</b>	<b>(1,947)</b>
	<b>INCOME</b>					
29	Treasury management investment income	(70)	(70)	(140)	(137)	(67)
30	Grants and Reimbursements	(2,357)	(2,357)	(3,470)	(3,899)	(1,542)
31	Other income	(1,025)	(1,025)	(898)	(861)	164
32	Internal Recharges	(68)	(68)	(68)	(68)	-
33	<b>TOTAL INCOME</b>	<b>(3,520)</b>	<b>(3,520)</b>	<b>(4,576)</b>	<b>(4,965)</b>	<b>(1,445)</b>
34	<b>NET SPENDING</b>	<b>74,409</b>	<b>74,409</b>	<b>71,337</b>	<b>71,017</b>	<b>(3,392)</b>
	<b>TRANSFER TO EARMARKED RESERVES</b>					
35	CSR 2010 Budget Strategy Reserve	726	726	726	726	-
36	Carry Forwards to 2011-12	-	-	-	657	657
37	Grants unapplied	-	-	-	1,374	1,374
38	<b>TOTAL TRANSFERS TO EARMARKED RESERVES</b>	<b>726</b>	<b>726</b>	<b>726</b>	<b>2,757</b>	<b>2,031</b>
39	<b>TOTAL NET SPENDING</b>	<b>75,135</b>	<b>75,135</b>	<b>72,063</b>	<b>73,774</b>	<b>(1,361)</b>

**APPENDIX B TO REPORT DSFRA/11/13**

**SUMMARY OF RESERVES AND BALANCES AS AT 31 MARCH 2011**

	Balance bfwd from prev year £000	Spend £000	Balance at 31/3/11 £000	In-year Transfers £000	Proposed Transfer of Underspend £000	Balance cfwd to next yr £000
<b>1. RESERVES</b>						
<b><u>Earmarked Reserves</u></b>						
<u>Earmarked reserves agreed prior to 1 April 2010</u>						
Lundy	25		25			25
Positive pressure ventilation training	14	(10)	4			4
Mobilisation equipment	108	(5)	103			103
Property works	5		5			5
Support costs	7		7			7
New systems	20	(20)	0			0
HSE building works	127	(90)	37			37
ICP Project	66		66			66
<u>Earmarked reserves post 1 April 2010</u>						
2010-2011 Carry Forwards	0		0	657		657
Grants Unapplied	0		0	1,374		1,374
Change and Improvement	0		0		896	896
CSR 2010 Budget Strategy	0		0	726	465	1,191
	<b>372</b>	<b>(125)</b>	<b>247</b>	<b>2,757</b>	<b>1,361</b>	<b>4,365</b>
<b><u>General Reserve</u></b>	<b>4,453</b>		<b>4,453</b>			<b>4,453</b>
<b>Total of useable reserves</b>	<b>4,825</b>	<b>(125)</b>	<b>4,700</b>	<b>2,757</b>	<b>1,361</b>	<b>8,818</b>

	Balance bfwd from prev year £000	Spend £000	Transfer to Revenue £000	Balance as at 31 March 2011 £000	2010/11 £000	Balance cfwd to next yr £000
<b>2. PROVISIONS</b>						
Retained Firefighter Pension Contributions	949			949	556	1,505
<b>Total Provisions</b>	<b>949</b>	<b>0</b>	<b>0</b>	<b>949</b>	<b>556</b>	<b>1,505</b>

# DEVON & SOMERSET FIRE & RESCUE AUTHORITY



<b>REPORT REFERENCE NO.</b>	<b>DSFRA/11/14</b>
<b>MEETING</b>	<b>DEVON &amp; SOMERSET FIRE &amp; RESCUE AUTHORITY (Ordinary Meeting)</b>
<b>DATE OF MEETING</b>	<b>27 MAY 2011</b>
<b>SUBJECT OF REPORT</b>	<b>ANNUAL TREASURY MANAGEMENT REPORT 2010/2011</b>
<b>LEAD OFFICER</b>	<b>TREASURER</b>
<b>RECOMMENDATIONS</b>	<i>That the performance in relation to the treasury management activities of the Authority for 2010/2011, as set out in this report, be noted.</i>
<b>EXECUTIVE SUMMARY</b>	<p>The Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management requires that the Authority receives a report in respect of borrowing and investment activities during the year and compares this performance against the treasury management strategy adopted.</p> <p>The report includes a performance report relating to the 2010/11 financial year.</p>
<b>RESOURCE IMPLICATIONS</b>	As indicated within the report.
<b>EQUALITY IMPACT ASSESSMENT</b>	An initial assessment has not identified any equality issues emanating from this report.
<b>APPENDICES</b>	Appendix A – Prudential indicators 2010/2011.
<b>LIST OF BACKGROUND PAPERS</b>	<p>Treasury Management Strategy (including Prudential and Treasury Indicators) Report DSFRA/10/3</p> <p>Policy as approved at the meeting held on the 19 February 2010.</p>

## **1. INTRODUCTION**

1.1 The Treasury Management Strategy for Devon & Somerset Fire & Rescue Authority (DSFRA) is underpinned by its adoption of the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management 2001 and subsequent amendments to that Code (the latest being November 2009). The Authority originally adopted the Code at its meeting on 16 March 2007, with the most recent revision being agreed at the Authority meeting on 19 February 2010. The Authority fully complies with the primary requirements of the Code, which includes:

- The creation and maintenance of a Treasury Management Policy Statement, which sets out the policies and objectives of the Authority's treasury management activities.
- The creation and maintenance of Treasury Management Practices, which set out the manner in which the Authority will seek to achieve those policies and objectives.
- The receipt by the Authority of an annual strategy report for the year ahead, a mid year treasury update report and an annual review report of the previous year.
- The delegation by the Authority of responsibilities for implementing and monitoring treasury management policies and practices and for the execution and administration of treasury management decisions.
- Delegation by the Authority of the role of scrutiny of treasury management strategy and policies to a specific named body which in this Authority is the Resources Committee.

1.2 Treasury management in this context is defined as:

*"The management of the local Authority's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks. "*

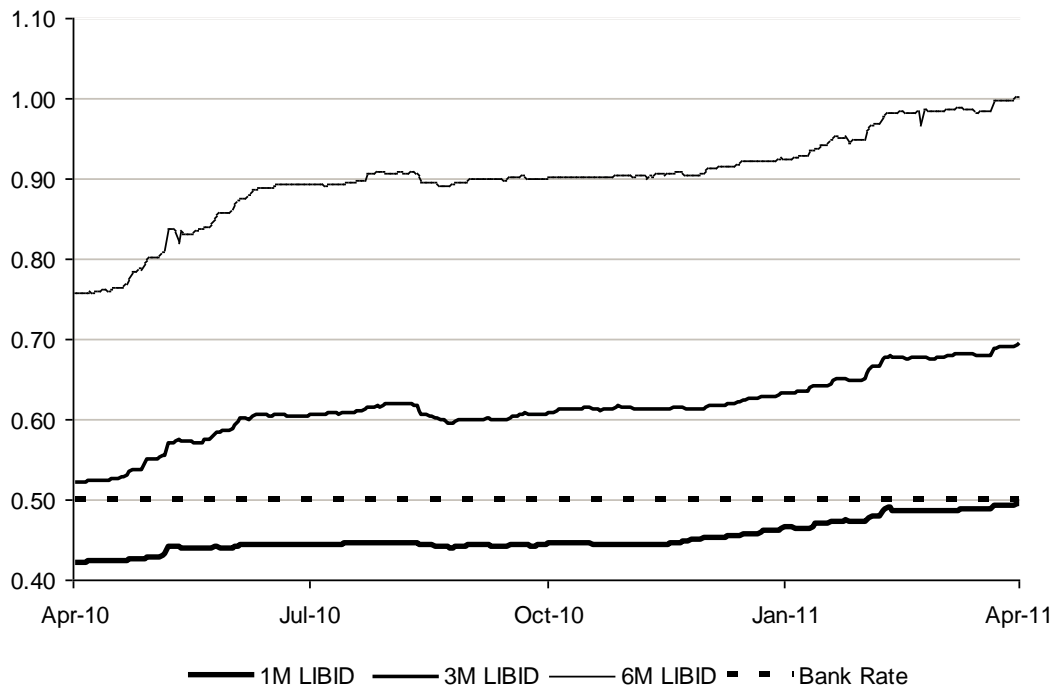
## **2. THE ECONOMY**

2.1 2010/11 proved to be another watershed year for financial markets. Rather than a focus on individual institutions, market fears moved to sovereign debt issues, particularly in the peripheral Euro zone countries. Local authorities were also presented with changed circumstances following the unexpected change of policy on Public Works Loan Board (PWLB) lending arrangements in October 2010. This resulted in an increase in new borrowing rates of 0.75 – 0.85%, without an associated increase in early redemption rates. This made new borrowing more expensive and repayment relatively less attractive.

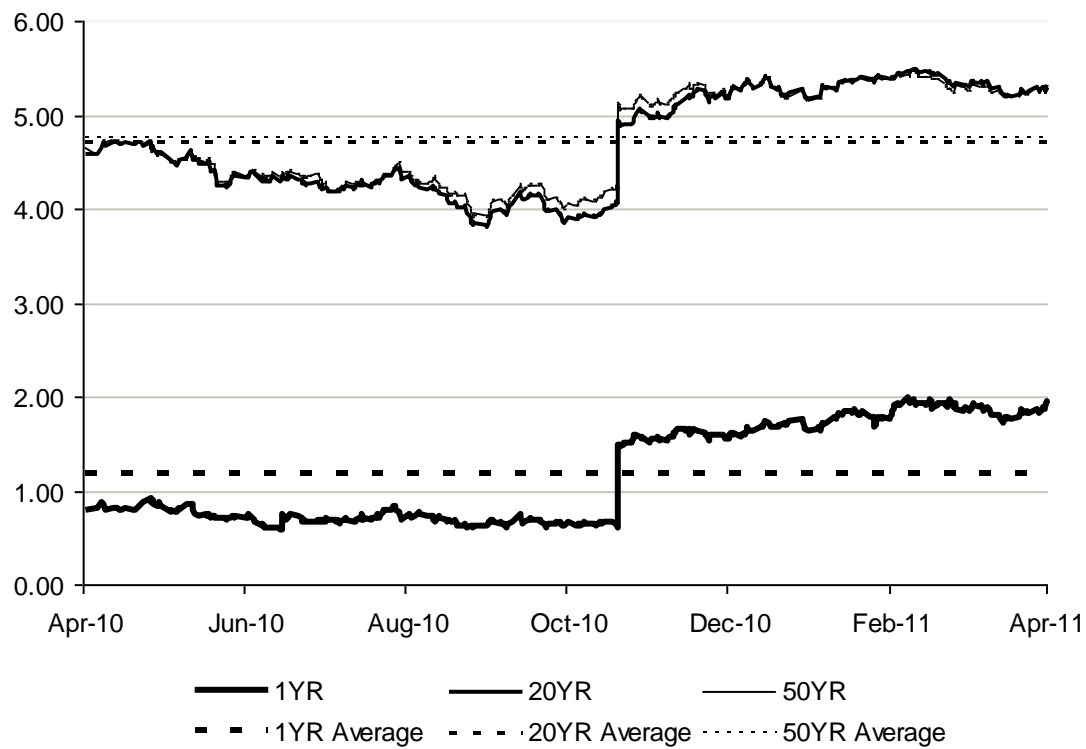
2.2 UK growth proved mixed over the year. The first half of the year saw the economy outperform expectations, although the economy slipped into negative territory in the final quarter of 2010 due to inclement weather conditions. The year finished with prospects for the UK economy being decidedly downbeat over the short to medium term while the Japanese disasters in March, and the Arab Spring, especially the crisis in Libya, caused an increase in world oil prices, which all combined to dampen international economic growth prospects.

- 2.3 The change in the UK political background was a major factor behind weaker domestic growth expectations. The new coalition Government struck an aggressive fiscal policy stance, evidenced through heavy spending cuts announced in the October Comprehensive Spending Review, and the lack of any “giveaway” in the March 2011 Budget. Although the main aim was to reduce the national debt burden to a sustainable level, the measures are also expected to act as a significant drag on growth.
- 2.4 Gilt yields fell for much of the first half of the year as financial markets drew considerable reassurance from the Government’s debt reduction plans, especially in light of Euro zone sovereign debt concerns. Expectations of further quantitative easing also helped to push yields to historic lows. However, this positive performance was mostly reversed in the closing months of 2010 as sentiment changed due to sharply rising inflation pressures. These were also expected (during February / March 2011) to cause the Monetary Policy Committee to start raising Bank Rate earlier than previously expected.
- 2.5 The developing Euro zone peripheral sovereign debt crisis caused considerable concerns in financial markets. First Greece (May), then Ireland (December), were forced to accept assistance from a combined EU/IMF rescue package. Subsequently, fears steadily grew about Portugal, although it managed to put off accepting assistance until after the year end. These worries caused international investors to seek safe havens in investing in non-Euro zone government bonds.
- 2.6 Deposit rates picked up modestly in the second half of the year as rising inflationary concerns, and strong first half growth, fed through to prospects of an earlier start to increases in Bank Rate. However, in March 2011, slowing actual growth, together with weak growth prospects, saw consensus expectations of the first UK rate rise move back from May to August 2011 despite high inflation. The disparity of expectations on domestic economic growth and inflation encouraged a wide range of views on the timing of the start of increases in Bank Rate in a band from May 2011 through to early 2013. This sharp disparity was also seen in MPC voting which, by year-end, had three members voting for a rise while others preferred to continue maintaining rates at ultra low levels.
- 2.7 Risk premiums were also a constant factor in raising money market deposit rates in periods beyond 3 months. Although market sentiment has improved, continued Euro zone concerns, and the significant funding issues still faced by many financial institutions, mean that investors remain cautious of longer-term commitment. The European Commission did try to address market concerns through a stress test of major financial institutions in July 2010. Although only a small minority of banks “failed” the test, investors were highly sceptical as to the robustness of the tests, as they also are over further tests now taking place with results due in mid-2011.
- 2.8 Charts 1 and 2 overleaf show movements since the start of 2010 in respect of investment returns and borrowing rates.

**Chart 1: Bank Rate v LIBID investment rates**



**Chart 2: Average v new borrowing rates**

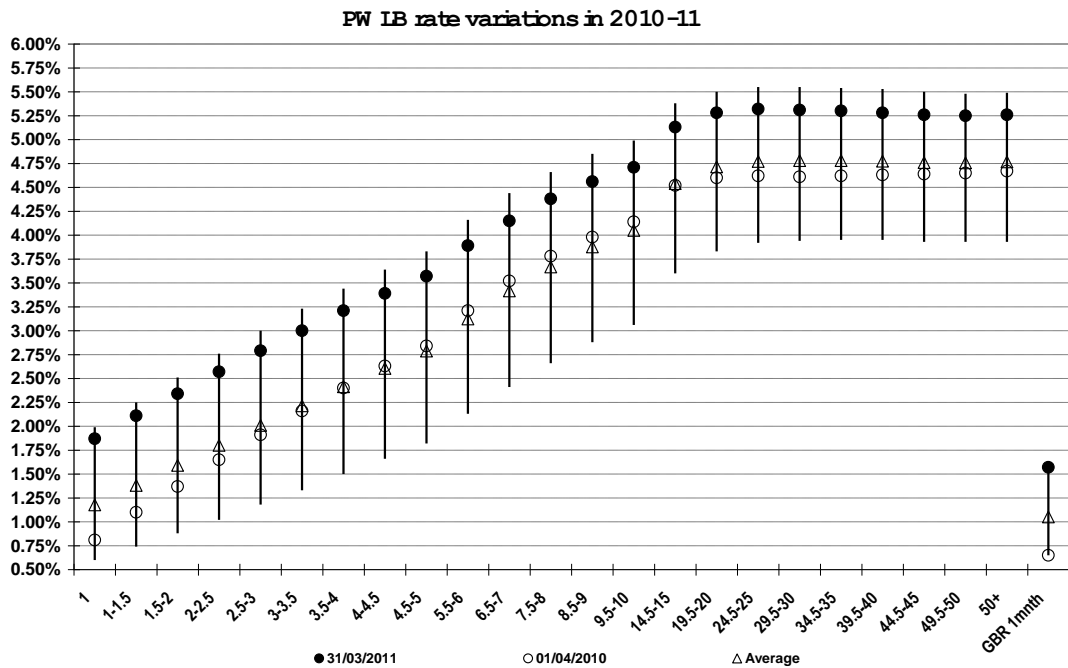




### 3. BORROWING

#### Public Works Loan Board (PWLB) borrowing rates 2010/2011

- 3.1 The graph and table for PWLB maturity rates below show, for a selection of maturity periods, the range (high and low points) in rates, the average rates and individual rates at the start and the end of the financial year.
- 3.2 Variations in most PWLB rates have been distorted by the October 2010 decision by the PWLB to raise its borrowing rates by about 0.75 – 0.85% e.g. if it had not been for this change, the 25 year PWLB at 31 March 2011 (5.32%) would have been only marginally higher than the position at 1 April 2010.



#### **PW IB BORROWING RATES 2010/11 for 1 to 50 years**

	1	15-2	25-3	35-4	45-5	95-10	245-25	495-50	1m onth variable
01/04/2010	0.810%	1.370%	1.910%	2.400%	2.840%	4.140%	4.620%	4.650%	0.650%
31/03/2011	1.870%	2.340%	2.790%	3.210%	3.570%	4.710%	5.320%	5.250%	1.570%
HIGH	1.990%	2.510%	3.000%	3.440%	3.830%	4.990%	5.550%	5.480%	1.570%
LOW	0.600%	0.880%	1.180%	1.500%	1.820%	3.060%	3.920%	3.930%	0.650%
Average	1.177%	1.590%	2.009%	2.413%	2.788%	4.050%	4.771%	4.756%	1.052%
Spread	1.390%	1.630%	1.820%	1.940%	2.010%	1.930%	1.630%	1.550%	0.920%
High date	07/02/2011	07/02/2011	07/02/2011	07/02/2011	09/02/2011	09/02/2011	09/02/2011	09/02/2011	07/03/2011
Low date	15/06/2010	12/10/2010	12/10/2010	12/10/2010	12/10/2010	31/08/2010	31/08/2010	31/08/2010	01/04/2010

## **DSFRA Borrowing Strategy**

### **Prudential Indicators:**

- 3.3 It is a statutory duty for the Authority to determine and keep under review the “Affordable Borrowing Limits”. The Authority’s approved Prudential Indicators (affordability limits) are outlined in the approved TMSS.
- 3.4 During the financial year DSFRA operated within the treasury limits and Prudential Indicators set out in the Authority’s annual Treasury Strategy Statement. The outturn for the Prudential Indicators is shown in Appendix A.

### **DSFRA Borrowing during and at the end of 2010/2011**

- 3.5 As at the end of March 2011, due to the overall financial position and the underlying need to borrow for capital purposes (the Capital Financing Requirement - CFR), external borrowing for the Authority of £3.000m was undertaken throughout the year at the rates shown in the table below.

<b>Summary of loan movements during 2010/2011</b>				
		Amount £m		
	<b>Value of loans outstanding as at 1/4/10</b>	<b>26.650</b>		
	Loans taken during 2010/2011			
Date of Loan	Type of loan		Life (Years)	Interest Rate
25/05/2010	Maturity	0.500	16.5	4.20%
25/05/2010	Maturity	0.500	33.5	4.29%
25/05/2010	Maturity	0.500	34.5	4.28%
25/05/2010	Maturity	0.500	35.5	4.29%
25/05/2010	Maturity	0.500	36.5	4.29%
25/05/2010	Maturity	0.500	49.5	4.29%
	Loans repaid during 2010/2011	(1.041)		
	Loans rescheduled during 2010/2011	0		
	<b>Total value of loans outstanding as at 31/3/2011</b>	<b>28.609</b>		

## **4. INVESTMENTS**

### **Investment rates in 2010/2011**

- 4.1 The tight monetary conditions following the 2008 financial crisis continued through 2010/11 with little material movement in the shorter term deposit rates. Bank Rate remained at its historical low of 0.5% throughout the year, although growing market expectations of the imminence of the start of monetary tightening saw 6 and 12 month rates picking up.

- 4.2 Overlaying the relatively poor investment returns was the continued counterparty concerns, most evident in the Euro zone sovereign debt crisis which resulted in rescue packages for Greece, Ireland and latterly Portugal. Concerns extended to the European banking industry with an initial stress testing of banks failing to calm counterparty fears, resulting in a second round of testing currently in train. This highlighted the ongoing need for caution in treasury investment activity. The table below indicates the highs and lows over varying investment periods during the last financial year.

	Overnight	7Day	1Month	3Month	6Month	1Year
01/04/2010	0.41%	0.41%	0.42%	0.52%	0.76%	1.19%
31/03/2011	0.44%	0.46%	0.50%	0.69%	1.00%	1.47%
High	0.44%	0.46%	0.50%	0.69%	1.00%	1.47%
Low	0.41%	0.41%	0.42%	0.52%	0.76%	1.19%
Average	0.43%	0.43%	0.45%	0.61%	0.90%	1.35%
Spread	0.03%	0.04%	0.07%	0.17%	0.24%	0.28%
High date	31/12/2010	30/03/2011	31/03/2011	31/03/2011	31/03/2011	31/03/2011
Low date	01/04/2010	01/04/2010	01/04/2010	01/04/2010	01/04/2010	01/04/2010

#### DSFRA Investment Strategy

- 4.3 The Authority's Annual Investment Strategy, which is incorporated in the Treasury Management Strategy Statement, outlines the Authority's investment priorities as follows:
- Security of Capital
  - Liquidity
- 4.4 The Authority will also aim to achieve the optimum return on investments commensurate with the proper levels of security and liquidity. In the current economic climate it is considered appropriate to keep investments short term, and only invest with highly credit rated financial institutions using the Sector suggested creditworthiness matrices, including Credit Default Swap (CDS) overlay information provided by Sector. In addition to this approach the Authority has the ability to use building societies under specified and non-specified investments.
- DSFRA Investments during and at the end of 2010/2011
- 4.5 No institutions in which investments were made during 2010/11 had any difficulty in repaying investments and interest in full during the year and the Authority had no liquidity difficulties.
- 4.6 A full list of investments held as at 31 March 2011 are shown in the table overleaf:

<b>Investments as at 31<sup>st</sup> March 2011</b>				
Counterparty	Maximum to be invested	Total amount invested	Call or Term	Interest rate(s)
	£m	£m		
Bank of Scotland	5.0	1.645	C	0.75%
		1.0	T	2.00%
Cater Allen	5.0	1.5	T	0.82%
		1.5	T	1.41%
Kent Reliance B/S	1.5	1.5	T	0.95%
Nottingham B/S	1.5	1.5	T	1.80%
Principality B/S	1.5	1.5	T	0.70%
West Bromwich B/S	1.5	1.5	T	0.75%
Total invested as at 31st March 2011		<b>11.645m</b>		

- 4.7 Funds available for investment are on a temporary basis, the level of which are dependent on the timing of precept payments, receipt of grants and progress on the Capital Programme.
- 4.8 As illustrated, the Authority outperformed the benchmark by 37 bp. The Authority's budgeted treasury investment income for 2010/11 was £0.070m against which £0.137m was achieved, exceeding the budget by £0.067m.

Benchmark	Average level of funds available for investment	Benchmark Return	Authority Performance	Investment Interest Earned
7 day	£15.174m	0.43%	0.80%	£137,407

## 5. SUMMARY

- 5.1 In compliance with the requirements of the CIPFA Code of Practice of Treasury Management, this report provides members with a summary report of the treasury management activities during 2010/2011. As is indicated in this report, none of the Prudential Indicators have been breached, and a prudent approach has been taken in relation to investment decisions taken during the year, with priority being given to liquidity and security over yield. Continued uncertainty in the aftermath of the 2008 financial crisis promoted a cautious approach, whereby investments continued to be dominated by risk considerations resulting in relatively low returns compared to borrowing rates. Despite this, the Authority achieved returns above the LIBID 7 day rate, which is the benchmark return for this type of short term investments.
- 5.2 The Authority's debt and investment position at the beginning and the end of the year was as follows:

<b>SUMMARY</b>	<b>31st March 2011 Principal</b>	<b>Rate/ Return</b>	<b>31st March 2010 Principal</b>	<b>Rate/ Return</b>
Fixed Rate Funding:				
-PWLB	£28.609m	4.219%	£26.651m	4.177%
<b>Total Debt</b>	<b>£28.609m</b>	<b>4.219%</b>	<b>£26.651m</b>	<b>4.177%</b>
Investments:				
-In-House	£11.645m	0.80%	£2.810m	0.91%
<b>Total Investments</b>	<b>£11.645m</b>	<b>0.80%</b>	<b>£2.810m</b>	<b>0.91%</b>

**KEVIN WOODWARD**  
Treasurer

**APPENDIX A TO REPORT DSFRA/11/14**

<b>PRUDENTIAL INDICATOR</b>	<b>2009/10 £m actual</b>	<b>2010/11 £m approved</b>	<b>2010/11 £m actual</b>
<b>Capital Expenditure</b>			
Non - HRA	9.707	7.539	3.466
HRA (applies only to housing authorities)	0	0	0
<b>TOTAL</b>	<b>9.707</b>	<b>7.539</b>	<b>3.466</b>
<b>Ratio of financing costs to net revenue stream</b>			
Non - HRA	3.21%	3.80%	4.01%
HRA (applies only to housing authorities)	0%	0%	0%
<b>Capital Financing Requirement as at 31 March (borrowing only)</b>			
Non – HRA	28.148	32.128	28.251
HRA (applies only to housing authorities)	0	0	0
<b>TOTAL</b>	<b>28.148</b>	<b>32.128</b>	<b>28.251</b>
<b>Annual change in Cap. Financing Requirement</b>			
Non – HRA	6.871	3.980	0.103
HRA (applies only to housing authorities)	0	0	0
<b>TOTAL</b>	<b>6.871</b>	<b>3.980</b>	<b>0.103</b>
<b>Incremental impact of capital investment decisions</b>	<b>£ p</b>	<b>£ p</b>	<b>£ p</b>
Increase/(decrease) in council tax (band D) per annum	(£1.02)	(£0.25)	£(0.25)
<b>TREASURY MANAGEMENT PRUDENTIAL INDICATORS</b>			
	<b>£m</b>	<b>£m</b>	<b>£m</b>
<b>Authorised Limit for external debt - borrowing</b>	36.628	40.488	40.488
other long term liabilities	0	0	0
<b>TOTAL</b>	<b>36.628</b>	<b>40.488</b>	<b>40.488</b>
<b>Operational Boundary for external debt - borrowing</b>	33.761	37.726	37.726
other long term liabilities	0	0	0
<b>TOTAL</b>	<b>33.761</b>	<b>37.726</b>	<b>37.726</b>

	Actual 31 <sup>st</sup> March 2011	upper limit %	lower limit %
Limits on borrowing at fixed interest rates	100%	100%	70%
Limits on borrowing at variable interest rates	0%	30%	0%
<b>Maturity structure of fixed rate borrowing during 2010/11</b>			
Under 12 months	3.51%	10%	0%
12 months and within 24 months	5.20%	15%	0%
24 months and within 5 years	9.62%	30%	0%
5 years and within 10 years	2.28%	50%	0%
10 years and above	79.39%	100%	50%



# DEVON & SOMERSET FIRE & RESCUE AUTHORITY

<b>REPORT REFERENCE NO.</b>	DSFRA/11/15
<b>MEETING</b>	DEVON & SOMERSET FIRE & RESCUE AUTHORITY (ORDINARY MEETING)
<b>DATE OF MEETING</b>	27 MAY 2011
<b>SUBJECT OF REPORT</b>	AUTHORITY APPROVED SCHEME OF MEMBERS ALLOWANCES – MILEAGE ALLOWANCE
<b>LEAD OFFICER</b>	Clerk to the Authority
<b>RECOMMENDATIONS</b>	<p>(a) <i>that, as provided for by the approved Scheme of Allowances and in line with the HM Revenues and Customs increase to the tax-exempt mileage rate, the Authority considers increasing the mileage rate allowance for the first 10,000 miles from the current rate of 40p per mile to 45p per mile;</i></p> <p>(b) <i>that, pending the decision at (a) above, the Clerk to the Authority be authorised to amend the approved Scheme of Allowances to reflect any new rate payable.</i></p>
<b>EXECUTIVE SUMMARY</b>	This report invites the Authority to reconsider, in accordance with its approved Scheme of Members Allowances, the rate per mile petrol allowance payable so as to align this with the new tax-exempt rate announced by HM Customs and Excise to operate from 1 April 2011.
<b>RESOURCE IMPLICATIONS</b>	The additional cost of any increase in the mileage rate allowance can be contained within the existing budget allocation.
<b>EQUALITY IMPACT ASSESSMENT</b>	Not applicable
<b>APPENDICES</b>	Nil.
<b>LIST OF BACKGROUND PAPERS</b>	<p>The Local Authorities (Members' Allowances)(England) Regulations 2003</p> <p>HM Revenue and Customs website.</p>

## **1 BACKGROUND**

- 1.1 The current regulations governing payment of Members' allowances require that the Scheme to operate for the next twelve months be approved prior to the commencement of the financial year in question. This Scheme should set out details of all allowances, including rates, payable.
- 1.2 In accordance with these regulations, the Authority approved the Scheme to operate for the 2011/12 financial year at its budget meeting on 14 February 2011 (Minute DSFRA/55 refers). This Scheme provides, amongst other things, for payment of a mileage allowance of 40p per mile for the first 10,000 miles claimed, this being the tax-exempt rate as set by HM Revenue and Customs at the time.

## **2. CURRENT POSITION AND PROPOSAL**

- 2.1 Since approval of the Scheme, HM Revenue and Customs has announced that, with effect from 1 April 2011, the tax-exempt rate per mile for the first 10,000 miles claimed should increase from 40p to 45p per mile. The Authority's approved Scheme of Allowances provides that "...travel allowances for use of cars shall be adjusted as and when required in line with guidance from the Inland Revenue".
- 2.2 Consequently, the Authority is invited to consider increasing the rate per mile payable for the first 10,000 miles from 40p to 45p per mile in line with the revised tax exempt rate as set by HM Revenue and Customs with effect from 1 April 2011.

## **3. FINANCIAL IMPLICATIONS**

- 3.1 The approved 2011/12 budget contains a total of £115,500 for Members Allowances, of which £15,500 is currently allocated for travel expenses. The total annual cost for travel claims, based upon 100% meeting attendance by each Member at a rate of 40p per mile, is estimated at £13,302. If the rate per mile was to increase to 45p per mile, then the estimated total annual cost (again, based on 100% meeting attendance by each Member) would be £14,965 – an increase of £1,663. This is still within the existing budget allocation. Additionally, it is unlikely that 100% attendance by each Member will be realised.

## **4. CONCLUSION**

- 4.1 The Authority is invited to consider the contents of this report with a view to increasing, in line with HM Revenue and Customs tax-exempt rate and in accordance with the approved Scheme of Allowances, the rate payable per mile from 40p to 45p for the first 10,000 miles with the associated costs being borne from the existing, approved budget for Members Allowances in 2011/12. Consequent upon this decision, the Authority is also asked to authorise the Clerk to make the necessary amendments to the Authority's approved Scheme to reflect any new rate payable.

**M PEARSON**  
**Clerk to the Authority**





# DEVON & SOMERSET FIRE & RESCUE AUTHORITY

<b>REPORT REFERENCE NO.</b>	DSFRA/11/
<b>MEETING</b>	<b>DEVON &amp; SOMERSET FIRE &amp; RESCUE AUTHORITY (Ordinary Meeting)</b>
<b>DATE OF MEETING</b>	<b>27 MAY 2011</b>
<b>SUBJECT OF REPORT</b>	<b>DEVON AND SOMERSET FIRE AND RESCUE SERVICE YEAR-END PERFORMANCE REPORT APRIL 2010 - MARCH 2011</b>
<b>LEAD OFFICER</b>	<b>DEPUTY CHIEF FIRE OFFICER</b>
<b>RECOMMENDATIONS</b>	<i>that the report be noted.</i>
<b>EXECUTIVE SUMMARY</b>	<p>Attached for your consideration and discussion is the Performance Report April 2010 - March 2011 for Devon and Somerset Fire and Rescue Service.</p> <p>The report looks at a summary of performance and progress against the Corporate Plan Goals, Activities and Targets for 2010/11.</p> <p>This report was also submitted to the meeting of the Audit and Performance Review Committee held on 12 May 2011.</p>
<b>FINANCIAL IMPLICATIONS</b>	None
<b>APPENDICES</b>	<p>Annex 1 – Guide to understanding the Performance Report.</p> <p>Devon and Somerset Fire and Rescue Authority Performance Report, April 2010 - March 2011.</p>
<b>LIST OF BACKGROUND PAPERS</b>	Devon and Somerset Fire and Rescue Authority Corporate Plan 2010/11 – 2012/13

**Guide to understanding the Performance reports**

Much of the new performance report now comes directly from our Performance Information Management System (PIMS), which is now being widely used within the service to access performance information and effectively manage performance.

**Top level summary of performance against the Corporate Plan's Goals, Targets and Activities:**

The Corporate Targets, some of which are the former Best Value Performance Indicators (BVPs), are shown in summary tables. For each Target, the following information is presented:

Measure name  
Rate = Number per 10,000 Dwellings

Direction of Travel shows the numbers of fires within each month over the past 24 months to show trends, spikes and direction of travel.

Arrow showing required direction of performance

Goal 1 - Targets	April 2010 - June 2010 (Year to Date)				Direction of Travel
	Actual	Target	% Change Target	Previous Year	
Rate Accidental Dwelling Fires (per dwelling) 	3.4	3.5	-2.9%	4.0	
# Accidental Dwelling Fires	248	257	-3.5%	285	

Measure name  
# = Number

- Actual** = shows cumulative performance from April to June 2010
- Target** = shows cumulative target from April to June 2010
- % Change Target** = percentage change from Actual to Target
- Performance here is given a Red, Amber, or Green rating.
  - Red shows performance that is more than 10% below target.
  - Amber shows performance is 10% within target.
  - Green shows performance which has achieved or exceeded
- Previous Year** = shows cumulative performance from April to June 2009