

M. Pearson  
CLERK TO THE AUTHORITY

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

**SERVICE HEADQUARTERS  
THE KNOWLE  
CLYST ST GEORGE  
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Our ref :  
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Date : 21 September 2011  
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## **DEVON & SOMERSET FIRE & RESCUE AUTHORITY**

**Thursday 29 September 2011**

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

M. Pearson  
Clerk to the Authority

### **AGENDA**

1. **Apologies**
2. **Minutes** of the meeting of the Authority held on 29 July 2011 attached (Page 1).
3. **Items Requiring Urgent Attention**  
Items which, in the opinion of the Chair, should be considered at the meeting as matters of urgency.
4. **Declarations of Interest**  
Members are asked to consider whether they have any **personal/personal and prejudicial interests** in items as set out on the agenda for this meeting and declare any such interests at this time. *Please refer to the Note 2 at the end of this agenda for guidance on interests.*

### **PART 1 – OPEN COMMITTEE**

5. **Questions and Petitions 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 Monday 26 September 2011.**

6. **Address by the Fire Brigades Union**

In accordance with Standing Order 13, the Fire Brigades Union will address the Authority meeting on the following issues:

- the draft Corporate Plan 2012/13 to 2014/15 (see agenda item 9 below);
- Service Improvement Plans; and
- the potential for forthcoming industrial action.

7. **Questions from Members of the Authority**

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

8. **Minutes of Committees, Working Parties Etc.**

(a) **Audit and Performance Review Committee**

The Chair of the Committee, Councillor Dyke, to **MOVE** the Minutes of the meeting of the Committee held on 27 July 2011 attached (Page 8).

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

(b) **Community Safety and Corporate Planning Committee**

The Chair of the Committee, Councillor Leaves, to **MOVE** the Minutes of the meeting of the Committee held on 31 August 2011 attached (Page 12).

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

(c) **Commercial Services Committee**

The Chair of the Committee, Councillor Healey, to **MOVE** the Minutes of the meeting of the Committee held on 2 September 2011 attached (Page 15).

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

9. **Devon & Somerset Fire & Rescue Authority Draft Corporate Plan 2012/13 to 2014/15**

Report of the Chief Fire Officer (DSFRA/11/23) attached (Page 17)

10. **Department for Communities and Local Government (CLG) Funding Consultation Papers on the Local Government Resource Review and Distribution of Fire Capital Grant**

Report of the Treasurer to the Authority (DSFRA/11/24) attached (Page 20)

11. **Appointment of Chairman to the Local Government Association (LGA) Fire Services Management Committee**

Report of the Clerk to the Authority (DSFRA/11/25) attached (Page 28)

12. **Chairman's Announcements**

13. **Chief Fire Officer's Announcements**

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

14. Nil

**MEMBERS ARE REQUESTED TO SIGN THE ATTENDANCE REGISTER**

Membership:-

Councillors Healey(Chair), Boyd (Vice Chair), Bakewell MBE, Bown, Brooksbank, Burrige-Clayton, Cann, Drean, Dyke, Eastman, Foggin, Fry, Gordon, Gribble, Horsfall, Hughes OBE, Leaves, Mills, Radford, Randall Johnson, Smith, Way, Woodman, Wright and Yeomans

## **NOTES**

### **1. ACCESS TO INFORMATION**

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

### **2. DECLARATIONS OF INTERESTS BY MEMBERS**

#### ***What Interests do I need to declare in a meeting?***

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

#### ***What is a personal interest?***

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

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

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

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

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

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

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

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

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

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

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

#### ***What is a prejudicial interest?***

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

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

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

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

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

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

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

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

# DEVON & SOMERSET FIRE & RESCUE AUTHORITY

29 July 2011

## Present:-

Councillors Healey (Chairman), Bakewell MBE, Bown, Boyd, Brooksbank, Cann, Dyke, Eastman, Foggin, Gordon, Gribble, Horsfall, Leaves, Mills, Radford, Randall Johnson, Smith, Way, Woodman, Wright and Yeomans

## Apologies:-

Councillors Burrige-Clayton, Drean, Fry and Hughes OBE.

### **DSFRA/19. Minutes**

**RESOLVED** that the Minutes of the Annual and Ordinary Meetings of the Authority held on 27 May 2011 be signed as correct records.

### **DSFRA/20. Minutes of Committees, Working Parties Etc.**

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

The Chairman of the Committee, Councillor Cann, **MOVED** the Minutes of the meeting of the Committee held on 17 June 2011 which has considered, amongst other things:

- a report providing an overview of union arrangements for the Devon & Somerset Fire & Rescue Service;
- an update report on the Working Time Directive “opt out” clause which was to be debated further by the European Union in November of this year;
- a report on absence levels within the Service and measures being taken to manage these; and
- emerging industrial relations issues.

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

#### **(b) Community Safety and Corporate Planning Committee**

The Chairman of the Committee, Councillor Leaves, **MOVED** the Minutes of the meeting of the Committee held on 7 July 2011 which had considered, amongst other things:

- an update report on the implementation of specialist rescue facilities by the Devon & Somerset Fire & Rescue Service (the Service);
- a presentation on work being undertaken by the Service in relation to its enforcement activities under the Regulatory Reform (Fire Safety) Order 2005.

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

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

The Chairman of the Committee, Councillor Gordon, **MOVED** the Minutes of the meeting of the Committee held on 22 July 2011 which had considered, amongst other things:

- a report on the Authority’s performance against its approved Treasury Management Strategy for the first quarter of the current (2011/12) financial year; and
- a monitoring report on expenditure against the approved revenue and capital budgets for the current (2011/12) financial year and on performance against agreed financial targets for that year.

The Minutes also highlighted the requirement, in accordance with Financial Regulations, for the Authority to approve a virement to facilitate the purchase of “middleware” technology (business process modelling and systems integration hardware and software) which would be key in supporting the Authority’s approved change and improvement programme. Financial provision had been approved for the project in revenue funding but the purchase would also involve capital expenditure hence the virement requirement.

**RESOLVED**

(i) that, to facilitate the purchase of “middleware”, approval be given to:

(A) the following virement in accordance with Financial Regulations

	<b>Budget From £000</b>	<b>Budget To £000</b>
Equipment and Furniture	(180,000)	
Revenue Contribution to Capital Spending		180,000

(B) an increase in the 2011/12 capital programme (fleet and equipment) of £180,000 to be funded from the above contribution from revenue

(ii) that, subject to (i) above and in accordance with Standing Orders, the Minutes be adopted.

**DSFRA/21. Commercial Services Governance and Management**

The Authority considered a report of the Chief Fire Officer (DSFRA/11/18) on progress to date to establish commercial trading opportunities for the Devon & Somerset Fire & Rescue Service (the Service) as one measure to help safeguard front-line service delivery in light of the anticipated reduction in central government funding for the Authority.

It was now considered timely that trading activities should be undertaken through the established vehicle – Red One Ltd – but this would require a number of governance issues to be addressed (such as revisions to the Articles of Association of the Company; establishment of an oversight committee etc.) as set out in the report. These issues would, in turn, have implications for the Authority’s approved Scheme of Members Allowances. These implications were also outlined in the report.

In relation to the proposed introduction of a Special Responsibility Allowance for Members serving on any Commercial Services Committee that may be established, Councillor Boyd **MOVED** (and Councillor Woodman seconded):

“that a Special Responsibility Allowance (SRA) of 1.5 times the current basic allowance should be payable to Members appointed to serve on the Commercial Services Committee and that the approved Scheme of Allowances be amended to indicate that, exceptionally and for this Committee only, this SRA should be additional to any other SRA that may be payable by virtue of appointment.”

This was put to the vote upon which it was **CARRIED** by a majority present and voting.

Councillor Yeomans subsequently **MOVED** (and Councillor Dyke seconded):

“that the additional SRA of 1.5 times the current basic allowance attracting by virtue of membership of the Commercial Services Committee only be payable in the event of Red One Ltd. making a profit and from the profit so made.”

Councillor Smith **MOVED** (with Councillor Mills seconding) that the motion proposed by Councillor Yeomans be **AMENDED** to read as follows:

“that funding of the additional SRA of 1.5 times the current basic allowance attracting by virtue of membership of the Commercial Services Committee in any given financial year be met from income generated from commercial trading (in accordance with the relevant Regulations) and not from the taxpayer.”

The amendment was put to the vote and **CARRIED** by a majority present and voting.

Councillor Randall Johnson then **MOVED** (with Councillor Boyd seconding):

“that the approved Scheme of Members allowances be amended to reflect that, exceptionally and in relation to the Commercial Services Committee only, multiple Special Responsibility Allowances be payable”

The motion was put to the vote upon which it was **CARRIED** by a majority present and voting.

Thereafter, it was

#### **RESOLVED**

- (a) that a Commercial Services Committee be established with the following Members appointed to the Committee until the Annual Meeting of the Authority in 2012:  
Councillors Boyd, Dyke, Gribble, Healey, Mills, Randall Johnson and Smith
- (b) that the draft Terms of Reference for the Committee as set out at Appendix A to report DSFRA/11/18 be approved;
- (c) that it be noted at this stage that amendments may be required to the Terms of Reference in light of the work to be completed in relation to the Business Plan, the agreement between the Authority and the Company and revisions to the Articles of the Company;



- (d) that, subject to (e) below, a Special Responsibility Allowance (SRA) of 1.5 times the basic allowance per annum be payable to Members appointed to serve on the Commercial Services Committee;
- (e) that funding of the additional SRA in any given financial year be met from income generated from commercial trading (in accordance with the relevant Regulations) and not from the taxpayer;
- (f) that the Clerk be authorised:
  - (i) to amend the approved Scheme of Members Allowances to reflect introduction of the new SRA and to indicate that, exceptionally, this SRA will be payable in addition to any other that may attract by virtue of relevant appointment; and
  - (ii) in accordance with the relevant Regulations, to advertise in local newspapers the above revisions to the approved Scheme of Members Allowances;
- (g) that further reports on:
  - (i) the business case for trading in the current (2011/12) financial year;
  - (ii) the contract to exist between the Authority and Red One; and
  - (iii) revised Articles of Association for Red One
 be submitted to a future meeting of the Authority;
- (h) that it be noted that, for the 2011/12 financial year, staffing costs associated with the operation of Red One Ltd and other operating costs will initially be met from the approved budgets for Service staffing and the ring-fenced budget for change and improvement initiatives but with the objective that these costs be recovered in due course from trading activities.

***(NOTE: In accordance with Standing Order 25(3):***

- ***Councillors Foggin and Way requested that their abstentions in relation to the decision recorded at (a) and (b) above be recorded;***
- ***Councillors Bakewell, Foggin, Way and Yeomans requested that their votes against the decisions recorded at (d) and (f)(i) above be recorded).***

**DSFRA/22. Emergency Response Standards: Non-Domestic Fires and Entrapments (Excluding Road Traffic Collisions)**

The Authority considered a report of the Director of Service Support (DSFRA/11/19) on the proposed introduction of local, risk-based, emergency response standards for non-domestic fires and entrapments (excluding road traffic collisions). The proposed standards had been developed by reference to the work undertaken in establishing appropriate standards house fires and road traffic collisions. The approved Corporate Plan 2010/11 – 2012/13 set out, amongst other things, the intention to pilot the standards and, pending the outcome of the pilot, move to formal adoption.

The report detailed the outcome of the pilot (which had run from 1 April 2010 to 31 March 2011) which had proven very positive in terms of comparing performance of the new standards against performance secured under the existing standards.

Adoption of these standards would complete the introduction of local, risk-based, emergency response standards.

## **RESOLVED**

- (a) that the outcome of the extended pilot into proposed emergency response standards for non-domestic premises and entrapments (excluding road traffic collisions), as set out in Section 4 of report DSFRA/11/19, be noted;
- (b) that, in light of the outcome of the extended pilot:
  - (i) the emergency response standard for non-domestic premises as set out in Section 2 of the report (and based on the attendance of the first fire appliance within 10 minutes for the reactive standard) be formally adopted; and
  - (ii) that the emergency response standard for entrapments (excluding road traffic collisions) as set out in Section 3 of this report (and based on the attendance of the first fire appliance within 15 minutes) be adopted.

### **DSFRA/23. Fire Control Consolidation**

The Authority received for information a report of the Director of Service Delivery (DSFRA/11/20) on progress to date in seeking to provide a consolidated control room function for the Devon & Somerset Fire & Rescue Service (the Service). The establishment of a consolidated function was driven by a number of factors including:

- cessation of the former, national, Regional Control Centre project (FiReControl);
- the need for the Service to vacate its Somerset-based control facility at Hestercombe House by October 2012; and
- the need to redevelop mobilising systems over the medium term.

The report outlined considerations being taken into account including operational procedures and staffing models for a new fire control, which would be secured without compulsory redundancies and in discussion with affected staff. It was envisaged that consolidation, once secured, would ultimately realise significant financial savings and provide a solid base to develop a fit for purpose control centre that could, in time, present opportunities for income generation.

### **DSFRA/24. Chief Fire Officer's Announcements**

The Chief Fire Officer reported, with regret, on two deaths as a result of fire that had occurred since the last Authority meeting:

- a 60 year old male in Taunton. Contributory factors included alcohol and smoking materials. The Service had no prior knowledge of the individual and it was considered the death, while tragic, could not have been prevented;
- an 82 year old woman in the Plymouth area as a result of a rapidly-developing chip pan fire. The accommodation was fitted with smoke alarms – several failed although one did actuate.

The Chief Fire Officer commented that, historically, deaths from fires were at a twenty-year low and that the Service record in this area was excellent given the population served (circa 1.8million people, rising by 20% or more in summer). Nonetheless, the Service would continue to progress its targeted prevention activities with view to eliminating deaths from fire entirely.

**DSFRA/25. Chairman's Announcements**

The Chairman circulated a list of activities undertaken on behalf of the Authority since its last meeting. In particular, he drew attention to:

- Attendance at a meeting with John Ransford (Chief Executive of the Local Government Group) to discuss, amongst other things, the potential for this Authority to be represented on the Fire Services Management Committee; and
- attendance on Saturday 23 July 2011 at the opening of the new Weymouth Community Fire Station. In this respect, the Chairman also reminded Members of the proposed visit to the Weymouth Community Fire Station in the afternoon of Wednesday 28 September 2011 to enable Members to meet with their counterparts on the Dorset Fire & Rescue Authority as part of the closer working initiative with that authority.

**DSFRA/26. Exclusion of the Press and Public**

**RESOLVED** that, in accordance with Section 100A(4) of the Local Government Act 1972 the press and public were excluded from the meeting for the following items of business on the grounds that they involved the likely disclosure of exempt information as defined:

- for Minute DSFRA/27, in Paragraphs 1, 2 and 3 of Part 1 of Schedule 12A (as amended) to the Act, namely information relating individuals, from which individuals might be identified and to the financial and business affairs of those individuals; and
- for Minute DSFRA/28, in Paragraph 3 of Part 1 of Schedule 12A (as amended) to the Local Government Act 1972, namely the business affairs of the Authority.

**DSFRA/27. Senior Management Board - Further Considerations**

(An item taken in accordance with Section 100A(4) of the Local Government Act 1972 during which the press and public were excluded).

The Authority considered a report of the Chief Fire Officer (DSFRA/11/21) on proposals to address outstanding issues relating to the restructure of the Senior Management Board undertaken in December 2009.

**RESOLVED** that the recommendations as set out in report DSFRA/11/21 be approved and Councillors Boyd, Cann, Gordon, Healey and Randall Johnson appointed to the Panel so established to progress this matter and make recommendations as appropriate to the full Authority.

**DSFRA/28. Business Continuity Considerations**

(An item taken in accordance with Section 100A(4) of the Local Government Act 1972 during which the press and public were excluded).

The Authority received for information a report of the Director of Service Support (DSFRA/11/22) on arrangements to secure business continuity in the event of a service-disruption event. The report addressed a range of issues including the legal view of the obligations of the Authority in the event of a business continuity event.

The meeting started at 10.00hours and finished at 13.10hours.

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

**27 July 2011**

Present:-

Councillors Burridge-Clayton, Dyke, Healey (vice Gribble), Mills, Radford, Way and Woodman (vice Drean).

Apologies:-

Councillors Drean and Gribble.

**\*APRC/1. Election of Chair**

**RESOLVED** that Councillor Dyke be elected Chair of the Committee until the first meeting after the Annual General Meeting of the Authority in 2012.

**\*APRC/2. Minutes**

**RESOLVED** that the Minutes of the meeting held on 12 May 2011 be signed as a correct record.

**\*APRC/3. 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/4. Election of Vice Chair**

**RESOLVED** that Councillor Way be elected Vice Chair of the Committee until the first meeting after the Annual General Meeting of the Authority in 2012.

**\*APRC/5. Performance Report: April to May 2011**

The Committee received for information a report of the Deputy Chief Fire Officer (APRC/11/7) that set out a summary of the Service's performance for the period April to May 2011 compared against the new Corporate Measures and Strategic Principles as contained within the Corporate Plan for 2011/12 to 2013/14.

The Deputy Chief Fire Officer referred to the new measures and commented that these had been instigated to make the performance data easier to understand.

- **Strategic Principle 1: Work with people, communities and businesses to make Devon and Somerset a safer place to live, work and visit:**
  - Measure 1: Deaths which occur as a result of fire in the places where people live ;

- Measure 2: Injuries which occur as a result of fire in the places where people live;
- Measure 3: Incidents which occur as a result of fire in the places where people live;
- Measure 4: Deaths which occur as a result of fire in the places where people work and visit;
- Measure 5: Injuries which occur as a result of fire in the places where people work and visit;
- Measure 6: Incidents which occur as a result of fire in the places where people work and visit.
- **Strategic Principle 2: Respond to local, regional & national emergencies with the appropriate skills & resources**
  - Measure 7: Occasions where our response standards are met – 1<sup>st</sup> attendance in 10 minutes for dwelling fires;
  - Measure 8: Occasions where our response standards are met – 1<sup>st</sup> attendance in 15 minutes for RTCs;
  - Measure 9: a publicly available and current Local Community Plan for each station.
- **Strategic Principle 3: Work hard to be an excellent organisation**
  - Measure 10: EFQM assessment score;
  - Measure 11: Staff survey results.

The Data Analyst responsible for performance advised the Committee that the emphasis on the performance measures had been changed to simplify the reporting process although the statistics in terms of the number of incidents per 10,000 of population would continue to be used for comparative purposes with other fire and rescue services. In view of the fact that this was the first meeting of the Committee since the new measures had been introduced, a full overview of the position was given for the benefit of Members.

The Deputy Chief Fire Officer commented that the progress made to date in 2011 had been pleasing but it was still early in the year. There had been notable examples of good performance, however, in areas such as the measures in terms of places in which people lived, where a downward trend in fire deaths was being maintained and the number of incidents overall had decreased year on year since April 2007. The Committee noted that further reports would be submitted to the Committee at regular intervals.

**\*APRC/6. Audit & Review Progress Report 2011/12 - Quarter 1**

The Committee received for information a report of the Deputy Chief Fire Officer (APRC/11/8) that set out the progress made against the approved Audit & Review Plan for 2011/12.

The Audit and Review Manager reported that, although 3 audits had been undertaken to date, namely Health & Safety (HSE expectations), Hydrant Management and Democratic Services, the reports and the assurance statements had not been completed as yet. Reference was made to additional work that had been undertaken by the Audit & Review team including, amongst others, the assessment for the Operational Assessment for the Department for Communities and Local Government (CLG) and work involved in preparation for the European Framework for Quality Management (EFQM) assessment.

The Committee noted that the Team had undertaken a follow up audit in respect of Sickness Absence Management and that as a result, the 2011/12 assurance statement for this had been upgraded to “good standard”.

**\*APRC/7. Audit Progress Report**

The Committee received for information an Audit Progress Summary (to 13 July 2011), as prepared by the Audit Commission. The summary report gave an overview of the work being carried out by the Audit Commission, including:

- Interim audit 2010/11;
- Value for money conclusion work 2010/11;
- Financial statements audit 2010/11.

**\*APRC/8. Draft Statement of Accounts 2010/11**

The Committee received for information a report of the Treasurer (APRC/11/9) that set out details of the significant changes that had been required in respect of the new International Financial Reporting Standards (IFRS) both to the structure and contents of the Authority’s Statement of Accounts for 2010/11. The Committee also received a copy of the draft Statement of Accounts for 2010/11 that took account of the changes made to comply with the new standards.

The Treasurer advised that an externally recruited IFRS specialist had been released from the project in June 2011 following performance failures relating to compliance with agreed deadlines. This had resulted in significant pressure on the Authority’s Finance Team during June 2011 to recover the position and to ensure the provision of a draft set of Accounts within the deadline of 30 June 2011. This had been achieved and was commended by the Committee. The Audit Commission had advised the Authority that their initial audit work had already identified some errors or omissions to the Accounts which would need to be amended before the final Statement of Accounts for 2010/11 was approved by the Committee in September 2011.

The Treasurer gave a presentation to the Committee in respect of the significant changes made, which involved the inclusion of statements in respect of:

- Employee Benefits;
- Capital Grant Receipts;
- Leases, and:
- Private Finance Initiative(s) (PFI).

The Committee noted that, in previous years, the relevant Regulations required that draft accounts had to be approved by 30 June, with final audited accounts approved by 30 September. The Regulations had changed this year, however, and now only require approval of the final, audited accounts by 30 September. This was of particular significance in 2011/12 given the introduction of IFRS and the problems that had been experienced as outlined above.

The Treasurer advised that the Accounts would be audited prior to approval by the Committee at its meeting in September 2011 in conjunction with an Annual Governance Statement.

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

The meeting started at 11.00 hours and finished at 12.45hours



**COMMUNITY SAFETY AND CORPORATE PLANNING COMMITTEE**  
(Devon and Somerset Fire and Rescue Authority)

**31 August 2011**

Present:-

Councillors Leaves (Chairman), Brooksbank, Eastman, Foggin, Fry, and Woodman

Apologies:-

Councillor Healey

**\*CSCP/8.        Minutes**

**RESOLVED** that the Minutes of the meeting held on 7 July 2011 be signed as a correct record.

**\*CSCP/9.        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.

**\*CSCP/10.      Fire Control Issues**

The Committee received for information an update given by the Director of Service Support which highlighted progress being made with the instigation of a long-term solution for Fire Control following cessation of the Regional Control Centre project.

The Director of Service Support advised the Committee that there were three areas of work being progressed currently as follows:

- Consolidation of the Somerset and Devon Control rooms;
- Development of an outline plan for rebuilding the Control room at Service Headquarters; and,
- Collaboration with Dorset, Hampshire and Wiltshire Fire & Rescue Services on the possibility of a combined procurement of a new Fire Control Solution to deliver a degree of regional resilience, albeit that each Service would retain its own Control Room.

The Committee noted that it was intended to facilitate the move of Somerset Control to Devon by 31 March 2012 as a result of the cost of new licences for existing software. This would also allow sufficient time for repairs at Hestercombe House before expiration of the lease in October 2012.

An outline plan was being drawn up for a rebuild of the Control Room at Devon to accommodate staff. All options were being considered to provide a facility that was fit for purpose for the future.

In relation to the collaborative working with Dorset, Hampshire and Wiltshire Fire & Rescue Services, it was reported that the Government had indicated that it would make available funding in the region of £1.8m per Service for fire control projects, a proportion of which would be required to finalise the FireLink project. The government had also indicated that sums in excess of £1.8m may be available albeit that successful bids for this would be those where appropriate resilience and a degree of future proofing were demonstrated.

**\*CSCP/11. Performance Against Community Safety Targets**

The Committee received for information a presentation given by the Head of Community Safety which highlighted, amongst others, the following key points with respect to the level of performance against Community Safety targets:

- That a recent survey had demonstrated that 92% of the public were satisfied with the Service they received, 5% were neither satisfied or dissatisfied and 3% were dissatisfied;
- That the number of fire safety audits being completed had reduced and the number of fire safety checks had increased;
- That the organisation had started targeting at risk groups for home fire safety checks to ensure resources were being used as effectively as they could;
- That community action days had exceeded the targets set by the Service by over 100%;
- That community safety engagement with community groups was proving valuable: a programme of talks for newly released prisoners had begun and was demonstrating a high level of return;
- That the Community Safety vehicles purchased to further engagement with young people had excelled on a number of recent occasions including engagement with over 180 people at a Tesco's car park in Shepton Mallett where young people took their vehicles on weekends; and,
- That changes to the National Curriculum had made it more difficult to influence Schools Education Programmes so the organisation had been developing a number of e-learning packages to give schools ownership to deliver training when it was most convenient to them.

The Head of Community Safety also gave an overview of recent Community Safety initiatives which included:

- Direct involvement in the development of the South West Guide for Localism; and,
- Devon and Somerset are seen as leaders for participatory budgeting within the FRS.

**\*CSCP/12. Prevention Targeting**

The Committee received for information a report of the Director of Service Support (CSCP/11/4) that gave an overview of some of the methodologies used by Devon and Somerset Fire and Rescue Service to target Community Safety Activity.

A demonstration of Experian Mosaic (Public Sector) was provided which highlighted following key points:

- That the system used data from 755,000 households which was profiled into 69 household types with 15 groups for each household;
- That a profile was available for each household type providing information on the types of lives led by these households; and,
- That the information provided had enabled the Service to identify the household types which were at higher risk than others, and, further to this, had identified the households in which an incident was more likely to occur.

A discussion was held over the way data such as this could be interpreted and it was noted that monthly data from partners had already demonstrated a huge reduction in the risk level of properties which had been identified early.

Members of the Committee requested that copies of the presentation given together with a copy of the Local Community Plan for their area be provided in due course.

**\*CSCP/13. Local Community Plans**

The Committee received for information a report of the Chief Fire Officer (CSCP/11/5) which set out the way Local Community Plans were to be used by the organisation to help with the identification and delivery of activities to reduce risk and improve safety.

The Project and Planning Manager gave a presentation that covered how the data from the Experian Mosaic (Public Sector) system could be interpreted for inclusion in Local Community Plans (LCPs) and advised that a new target in the Corporate Plan 2011/12 was that LCPs would be used for the budget setting process with a view to ensuring the right level of resources were in the right place at the right time. Additionally, the presentation covered the level of detail included in LCPs such as prevention and protection profiles and reactive risk maps of Station areas.

**NB. Minute \*CSCPC/12 above also refers.**

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

The meeting started at 10.00hours and finished at 11.50hours.

**COMMERCIAL SERVICES COMMITTEE**  
(Devon and Somerset Fire and Rescue Authority)

**2 September 2011**

Present:-

Councillors Boyd, Dyke, Gribble, Healey, Mills, Randall Johnson and Smith

**\*CSC/1. Election of Chair**

**RESOLVED** that Councillor Healey be appointed Chair of the Committee until the first meeting after the Annual General Meeting of the Authority in May 2012.

**\*CSC/2. 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 declare any such interests at this time.

No interests were declared.

**\*CSC/3. Election of Vice Chair**

**RESOLVED** that Councillor Boyd be appointed Vice Chair of the Committee until the first meeting after the Annual General Meeting of the Authority in May 2012.

**\*CSC/4. Terms of Reference for the Committee**

The Committee received for information Terms of Reference as approved by the Devon and Somerset Fire and Rescue Authority at its meeting on 29 July 2011.

**\*CSC/5. Future Workplan for the Commercial Services Committee**

The Committee received for information a report of the Director of People and Organisational Development (CSC/11/1) that set out an indicative work programme for the Committee for the forthcoming year.

**\*CSC/6. Exclusion of the Press and Public**

**RESOLVED** that, in accordance with Section 100A(4) of the Local Government Act 1972 the press and public be excluded from the meeting for the following items of business on the grounds that it involved the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A (as amended) of the Local Government Act 1972, namely information relating to the financial or business affairs of any particular person (including the Authority holding the information).

**\*CSC/7. Current Workstreams**

(An item taken in accordance with Section 100A (4) of the Local Government Act 1972 during consideration of which the press and public were excluded from the meeting).

The Committee received for information a presentation given by the Director of People and Organisational Development that covered the work currently being undertaken by the Service with FALCK and additionally, through the new Training Academies which had been set up.

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

The meeting started at 10.00hours and finished at 11.20hours.



# DEVON & SOMERSET FIRE & RESCUE AUTHORITY

<b>REPORT REFERENCE NO.</b>	DSFRA/11/23
<b>MEETING</b>	DEVON & SOMERSET FIRE & RESCUE AUTHORITY
<b>DATE OF MEETING</b>	29 SEPTEMBER 2011
<b>SUBJECT OF REPORT</b>	DEVON & SOMERSET FIRE & RESCUE AUTHORITY DRAFT CORPORATE PLAN 2012/13 TO 2014/15
<b>LEAD OFFICER</b>	Chief Fire Officer
<b>RECOMMENDATIONS</b>	<p>(a) <i>That the Draft Corporate Plan 2012/13 to 2014/15 and associated Consultation Document, as set out at Appendices A and B respectively to this report, be approved for consultation purposes;</i></p> <p>(b) <i>that the associated engagement plan for consultation as set out in Section 3 of this report and to include a 12 week consultation period (to run from Monday, 3 October 2011 to Tuesday 3 January 2012) be approved;</i></p> <p>(c) <i>that the outcome of the consultation, together with appropriate recommendations, be submitted to the full Authority meeting scheduled for 17 February 2012;</i></p> <p>(d) <i>that the progress made regarding progress on last year's plan be noted.</i></p>
<b>EXECUTIVE SUMMARY</b>	This report presents the Draft Corporate Plan 2012/13 to 2014/15. The plan incorporates a proposal to amend the existing response to automatic fire alarm calls for domestic and non-domestic (non-residential) properties during working hours. Supporting the draft plan is the proposed approach for engaging key stakeholders.
<b>RESOURCE IMPLICATIONS</b>	Consultation costs will be met from the existing Corporate Planning budget.
<b>EQUALITY IMPACT ASSESSMENT</b>	An initial assessment has not revealed any equality and diversity issues so significant as to warrant a full impact assessment.
<b>APPENDICES</b>	<p>A. Draft Corporate Plan 2012/13 to 2014/15 (enclosed with the agenda for this meeting and page numbered separately)</p> <p>B. Public consultation document containing details of the proposal (enclosed with the agenda for this meeting and page numbered separately)</p>
<b>LIST OF BACKGROUND PAPERS</b>	

## **1. BACKGROUND**

- 1.1 It is recognised that this draft Corporate Plan is presented to the Authority only a few months after it approved the current 2011/12 Corporate Plan at the end of May 2011. The Authority will be aware that the reason for the short time period between last year's plan and this one is due to the fact that the Comprehensive Spending Review (CSR) was not announced until December 2010, and that plans needed to be framed within the wider context of the CSR announcement. As a two year grant settlement was announced in December, this year's corporate planning process can now resume its usual timeframe.
- 1.2 We do not know what the expected settlement will be for 2013/14 and 2014/15 and as such, our focus remains on meeting the projected budget shortfall for this Authority of between and £3million and £7million.

## **2. DRAFT CORPORATE PLAN 2011/12 TO 2013/14**

- 2.1 The draft Corporate Plan incorporates the requirement to produce a publicly available Integrated Risk Management Plan (IRMP) covering at least a three year time span.
- 2.2 The Corporate Plan, whilst meeting the requirements of Integrated Risk Management Planning, also incorporates the Service's aspirations for organisational excellence. The content of the draft Corporate Plan 2012/13 to 2014/15, as set out at Appendix A to this report (enclosed with the agenda for this meeting and page numbered separately), is therefore constructed around delivering improvement whilst remaining focused on achieving the significant savings required by 2014.
- 2.3 The plan is presented in a new, more concise, style to make it more reader friendly. Its structure is based on the framework of the three strategic principles established in the organisational strategy 'Towards 2014'.
- 2.4 The previous Corporate Plan was not printed in order to contribute towards our budget savings target. This approach will continue this year and the plan will be available electronically through the internet and intranet.
- 2.5 The draft Corporate Plan also outlines the progress we are making in those areas previously agreed by the Fire Authority.

## **3. CONSULTATION PLAN**

- 3.1 The focus of consultation for the draft Corporate Plan 2012/13 to 2014/15 is a proposal to amend the existing Automatic Fire Alarm (AFA) response policy for domestic and some non-domestic (non-residential) properties. At present, 95% of all calls made by Automatic Fire Alarms Systems are false alarms. If agreed, the amended policy will ensure that our fire engines are available more often to deal with real emergencies as they will not be attending as many automatic fire alarms, the vast majority of which are false alarms. This will also reduce the risk to road users through us making fewer vehicle movements and, in addition, it will ensure that more time is available to train our staff as well as conduct safety related visits. We will continue to attend any automatic fire alarm we receive from high risk premises and as would be expected, we will send the appropriate number of fire engines to respond to any call made by a person (rather than an automatic system – of which a large proportion are false alarms).

- 3.2 Due to the content of the automatic fire alarm proposal, we will invite views from businesses in the Service area, Chambers of Commerce and other representative organisations. It is proposed that focus groups be held in several locations in Devon and Somerset to discuss the proposal in more depth with those likely to be most affected and we will continue to give guidance to occupiers as to prevent unwanted calls from being received.
- 3.3 This proposal is presented in more detail in a separate draft consultation document set out as Appendix B to this report (enclosed with the agenda for this meeting and page numbered separately).
- 3.4 The public and interested parties will be invited to comment on any aspect of our draft Corporate Plan as well as the specific automatic fire alarm proposal. Comments and completed questionnaires will be accepted by email, fax, post and over the telephone to the Consultation Officer. The documents, with various accessibility options will be available online through our website where the online questionnaire and Equality Impact Risk Assessments will also be found.
- 3.5 If the Authority approves the draft Corporate Plan 2012/13 to 2014/15 and separate consultation document, the consultation period will commence on Monday 3 October 2011 and will run for thirteen weeks ending Tuesday 3 January 2012. The results of the consultation will be reported to the Authority at its meeting on 17 February 2012.

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



# DEVON & SOMERSET FIRE & RESCUE AUTHORITY



<b>REPORT REFERENCE NO.</b>	<b>DSFRA/11/24</b>
<b>MEETING</b>	<b>DEVON &amp; SOMERSET FIRE &amp; RESCUE AUTHORITY</b>
<b>DATE OF MEETING</b>	<b>29 SEPTEMBER 2011</b>
<b>SUBJECT OF REPORT</b>	<b>DEPARTMENT FOR COMMUNITIES AND LOCAL GOVERNMENT (CLG) FUNDING CONSULTATION PAPERS ON THE LOCAL GOVERNMENT RESOURCE REVIEW AND DISTRIBUTION OF FIRE CAPITAL GRANT</b>
<b>LEAD OFFICER</b>	<b>Treasurer to the Authority</b>
<b>RECOMMENDATIONS</b>	<b><i>That publication by the Department for Communities and Local Government (CLG) of the two documents relating to funding issues be noted and the Resources Committee delegated to approve, at its meeting on 19 October 2011, a response on behalf of the Authority to the documents.</i></b>
<b>EXECUTIVE SUMMARY</b>	<p>The Department for Communities and Local Government (CLG) has recently published two funding consultation documents, each of which will have a significant impact to future funding streams of the Authority.</p> <p>The first consultation relates to the <i>Local Government Resource Review</i>, which makes proposals to radically change the way local authorities are funded from 2013-14. The proposed new system will allow local authorities to retain local business rates collected, rather than the current system whereby business rates are paid to the government and then redistributed by way of formula grant. This consultation period runs until the 24 October 2011.</p> <p>The second consultation is a Fire specific issue, <i>Distribution of Fire Capital Grant</i>, which makes proposals for the distribution of £210m of Fire Capital Grant (£70m per annum over the next three years from 2012-13) amongst fire and rescue authorities. This consultation runs until the 21 October 2011.</p> <p>It is proposed that formal responses to both consultations are drafted by the Treasurer in time for consideration and approval at the next meeting of Resources Committee, to be held on 19 October 2011.</p>

<b>RESOURCE IMPLICATIONS</b>	Whilst the proposals within the consultation papers clearly have significant financial consequences for the Authority, there are no financial issues apparent in providing a response to the consultations.
<b>EQUALITY IMPACT ASSESSMENT</b>	There are no differential impacts on any particular section of the Community arising from this report.
<b>APPENDICES</b>	A. <i>Local Government Resource Review: Proposals for Business Rates Retention – A Plain English Guide.</i>
<b>LIST OF BACKGROUND PAPERS</b>	Full consultation papers are available: <a href="http://www.communities.gov.uk/publications/localgovernment/resourcereview/businessrates">www.communities.gov.uk/publications/localgovernment/resourcereview/businessrates</a> <a href="http://www.communities.gov.uk/documents/fire/pdf/1986537.pdf">www.communities.gov.uk/documents/fire/pdf/1986537.pdf</a>

## **1. INTRODUCTION**

- 1.1 The Department for Communities and Local Government (CLG) has recently published two funding consultation documents, each of which will have a significant impact on future funding streams for the Authority.
- 1.2 The first consultation relates to the *Local Government Resource Review*, which makes proposals to radically change the way local authorities are funded from 2013-14. The new proposed system will allow local authorities to retain local business rates collected, rather than the current system whereby business rates are paid to the government and then redistributed by way of formula grant.
- 1.3 The second consultation is a Fire specific issue, *Distribution of Fire Capital Grant*, which makes proposals for the distribution of £210m of Fire Capital Grant (£70m per annum over the next three years from 2012-13) amongst fire and rescue authorities.
- 1.4 Given the significance of both issues the Authority will no doubt wish to respond to both consultations. It is proposed that formal responses to both consultations are drafted by the Treasurer in time for consideration and approval at the next meeting of Resources Committee, to be held on the 19 October 2011.

## **2. LOCAL GOVERNMENT RESOURCE REVIEW**

- 2.1 The CLG published a consultation paper on 18 July 2011 which outlined proposals for the local retention of business rates from 2013-2014. The paper outlined the principles of the approach and suggested some questions that Authorities might like to consider. A summary document *Local Government Resource Review: Proposals for Business Rates Retention – A Plain English Guide* is attached to this report as Appendix A.
- 2.2 On 19 August eight technical papers were published to supplement the original consultation paper, which included a number of technical questions around the operation of the new system.
- Existing Arrangements***
- 2.3 At present, businesses pay National Non-Domestic Rates (NNDR), also known as business rates, based on a calculation involving the notional market rental value of their premises multiplied by 43.3% (although the actual rate is expressed as 43.3p in the pound). It is the responsibility of Central Government to set the multiplier rate. NNDR is collected by councils, pooled nationally and then redistributed as a part of Government funding of local authorities according to a complex formula. In total some £19bn a year is collected in business rates from over 1.7m properties with a rateable value.
- 2.4 The Devon & Somerset Fire & Rescue Authority (DSFRA) currently receives 59% of its funding (£44m) from Council Tax and 41% (£31m) from Government grant. This latter figure is further analysed into £7m of revenue support grant and £24m of redistributed NNDR.
- 2.5 In the consultation paper, the Government argues that this arrangement creates a disconnect between the success of the local economy and council finances, which distorts the way that local authorities behave. The paper also highlights the significant influence that Council's can have on economic growth through planning, investment in local infrastructure, managing the local environment and supporting the private sector.

### ***Proposals for New System***

2.6 There are seven components of the proposed scheme:

- (a) *Setting the Baseline* - The Government will set out a baseline position in 2013-14 for each local authority.
- (b) *Setting Tariffs or Top-ups* - Authorities whose business rates income is higher than their baseline would pay the difference to Government as a 'tariff'. Those whose business rates are less than their baseline would receive the balance as a 'top-up'.
- (c) *The Incentive Effect* - From 'year one', all local authorities would stand to benefit from retaining increases in business rates. This would provide an incentive for Councils to engage with businesses in their area to maximise growth.
- (d) *Disproportionate Benefit* - The Government proposes to collect a levy from those Councils with the highest business rate income.
- (e) *Revaluation* - The tariff and top-up for each local authority would be adjusted when business rates are revalued, so that the sum of top-ups and tariffs was the same as before revaluation.
- (f) *Resetting the System* - The Government may decide that a fixed period for resetting the underlying tariffs and top-ups is necessary i.e. reset the baseline, or to keep the incentives in the 'system' for longer, it may not.
- (g) *Pooling* - The Government proposes that local authorities could come together voluntarily to form a pool; the pool would be treated as a unit in the system, with a single tariff and top-up and a single levy. Pools would decide for themselves how they distribute business rate growth amongst their members. The Government is keen to encourage pooling.

### ***Police and Fire Authorities***

2.7 In the original consultation paper, it was proposed that Police and Fire Authorities should, for 2013-14 and 2014-15, be funded without being impacted by the business rates retention scheme. This would mean that total funding for Police and Fire would be at the levels set in the 2010 Comprehensive Spending Review, but beyond that there will be a full review of future funding arrangements.

2.8 However, in technical paper 3, published in August, the Government proposes that all county fire authorities should be funded through retained business rates plus, where appropriate, any top up funding from Government. The paper then asks whether single-purpose fire authorities (such as ourselves) should also be funded through business rates? Of the total of ninety six specific questions included in the consultation document, the questions in technical paper 3, around how single-purpose fire authorities are to be treated, are probably of most interest to this Authority.

### **3. DISTRIBUTION OF FIRE CAPITAL GRANT**

3.1 Capital grant was a new, un-ringfenced, funding stream in the Comprehensive Spending Review 2007 (from 2009-10) for fire and rescue authorities and was distributed in part according to population levels. This funding was introduced following the end of Private Finance Initiative funding. This is the only capital funding stream that is continuing. It increased from £45m per annum to £70m per annum in 2011-12.

- 3.2 The funding for 2011/12 was distributed by allocation of a fixed sum to every authority with the balance distributed according to population. For example, £500k baseline for every fire and rescue authority and the rest divided by population, bar the Isles of Scilly which received £75k. Based on this formula the Devon & Somerset Fire & Rescue Authority has been allocated a capital grant for 2011-12 of £2.021m.
- 3.3 Capital Grant funding is intended to be used to drive efficiency savings in the fire and rescue service at a time when there are significant cuts in resource funding. The funding is designed to help fire and rescue authorities to make the efficiency changes they need in order to live within their spending review allocation from 2013 onwards, when the largest portion of the reductions will apply.
- Proposed option***
- 3.4 CLG is seeking views on a proposal to distribute future funding based on a combination of:
- An efficiency fund, administered via a bidding process, and
  - A pro-rata distribution using current distribution method.
- 3.5 The rationale behind this approach is to introduce a two-track system whereby a portion of the grant is distributed to provide some continuity to the sector, and put in place a competitive bidding process to drive efficiencies. The consultation asks seven specific questions around the split between the two elements, and how the bidding process will operate.

#### **4. SUMMARY AND RECOMMENDATIONS**

- 4.1 This report provides an overview of the proposals contained in two recent CLG consultations concerning future funding issues, which have significant impact to the future funding of the Authority.
- 4.2 The Treasurer will prepare draft responses on behalf of the Authority to both consultations in time for submission to the CLG within the deadlines. Given that there is not a further meeting of the Authority before the deadline dates, it is recommended that consideration and approval of those responses be delegated to the meeting of Resources Committee to be held on the 19 October 2011.

**KEVIN WOODWARD**  
**Treasurer to the Authority**

## **Local Government Resource Review: Proposals for Business Rates Retention**

### **A Plain English Guide**

#### **What are we changing and why?**

At the moment, local councils receive their funding from three main sources: grants from central government; council tax; and other locally generated income (such as fees and charges for services). Britain's local government finance system is one of the most centralised in the world and our councils get more than half of their income from central government grant.

Central government grants can be received as 'specific grants', which can come with restrictions on what they can be spent on, or through 'formula grant', which has no restrictions and can be used by the authority for any purpose. The formula grant funds a wide range of local services, including children's services, adult social services, police, fire, and highways maintenance, and is distributed to all local authorities using a complex formula.

One of the main components of formula grant is National Non-Domestic Rates, commonly known as business rates. Business rates are collected by local authorities from businesses in their areas like shops, offices, warehouses and factories, but they are currently paid into a central pool to be redistributed as part of formula grant.

This system means that local authorities do not have any financial incentive to promote business growth in their area, as they will not receive any of the business rates receipts from new development.

This dependence on central government funding also means there is a greater incentive to design services in order to secure government funding, rather than to respond to local communities' needs or align spending with citizens' service preferences; councils may feel they can generate better results for their area by lobbying government for more resources or demonstrating their need, rather than driving cost efficiencies or investing in local growth.

The Government wants to change the current system by enabling councils to keep a share of the growth in business rates in their area. This will make councils more financially independent from central government and give them a strong incentive to promote local business growth.

We are not proposing to make any changes to the way businesses pay tax or the way the tax is set. Rate setting powers will remain under the control of central government.

Councils can already raise additional revenues from the rating system through a Business Rate Supplement in order to fund a specific project which promotes economic development, or they can encourage Business Improvement Districts to form – where businesses themselves agree to pay an additional amount to fund improvements in the area. In both these examples there are protections for businesses. There must be a referendum of local businesses before a Business Improvement District forms and the Localism Bill is changing the law so that the same applies for any Business Rate Supplement proposal, rather than a ballot of businesses happening only when certain criteria are met. The Localism Bill is also amending the law to allow councils to introduce local business rates discounts, funded by the council.

There will be no changes to the existing reliefs available to eligible business ratepayers including small businesses, charities, rural businesses, sports clubs and the voluntary sector.

## **Our proposals for change**

If we allowed all councils to keep all of the business rates generated in their areas, some areas would have a much larger amount than they need to deliver their services whilst some others would have much less than they need.

So, to ensure a fair starting position for the new system, we will take an amount of business rates away from those with too large an amount in comparison to their current spending (this is referred to as the “tariff” in the consultation document) and top up those authorities with too little, again in comparison to their current spending (this is referred to as the “top up” in the consultation document).

In future years the amount of business rates that central government gives or takes from each local authority will remain fixed. This means that any growth in business rates an authority achieves will be kept by them. This creates a strong incentive effect to promote growth.

There would be no fixed limit on the amount of business rates growth an authority can benefit from under the new system. The more any authority grows its business rates base, the better off it will become.

However, some local authorities with large amounts of business property in their area and may stand to gain disproportionate amounts. Where this happens, we are proposing to take back a share of their growth (this is referred to as the “levy” in the consultation document).

We are proposing to use the proceeds of this to give financial help to those authorities who experience significant drops in business rates, for example caused by the closure or relocation of a major business. We are also proposing to protect those authorities who are less able to grow. Depending on the amounts raised, the proceeds could also be redistributed to authorities with lower growth, or fund schemes, for example, for regeneration, in areas with high growth potential.

In the future, the Government may judge that the level of a number of councils’ business rates no longer meet changing pressures on local services. In this situation, we could choose to ‘reset’ the fixed amounts of business rates that were either taken from councils with too high levels of business rates or given to those with too low levels. This would probably involve a new assessment of local authorities’ need.

The whole system could also work for groups of councils working together, for example those in local enterprise partnerships or districts and counties, who want to form voluntary groups, allowing them to collaborate to promote growth and share in the benefits.

## **What do these proposals mean in practice?**

**Members of the general public** will find their local council’s budget is more strongly linked to local business growth. In general terms, the more new business premises are developed in your area, the more funding (outside of council tax, fees and charges) your local council will have to provide local services and investment, as well as having positive impacts on employment and the local economy more widely. The proposals include protections to ensure that local authorities are able to meet local service needs in their area.

**Business rates payers** see no change in the way in which their business rates bills are calculated. The Government is not proposing to change the way that properties are valued or business rates levels are set. However, it should mean that the rates you pay have more impact on local authority budgets in your local area, and that your local authority has more incentive to work closely with the Valuation Office Agency to ensure that all businesses in your area have their properties valued correctly and are paying the right amount of tax.

**Developers** will find local authorities have greater incentives to grant planning permissions for appropriately-sited and well-planned non-residential development and go for growth. This is especially true of new renewable energy projects that start paying business rates from year one of the system, as councils would keep all of the business rates paid by such projects. Local authorities would also be able to choose to borrow against future growth in business rates, through Tax Increment Financing schemes, to help fund the provision of infrastructure.

**Billing authorities** (district councils, unitary authorities) still bill and collect business rates, as now. But instead of contributing all business rates into the central pool and receiving formula grant, under these proposals, some of your business rates would be retained locally. Your baseline level of funding would be set so that at the start of the system, your budget is equivalent to what it would have been under the current system. From then on your funding would grow if the business rates base in your area grows, but could fall if your business rate base declines. You are likely to want to respond to the consultation, and/or feed into wider responses from representative organisations.

**County councils** will receive a share of business rates revenues from the districts in your area (and a top up from other areas if relevant), rather than receiving formula grant. Your baseline level of funding would be set so that at the start of the system your budget is equivalent to what it would have been under the current system. From

then on, your funding would grow if the business rates base in your area grows, but could fall if your business rates base declines. You will want to consider with your districts, and possibly neighbouring areas/your local enterprise partnership, whether you could form a pool to make decisions about the distribution of funding locally. You are likely to want to respond to the consultation, and/or feed into wider responses from representative organisations.

**The police and fire sectors** will receive the level of funding for 2013-14 and 2014-15 that was agreed as part of the 2010 Spending Review. Your funding will therefore not be affected by fluctuations in business rates in your area. The way in which you are funded will be fully reviewed in time for changes to be made at the next Spending Review, from 2015-16. You might want to respond to this consultation.

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# DEVON & SOMERSET FIRE & RESCUE AUTHORITY

<b>REPORT REFERENCE NO.</b>	DSFRA/11/25
<b>MEETING</b>	DEVON & SOMERSET FIRE & RESCUE AUTHORITY
<b>DATE OF MEETING</b>	29 SEPTEMBER 2011
<b>SUBJECT OF REPORT</b>	APPOINTMENT OF CHAIRMAN TO THE LOCAL GOVERNMENT ASSOCIATION FIRE SERVICES MANAGEMENT COMMITTEE
<b>LEAD OFFICER</b>	Clerk to the Authority
<b>RECOMMENDATIONS</b>	<p><i>(a) That the Devon &amp; Somerset Fire &amp; Rescue Authority approved Scheme of Members Allowances be revised to facilitate the payment of travel and subsistence expenses associated with attendance at meetings of the Local Government Association (LGA) Fire Services Management Committee; and</i></p> <p><i>(b) That the appointment of the Authority Chairman to the LGA Fire Services Management Committee be noted.</i></p>
<b>EXECUTIVE SUMMARY</b>	This report informs the Authority of the appointment of the Chairman, Councillor Mark Healey, to the Local Government Association (LGA) Fire Services Management Committee and the consequential requirement for a minor amendment to the Authority approved Scheme of Members Allowances.
<b>RESOURCE IMPLICATIONS</b>	Costs associated with attendance by the Chairman at LGA Fire Services Management Committee meetings will be contained from within the overall approved budget for Members Allowances.
<b>EQUALITY IMPACT ASSESSMENT</b>	Not applicable
<b>APPENDICES</b>	Nil.
<b>LIST OF BACKGROUND PAPERS</b>	Nil.

- 1.1 The Chairman of the Authority, Councillor Mark Healey, has been appointed to the Local Government Association (LGA) Fire Services Management Committee. Appointments to this Committee are administered directly by the political groups on the LGA.
- 1.2 This is a significant appointment for the Authority as the Fire Services Management Committee's role is to represent, as a Local Government Group body, the views and concerns of the fire community in relation to the fire services modernisation agenda, ensuring that local circumstances have a voice in the national context. The Committee also takes the lead on all other day-to-day issues (e.g. technical 2020 or operational matters) affecting fire authorities.
- 1.3 Member authorities of the LGA are expected to meet the travel and subsistence costs associated with attendance by their Members at meetings of the Fire Services Management Committee. The costs associated with attendance by the Chairman at LGA Fire Services Management Committee meetings will be met from the overall budget approved for Members allowances, although a minor revision to the current approved Scheme of Members Allowances will be required to facilitate payment.

**MIKE PEARSON**  
**Clerk to the Authority**