

# DEVON & SOMERSET FIRE & RESCUE AUTHORITY

(Budget Meeting)

17 February 2012

## Present:-

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

## Apologies:-

Councillor Foggin, Leaves and Way

### **DSFRA/66. Minutes**

**RESOLVED** that the Minutes of the meeting of the Authority held on 16 December 2011 be signed as a correct record.

### **DSFRA/67. Declarations of Interest**

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

At this stage Councillor Woodman declared a personal but not prejudicial interest in the item at Minute DSFRA/72 (Review of the Devon & Somerset Fire & Rescue Authority Scheme of Members Allowances) by virtue of his being the Authority-appointed Director on the board of South West Fire Control Ltd., the local authority controlled company established to exercise overall governance responsibility for the South West Regional Control Centre proposed under the now defunct national initiative.

**(SEE ALSO MINUTE DSFRA/72 BELOW)**

### **DSFRA/68. Addresses by Representative Bodies**

The Authority received an address from the Fire Brigades Union on:

- the current position in relation to the Government's proposals to reform the Firefighters Pensions Scheme. The Executive Council of the Union had rejected the Heads of Agreement advanced by the Government and had commenced a three-week consultation on whether or not to ballot for industrial action; and
- a wish to see greater transparency in the public reporting of Service performance against its approved attendance standards.

### **DSFRA/69. Minutes of Committees, Working Parties Etc.**

#### **(a) Commercial Services Committee**

The Chair of the Committee, Councillor Healey, **MOVED** the Minutes of the meetings of the Committee held on 5 January and 2 February 2012 which had considered, amongst other things:

#### ***5 January 2012***

- the first iteration of both a draft commercial services business case and a business plan;

- an update on Training Academy business; and
- an update on current commercial leads.

***2 February 2012***

- an urgent item on governance issues;
- an update on commercial leads; and
- an update on the proposed Falck partnership

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

***(SEE ALSO MINUTE DSFRA/74 BELOW).***

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

The Chair of the Committee, Councillor Leaves, **MOVED** the Minutes of the meeting of the Committee held on 12 January 2012 which had considered, amongst other things:

- a presentation giving an overview of community safety activities; and
- a report on the proposed Hinkley Point C development.

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

**(c) Human Resources Management and Development Committee**

The Chair of the Committee, Councillor Cann, **MOVED** the Minutes of the meeting of the Committee held on 23 January 2012 which had considered, amongst other things:

- a report on absence management and the health of the organisation;
- a report on the outcome of the Part-time Workers Regulations Employment Tribunal in relation to staff conditioned to the retained duty system and the implications of this for the Service;
- a report on strategic workforce planning; and
- a proposed review of the redundancy multiplier.

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

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

The Vice-Chair of the Committee, Councillor Way, **MOVED** the Minutes of the meeting of the Committee held on 1 February 2012 which had considered, amongst other things:

- a report setting out the performance of the Service during April to November 2011 inclusive against those targets contained in the approved Corporate Plan 2011/12 to 2013/14;
- a report on progress made during the third quarter of 2011/12 on internal audits as scheduled within the approved plan for the current financial year; and
- an update report on Audit Commission activities in relation to the Authority and including a summary of the Commission's findings on the audit of the Authority's 2010/11 accounts.

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

**(e) Resources Committee**

The Chair of the Committee, Councillor Gordon, **MOVED** the Minutes of the meeting of the Committee held on 3 February 2012 which had considered, amongst other things:

- a report on Authority's performance, to December 2011, against its approved Treasury Management Strategy for the current (2011/12) financial year;
- a report on Authority performance for the third quarter of the current financial year against agreed financial targets for the year and detailing the monitoring position in relation to the approved revenue and capital budgets;
- a report on the proposed 2012/13 revenue budget and council tax levels; and
- a report on the proposed Capital Programme 2012/13 to 2014/15.

The Clerk also drew attention to Minute RC/16 (Financial Performance Report 2011/12 – Quarter 3). This set out, amongst other things, details of a virement which, because of the amount involved, required full Authority approval in accordance with its Financial Regulations.

**RESOLVED**

- (i) that, in accordance with Financial Regulations, the virement recommended at Minute RC/16 (Financial Performance Report 2011/12 – Quarter 3) and set out in the table below be approved:

<b>Budget Line</b>	<b>From £m</b>	<b>To £m</b>	<b>Reason</b>
Capital Charges (Table 2 Line 25)	(0.250)		It is estimated that savings of £0.292m will be achieved against the capital charges budget as a result of slippage in capital spending and savings on leasing costs. It is proposed that of this sum an amount of £0.250m is used as direct revenue funding to capital spending in 2011-12, therefore reducing our external borrowing requirement by the same amount.
Revenue Contribution to Capital Spending (Table 2 Line 27)		0.250	
Non uniformed staff (Table 2 Line 4)	(0.172)		The 2011/12 budget was set with a vacancy margin of £0.425m against the wholetime uniformed line. This virement realigns the budget to reflect that element relating to non-uniformed staff.
Wholetime uniformed staff (Table 2 line 1)		0.172	

- (ii) that the recommendations at Minutes RC/17 (2012/13 Revenue Budget and Council Tax Levels) and RC/18 (Capital Programme 2012/13 to 2014/2015) be considered in conjunction with the items recorded at Minutes DSFRA/71(c) and DSFRA/71(a), respectively, below

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

***(SEE ALSO MINUTES DSFRA/71(a) and (c) BELOW)***

**DSFRA/70. Results and Recommendations Arising from Consultation on the Devon & Somerset Fire & Rescue Authority Corporate Plan 2012/13 to 2014/15 and a Proposal to Amend the Response to Automatic Fire Alarm (AFA) Calls**

The Authority considered a report of the Chief Fire Officer (DSFRA/12/1) summarising the outcome of the recently-held consultation on the Authority's draft Corporate Plan 2012/13 to 2014/15 and setting out recommendations arising therefrom. Appended to the report (and circulated separately with the agenda for the meeting) were documents setting out greater detail on the consultation and particularly on the outcome of the proposed modification to the policy for responding to repeated calls from automatic fire alarm systems (AFAs).

In general, only a limited response had been received to the draft Corporate Plan as a whole, relating in the main to a desire for greater clarification and transparency on the integration of the Authority's Integrated Risk Management Plan (IRMP) in the Authority's Corporate Plan and in making performance information on prevention, protection and response activities more easily accessible to the public. The remaining responses addressed the proposed change in AFA response policy, with the majority of respondents agreeing with the proposed change to the response to both domestic and non-domestic AFAs.

In relation to non-domestic AFAs, however, while the proposed change was in the main supported it was not proposed to implement it at this point in time as it was felt there was a need to provide more information and guidance to businesses to give them an opportunity to reduce unwanted calls to the fire and rescue service prior to a non-attendance policy being implemented. Additionally, it was considered that the existing arrangements already approved by the Authority and the rigorous application of the Chief Fire Officers' Association (CFOA) protocol would assist the reduction of false alarms. If these arrangements did not prove to be effective, a subsequent paper would be submitted to a future Authority meeting to amend the policy in line with the proposal consulted on and using the results of this consultation as evidence supporting its implementation.

**RESOLVED** that the outcome of the consultation on the Draft Corporate Plan 2012/13 to 2014/15 be noted and that, arising from the consultation:

- (a) the Corporate Plan 2012/13 to 2014/15 be approved, subject to:
  - (i). clarification that it incorporates and integrates Integrated Risk Management Planning requirements; and
  - (ii). that performance information relating to Service prevention, protection and response activities and demonstrating how outcomes in these areas support approved Corporate Plan objectives be made more easily accessible to the public;
- (b) that the domestic element of the Automatic Fire Alarms (AFA) proposal, as outlined in the consultation document, be implemented;
- (c) that the proposed change the response to non-domestic (non-residential) automatic fire alarm calls, as outlined in the consultation document, be not implemented at this time for the reasons as indicated above; and

- (d) that the existing policy for managing down non-domestic AFAs be amended to provide for full cost recovery as introduced by the Localism Act 2011 and as previously approved (subject to the provisions in the Localism Act being enacted) by the Authority, following public consultation, at its meeting on 27 May 2011 (Minute DSFRA/11 refers) – this amendment to apply to all non-domestic properties in the Service area.

**DSFRA/71. Revenue and Capital Budgets 2012/13**

**(a) Capital Programme 2012/13 To 2014/15**

The Authority considered a report of the Chief Fire Officer and Treasurer (DSFRA/12/2) to which was appended the report submitted to the meeting of the Resources Committee held on 3 February 2012 and setting out the proposed Authority Capital Programme 2012/13 to 2014/15.

Capital expenditure remained an issue for this Authority given the size of its property portfolio and associated, growing maintenance obligations. The position had been exacerbated by reductions in central fire funding as contained in the Comprehensive Spending Review. As such, the Capital Programme now put forward recognised the implications of the current position by maintaining expenditure within limits albeit that certain projects and opportunities had been revised accordingly.

The Resources Committee had at its meeting resolved to commend the report and the recommendations therein to the Authority for approval.

**RESOLVED**

- (a) that, in accordance with Financial Regulations, a contribution of £1.850m from the 2012/13 revenue budget to part-fund the 2012/13 Capital Programme be approved;
- (b) that, consequent to (a) above, the Capital Programme as detailed in report RC/12/4 (as submitted to the meeting of the Resources Committee held on 3 February 2012) and outlined in Appendix A to these Minutes be approved.

***(SEE ALSO MINUTE DSFRA/69(e) ABOVE AND DSFRA/71(b) BELOW)***

**(b) Treasury Management Strategy (Including Prudential and Treasury Indicators 2012/13 To 2014/15)**

The Authority considered a report of the Treasurer (DSFRA/12/3) setting out, amongst other things:

- a treasury management and investment strategy for 2012/13, with associated indicators;
- Prudential Indicators associated with the proposed Capital Programme 2012/13 to 2014/15; and
- a Minimum Revenue Provision Statement for 2012/13.

The Authority was required by law to set a balanced budget. The Local Government Act 2003 and supporting regulations, specifically, required the Authority to establish its treasury strategy for borrowing and its policies for managing its investments (giving priority to the security and liquidity of those investments).

The Treasurer also drew attention to the most recent (2011) Treasury Management Code issued by the Chartered Institute for Public Finance Accountancy (CIPFA) which the Authority was required to “have regard to”. This had, amongst other things, removed the requirement to have regard to the “lowest” credit ratings from certain specified credit rating agencies (e.g. Fitch).

With the removal of this lowest common denominator, the Authority would now be able to secure a balanced approach to investment decisions based upon both the historical method of the colour matrix information provided by its Treasury Management Advisor (Sector) and on additional information available locally. It was proposed, however, that to provide an appropriate safeguard all non-specified investments (i.e. investments for greater than one year OR not as recommended by Sector) should be limited to an overall total maximum of £2million during the 2012/13 financial year.

**RESOLVED**

- (i). that the Treasury Management and Annual Investment Strategy as set out in report DSFRA/12/3 be approved;
- (ii). that the Prudential Indicators associated with the Capital Programme and the Treasury Management Strategy as detailed in the report and summarised in Appendix A to these Minutes be approved;
- (iii). that the Minimum Revenue Provision (MRP) Statement 2012/13 as set out in the report and as contained in Appendix B to these Minutes be approved;
- (iv). that the Treasurer be delegated authority to effect movements between the separately agreed prudential limits for borrowing;
- (v). that the Treasurer be authorised to make investments in accordance with the table set out below and subject to a maximum of £2million being committed to non-specified investments in 2012/13;

Specified Investments	Non Specified Investments
Deposits with the Debt Management Agency Deposit Facility	
Term Deposits with UK government, UK local authorities, banks and building societies (including callable deposits and forward deals)	Term Deposits with UK government, UK local authorities, banks and building societies (including callable deposits and forward deals) Non-credit rated building societies
Banks nationalised or supported by the UK government	Banks nationalised or supported by the UK government
Money Market Funds	
Non UK highly credited rated banks	
UK Government Treasury Bills	

- (vi). that the statement at paragraph 5.8 of the report that borrowing limits and the debt management strategy had been set to ensure that net borrowing remained below the capital financing requirement for 2012/2013 to 2014/2015, in line with the requirements of the CIPFA Prudential Code, be noted.

***(SEE ALSO MINUTES DSFRA/69(e) AND 71(a) ABOVE)***

**(c) 2012/13 Revenue Budget and Council Tax Levels**

The Authority considered a report of the Treasurer and Chief Fire Officer (DSFRA/12/4) on the proposed Authority revenue budget and associated council tax levels for 2012/13. The 2010 Comprehensive Spending Review (CSR) detailed reductions in grants for fire and rescue authorities of 25% by 2014/15 (representing a real term reduction in spending of 13%), back-loaded to 2013/14 and 2014/15.

The December 2011 provisional Local Government Finance Settlement had confirmed the original figures for 2012/13 announced some twelve months previously. This would see the Authority receive Formula Grant of £31.485m for 2012/13, an increase of £0.591m (1.9%) over the Formula Grant received for 2011/12 (£30.894m).

Actual funding figures for 2013/14 and 2014/15 at individual authority level would not be known until late 2012 although the government had indicated that its new funding system outlined in the consultation document "Local Government Resource Review – Proposals for Business Rate Retention" would work within the CSR 2010 control totals set for those financial years. Based upon this it was anticipated that there would be a further 13.5% cash reduction in grant over the 2013/14 and 2014/15 financial years.

While not possible to predict with absolute certainty the budget reductions required, the Authority's Medium Term Financial Planning (MTFP) model had been used to assess best case (-£4.5m) and worst case (-£9.2m) scenarios in relation to the likely level of savings to be secured by 2014/15 over the 2010/11 budget. The current budget proposals included savings of -£1.6m which, when added to the -£1m identified when setting the 2011/12 budget, would mean that the Authority would already have identified a total of -£2.6m ongoing savings towards the eventual required total in 2014/15. It was intended to deliver the required savings by concentrating on three areas – improving efficiency; reducing costs; and generating income. Additionally, progression of projects within the Change and Improvement Programmes would be key to delivering further savings in the next few years.

The Localism Act 2011 had replaced the former council tax capping regime with a requirement to hold a local referendum if the proposed level of Council Tax was deemed "excessive" in relation to "principles" to be determined by Parliament. The government principles for 2012/13 indicated that fire and rescue authorities could increase their council tax by up to 4% without the need to hold a local referendum.

The report identified four possible options in relation to the 2012/13 council tax and budget requirement:

- Option A – freeze council tax at the 2011/12 level (£71.77 for a Band D property);
- Option B – increase council tax by 2.0% above the 2011/12 level (to £73.20 for a Band D property);
- Option C – increase council tax by 2.5% above the 2011/12 level (to £73.56 for a Band D property); and
- Option D – increase council tax by 3.0% above the 2011/12 level (to £73.92 for a Band D property).

The government had announced expectations for local authorities to again freeze council tax in 2012/13 and would provide any authority that did so with a Council Tax Freeze Grant which, for a fire and rescue authority such as Devon & Somerset, would equate to an increase in council tax of 3.0% (£1.328m). Unlike the previous Freeze Grant, however, the current offer was for one year only and could, if accepted, exacerbate the position the Authority might face in terms of the level of savings required by 2014/15.

Section 65 of the Local Government Finance Act 1992 required precepting authorities to consult non-domestic (i.e. business) rate payers on its proposals for expenditure. For the forthcoming, 2012/13 financial year, members of the public had also been included in the consultation undertaken given the current economic climate.

The report outlined the methodology for the consultation the results of which were, in summary, that more members of the public and the business community agreed rather than disagreed that it would be reasonable for the Authority to consider increasing its council tax precept for 2012/13. Of those who agreed, the most support was for a 2% or 4% increase. Results also showed that respondents felt the Service provided value for money and were satisfied with the service provided.

The report identified how the proposed revenue budget for 2012/13 had been constructed (including core requirements, essential spending pressures and certain invest to save bids) and also set out a statement on the robustness of the budget estimates and the adequacy of the level of reserves and balances, as required by Section 25 of the Local Government Act 2003.

The Resources Committee had, at its meeting on 3 February 2012, considered the above-mentioned four options in relation to the 2012/13 council tax and budget requirement and had resolved to recommend to the Authority that Option D be approved (Minute RC/17 refers).

Following a debate on this issue, however, Councillor Randall Johnson **MOVED** (with Councillor Hughes OBE seconding):

- “(a)(i) that the level of council tax in 2012/13 for a Band D property be set at £71.77 (as per Option A), representing a 0% increase over 2011/12;
- (ii) that the government Council Tax Freeze Grant equating to a council tax increase of 3% (£1.328m) be accepted; and
- (iii) that, as a consequence of (a)(i) and (ii) above, a net revenue budget of £78,676,700 for 2012/13 be set;
- (b) that the recommendations as set out at (b)(i) to (iii) inclusive of report DSFRA/12/4 be approved as printed but subject to the total precept figure being amended to read £44,37,237 and the table on Page 2 of the separately-circulated budget booklet being revised accordingly”

Councillor Cann moved (with Councillor Gordon seconding) that the motion proposed by Councillor Randall Johnson be **AMENDED** by the deletion of all words after “...be set at...” in (a)(i) and the insertion of all words following “...be set at...” as printed in recommendations (a)(i) and (ii) and (b)(i), (ii) and (iii) of report DSFRA/12/4.

This amendment would have the effect of placing before the Authority the budget option (Option D) initially recommended by the Resources Committee at its meeting on 3 February 2012 (Minute RC/17 refers).

The amendment was put to the vote and was **CARRIED** by 15 voting for to 6 against.

The amended motion was then put to the vote as the substantive motion and was **CARRIED** by 15 voting for to 6 against, whereupon it was

#### **RESOLVED**

- (i). that, as recommended by the Resources Committee at its meeting on 3 February 2012:
  - (A) the level of council tax in 2012/13 for a Band D property be set at £73.92, as outlined as Option D in paragraph 5 of this report, representing a 3.00% increase over 2011-12;
  - (B) a Net Revenue Budget Requirement of £78,676,700 for 2012-13 be set; and



(ii). that as a consequence of (i) (A) and (B) above:

(A) the tax base for payment purposes and the precept required from each billing authority for payment of the total precept of £45,634,541, as detailed on Page 2 of the budget booklet provided separately with the agenda for this meeting and shown in the table below, be approved

Billing Authority	Tax Base used for collection	Surplus/ (Deficit) for 2011/12	Precepts Due 2012/13	Total due 2012/13
		£	£	£
East Devon	57,602.00	52,614	4,257,940	4,310,554
Exeter	38,241.00	(10,012)	2,826,775	2,816,763
Mendip	40,817.56	8,493	3,017,234	3,025,727
Mid Devon	28,405.50	28,949	2,099,735	2,128,684
North Devon	35,010.33	(5,134)	2,587,964	2,582,830
Plymouth City	77,271.00	3,458	5,711,872	5,715,330
Sedgemoor	40,873.54	104,781	3,021,372	3,126,153
South Hams	38,221.67	16,000	2,825,346	2,841,346
South Somerset	61,175.32	7,950	4,522,080	4,530,030
Taunton Deane	41,216.39	89,536	3,046,716	3,136,252
Teignbridge	49,446.00	(4,660)	3,655,048	3,650,388
Torbay	49,021.42	106,000	3,623,663	3,729,663
Torridge	24,243.66	13,657	1,792,091	1,805,748
West Devon	21,019.39	33,867	1,553,753	1,587,620
West Somerset	14,785.60	12,740	1,092,952	1,105,692
<b>TOTALS</b>	<b>617,350.38</b>	<b>458,239</b>	<b>45,634,541</b>	<b>46,092,780</b>

(B) the council tax for each property bands A to H associated with a total precept of £45,634,541, as detailed on Page 2 of the budget booklet provided separately with the agenda for this meeting and shown in the table below, be approved; and

Valuation Band	Government Multiplier		Council Tax £ p
	Ratio	%	
A	6/9	0.667	49.28
B	7/9	0.778	57.49
C	8/9	0.889	65.71
<b>D</b>	<b>1</b>	<b>1.000</b>	<b>73.92</b>
E	11/9	1.222	90.35
F	13/9	1.444	106.77
G	15/9	1.667	123.20
H	18/9	2.000	147.84

(C) that the Treasurer's 'Statement of the Robustness of the Budget Estimates and the Adequacy of the Authority Reserve Balances' as included as Appendix C to the report, be noted.

**(SEE ALSO MINUTE DSFRA/69(e) ABOVE)**

**(In accordance with Standing Order 25(3), Councillors Drean, Gribble, Radford and Randall Johnson requested that their votes against any increase in council tax for 2012/13 be recorded)**

**DSFRA/72. Review of the Devon & Somerset Fire & Rescue Authority Scheme of Members Allowances**

(Councillor Woodman declared a personal but non-prejudicial interest in this item by virtue of his being the Authority appointed Director on South West Fire Control Ltd., the local authority controlled company established to exercise overall governance responsibility for the [now cancelled] South West Regional Control Centre).

The Authority considered a report of the Clerk to the Authority (DSFRA/12/5) to which was appended the report of an Independent Consultant engaged to review the level of allowances payable to the Authority. The Regulations required the Authority to have an approved Scheme providing for a mandatory basic allowance for each of its Members and optional special responsibility allowances. The Authority was required to determine the level of any allowances payable prior to the commencement of any given financial year.

The report of the Independent Consultant detailed the review methodology (which had included, amongst other things, a comparison of the level of allowances payable by other combined fire and rescue authorities together with the constituent authorities of the Devon & Somerset Fire & Rescue Authority) together with a rationale, based upon the evidence examined, for the recommendations as set out in the report.

The covering report of the Clerk outlined the financial implications for the Authority should the recommendations as set out in the Independent Consultant's report be approved.

Following a debate on this issue, Councillor Boyd **MOVED** (with Councillor Woodman seconding) that the recommendations as printed in the report of the Independent Consultant and reproduced at page 85 on the agenda for this meeting be approved, together with recommendations (b) and (c) in the covering report by the Clerk to the Authority.

Councillor Fry moved (with Councillor Bown seconding) that the motion proposed by Councillor Boyd be amended by the deletion of all words in recommendation (vii) of the Independent Consultant's report after "...with the exception of..." and the insertion of the words "...the Authority Chairman, who shall be eligible to receive multiple Special Responsibility Allowances."

The amendment was put to the vote and declared **CARRIED** by 10 votes to 7, with 2 abstentions.

The substantive motion as amended was then put to the vote, with 10 voting in favour and 10 against. The Chairman then exercised a casting vote in favour of the substantive motion whereupon it was

**RESOLVED**

- (a) that, with effect from 1 April 2012, the Devon & Somerset Fire & Rescue Authority approved Scheme of Members Allowances be amended to provide:
- (i). for the payment of a basic allowance to each main Authority Member of £2,500 per annum;
  - (ii). the payment of the following Special Responsibility Allowances (SRAs) in addition to the basic allowance:
    - Chairman of the Authority (5 x basic - £12,500 per annum);
    - Vice-Chairman of the Authority (2.5 x basic - £6,250 per annum);
    - Committee Chairmen (1.5 x basic - £3,750 per annum)

- Members of the Commercial Services Committee (1.5 x basic - £3,750 per annum)(**NOTE:** the total cost of this allowance to be met from trading income, as previously agreed by the Authority – Minute DSFRA/21(e) of the meeting held on 29 July 2011 refers);
  - (iii). that Members should receive only one SRA in addition to the basic allowance, with the exception of the Authority Chairman who may receive all SRAs attracting to positions to which he/she may be appointed;
  - (iv). That, in light of cancellation of the associated national project, the SRA for the Authority-appointed Director to South West Fire Control Ltd. (the local authority controlled company established to exercise overall governance responsibility for the South West Regional Control Centre) be abolished;
  - (v). an allowance of £500 for each of the Independent Members of the Standards Committee up to the point until the replacement provisions of the Localism Act 2011 come into effect;
  - (vi). that allowances payable be uprated annually in accordance with the annual increase agreed by the National Joint Council for Local Government Services (the “green book”);
  - (vii). that the rates for reimbursement of travel expenses be linked to the rates published by Her Majesty’s Revenue and Customs and amended accordingly. For clarification, current rates are:
    - 45p per mile for the first 10,000 miles per annum
    - 25p per mile for mileage over 10,001 miles per annum
    - 5p per passenger per mile (up to 4 passengers)
    - 20p per mile bicycle allowance
  - (viii). that the rates for reimbursement of subsistence expenses be linked to the rates payable to Devon & Somerset Fire & Rescue Service employees and amended accordingly. For clarification, current rates are:
 

• Breakfast -	£6.90
• Lunch -	£9.54
• Tea -	£3.76
• Dinner -	£11.82
- (b) that the following additional recommendations as set out in the review of the Independent Consultant be approved:
- (i). that consideration be given to the introduction of some form of performance management measures for all Members and particularly for those in receipt of an SRA;
  - (ii). that Members continue to be provided with developmental support as required; and
  - (iii). that consideration be given to a partial review of the allowances scheme before 2016 to assess areas of uncertainty, as described in the report, about the relative merits of some of the SRAs

- (c) that, following from (a) above and in accordance with the requirements of the relevant Regulations, the Clerk be authorised:
  - (i). to arrange for publication as soon as possible of those rates agreed in relation to Basic and Special Responsibility Allowances to be payable from 1 April 2012; and
  - (ii). to amend the Authority Approved Scheme of Members Allowances to reflect as required the decisions taken at (a) above);
- (d) that, given the change to the standards regime as contained in the Localism Act 2011 and in light of Counsel advice as to sanctions available under the successor regime, the Clerk be further authorised – upon commencement of the new provisions (anticipated for 1 July 2012) - to amend the Approved Scheme of Allowances by removal of reference to full or partial suspension of a Member from duties and associated withholding of allowances.

***(SEE ALSO MINUTE DSFRA/67 ABOVE).***

***(In accordance with Standing Order 25(3), Councillor Boyd requested that his vote for the decision at (a) above be recorded; and Councillors Bown, Cann, Drean, Fry, Gribble, Hughes OBE, Randall Johnson and Yeomans requested that their votes against any increase in the rates of allowances payable be recorded).***

**DSFRA/73. The Localism Act - Pay Policy Statement 2012/13**

The Authority considered a report of the Clerk to the Authority (DSFRA/12/6) to which was appended a draft of the Authority's first Pay Policy Statement for 2012/13. The Localism Act 2011 required all local authorities to approve, before 31 March in any given year, a Pay Policy Statement for the forthcoming financial year setting out a range of issues relating to the pay of the workforce and in particular the senior staff and lowest paid employees. There was also a requirement to publish Pay Policy Statements once approved.

**RESOLVED** that the Authority Pay Policy Statement for 2012/13 as appended to report DSFRA/12/6 be approved and published in accordance with the requirements of the Localism Act 2011

**DSFRA/74. Authority Commercial Trading Governance Arrangements**

The Authority considered a report of the Chief Fire Officer and Clerk to the Authority (DSFRA/12/7) on the proposed governance arrangements for commercial trading activities on behalf of the Authority. Reports to previous meetings had identified the establishment of a separate trading company (as required by legislation), together with a Commercial Services Committee to assist the Authority in delivering this initiative – aimed at underpinning delivery of core business and mitigating against the impact of government grant reductions – both effectively and efficiently.

The report now before the Authority proposed revised terms of reference for the Committee, aimed at maximising flexibility of response in the commercial world, and had appended the Articles of Association for Red One (the Authority commercial trading vehicle) together with a contract intended to govern the relationship between the Authority and Red One.

**RESOLVED**

- (a) that the Articles of Association for Red One Ltd. as set out in Appendix A to report DSFRA/12/7, be approved;
- (b) that the trading contract governing the relationship between the Authority and Red One Ltd., as set out in Appendix B to the report, be approved;

- (c) that the proposed revisions to the Terms of Reference for the Commercial Services Committee, as set out at paragraph 4.11 of the report, be approved; and
- (d) that, subject to (a) to (c) above, the governance arrangements for commercial trading activities be noted as set out in the report be noted.

**(SEE ALSO MINUTE DSFRA/69(a) ABOVE)**

**DSFRA/75. Fire & Rescue Service National Framework for England - Consultation**

The Authority considered a report of the Chief Fire Officer (DSFRA/12/8) on the consultation issued by the Department for Communities and Local Government in relation to a revised fire and rescue service national framework. Responses to the consultation were invited by 19 March 2012.

The report outlined that the revised framework was intended to reflect the localism agenda and was set out under three broad headings of safer communities; accountability to communities; and assurance. Both the Chief Fire Officers Association (CFOA) and the Local Government Association were still compiling their responses to the consultation. It was, as such, proposed that – to enable this Authority’s response to be as informed as possible – the Chief Fire Officer be delegated authority to submit the final response following consultation with the Chairman and taking account of other responses and any views that might be expressed by Authority Members.

**RESOLVED**

- (a) that the Chief Fire Officer, in consultation with the Chairman, be authorised to submit on behalf of the Authority a response to the Department for Communities and Local Government consultation on the proposed Fire and Rescue Service National Framework for England by the deadline of 19 March 2012;
- (b) that Authority Members be invited to submit, by no later than Monday 12 March 2012, views to inform the final response.

**DSFRA/76. Chairman's Announcements**

The Authority received, for information, a list of events attended by the Chairman on behalf of the Authority since its last meeting. Additionally, the Chairman thanked the Vice-Chairman for hosting a visit by the High Sherrifs of Devon and Somerset on 13 February 2012 to raise awareness of the work of both the Authority and the Service.

**DSFRA/77. Chief Fire Officer's Announcements**

The Chief Fire Officer reported on:

- a new policy and arrangement with the Coroner in relation to the recording of fire deaths and aimed at facilitating and promoting enhanced inter-agency work to identify individuals most vulnerable to death or serious injury by fire;
- the potential for industrial action linked to the government review of the Firefighters Pensions Schemes. Although a matter between the government and the representative bodies (specifically the Fire Brigades Union), any industrial action would have the potential to impact upon Service delivery although robust business continuity plans had been formulated;
- the successful conclusion of endeavours through the Chief Fire Officers

Association that would now enable the Urban Search and Rescue provision based at Station 60, Service headquarters, to be mobilised internationally as required.

**DSFRA/78. 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 item of business on the grounds that it involves the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A (as amended) to the Act, namely information relating to the financial and business affairs of the Authority.

**DSFRA/79. Opportunity to Realise Capital Receipt - Update**

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

The Authority considered a report of the Chief Fire Officer (DSFRA/12/9) setting out further considerations in relation to a proposal to realise a capital receipt. Since deciding an initial course of action at its meeting on 7 November 2011 (Minute DSFRA/50 refers) further advice had been obtained and the Authority was invited to consider how best to progress this initiative in light of this advice.

**RESOLVED** that, in light of the further advice received, the opportunity to realise a capital receipt be progressed on the basis of a sale on the open market.

The meeting started at 10.00hours and finished at 13.00hours

**APPENDIX A TO THE MINUTES OF THE DEVON & SOMERSET FIRE & RESCUE AUTHORITY  
BUDGET MEETING 17 FEBRUARY 2012**

<b><u>PRUDENTIAL INDICATORS</u></b>			
<b><u>PRUDENTIAL INDICATORS - CAPITAL</u></b>			
	2012/13	2013/14	2014/15
	£m	£m	£m
	estimate	estimate	estimate
<b>Capital Expenditure</b>			
Non - HRA	8.597	5.850	3.850
HRA (applies only to housing authorities)			
<b>Total</b>	<b>8.597</b>	<b>5.850</b>	<b>3.850</b>
<b>Ratio of financing costs to net revenue stream</b>			
Non - HRA	3.98%	4.32%	4.99%
HRA (applies only to housing authorities)	0.00%	0.00%	0.00%
<b>Capital Financing Requirement as at 31 March</b>	£000	£000	£000
Non - HRA	28,403	31,744	32,739
HRA (applies only to housing authorities)	0	0	0
Other long term liabilities	1,558	1,532	1,509
<b>Total</b>	<b>29,961</b>	<b>33,276</b>	<b>34,248</b>
<b>Annual change in Capital Financing Requirement</b>	£000	£000	£000
Non - HRA	2,001	3,315	972
HRA (applies only to housing authorities)	0	0	0
<b>Total</b>	<b>2,001</b>	<b>3,315</b>	<b>972</b>
<b>Incremental impact of capital investment decisions</b>	£ p	£ p	£ p
Increase/(decrease) in council tax (band D) per annum	-£0.32	-£0.35	£0.09
<b><u>PRUDENTIAL INDICATORS - TREASURY MANAGEMENT</u></b>			
<b>Authorised Limit for external debt</b>	£000	£000	£000
Borrowing	34,159	35,875	37,313
Other long term liabilities	1,587	1,521	1,449
<b>Total</b>	<b>35,746</b>	<b>37,396</b>	<b>38,762</b>
<b>Operational Boundary for external debt</b>	£000	£000	£000
Borrowing	32,739	34,288	35,676
Other long term liabilities	1,509	1,444	1,374
<b>Total</b>	<b>34,248</b>	<b>35,732</b>	<b>37,050</b>

<b><u>TREASURY MANAGEMENT INDICATOR</u></b>	Upper Limit %	Lower Limit %
Limits on borrowing at fixed interest rates	100%	70%
Limits on borrowing at variable interest rates	30%	0%
Maturity structure of fixed rate borrowing during 2012/13		
Under 12 months	30%	0%
12 months and within 24 months	30%	0%
24 months and within 5 years	50%	0%
5 years and within 10 years	75%	0%
10 years and above	100%	50%

**APPENDIX B TO THE MINUTES OF THE DEVON & SOMERSET FIRE & RESCUE AUTHORITY  
BUDGET MEETING 17 FEBRUARY 2012**

**MINIMUM REVENUE STATEMENT (MRP) 2012/2013**

***Supported Borrowing***

The MRP will be calculated using the regulatory method (option 1). MRP will therefore be calculated using the formulae in the old regulations, since future entitlement to RSG in support of this borrowing will continue to be calculated on this basis.

***Un-Supported Borrowing (including un-supported borrowing prior to 1 April 2008)***

The MRP in respect of unsupported borrowing under the prudential system will be calculated using the asset life method (option 3). The MRP will therefore be calculated to repay the borrowing in equal annual instalments over the life of the class of assets which it is funding. The repayment period of all such borrowing will be calculated when it takes place and will be based on the finite life of the class of asset at that time and will not be changed.

***Finance Lease and PFI***

In the case of Finance Leases and on balance sheet PFI schemes, the MRP requirement is regarded as met by a charge equal to the element of the annual charge that goes to write down the balance sheet liability. Where a lease of PFI scheme is brought, having previously been accounted for off-balance sheet, the MRP requirement is regarded as having been met by the inclusion of the charge, for the year in which the restatement occurs, of an amount equal to the write-down for the year plus retrospective writing down of the balance sheet liability that arises from the restatement. This approach produces an MRP charge that is comparable to that of the Option 3 approach in that it will run over the life of the lease or PFI scheme and will have a profile similar to that of the annuity method.

MRP will normally commence in the financial year following the one in which the expenditure was incurred. However, when borrowing to construct an asset, the authority may treat the asset life as commencing in the year in which the asset first becomes operational. It may accordingly postpone the beginning to make MRP until that year. Investment properties will be regarded as becoming operational when they begin to generate revenues.