

**M. Pearson
CLERK TO THE AUTHORITY**

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

(see below)

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DEVON & SOMERSET FIRE & RESCUE AUTHORITY

Monday 5 November 2012

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

PLEASE REFER TO THE NOTES AT THE END OF THE AGENDA LISTING SHEETS

1. **Apologies**
2. **Minutes** of the meeting held on 30 July 2012 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.

PART 1 – OPEN COMMITTEE

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

In accordance with Standing Orders, to consider any questions and petitions submitted by the public. Questions must relate to matters to be considered at this meeting of the Authority. Petitions must relate to matters for which the Authority has a responsibility or which affects the Authority. Neither questions nor petitions may require the disclosure of confidential or exempt information. Questions and petitions must be submitted in writing or by e-mail to the Clerk to the Authority **by midday on Wednesday 31 October 2012**

5. **Addresses by Representative Bodies**

To receive addresses from representative bodies requested and approved in accordance with Standing Orders.

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

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

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

(a) Commercial Services Committee

The Chair of the Committee, Councillor Healey, to **MOVE** the Minutes of the meeting of the Committee held on 31 July and 12 September 2012 attached (pages 7 and 10 respectively).

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

(b) Human Resources Management and Development Committee

The Vice-Chair of the Committee, Councillor Brooksbank, to **MOVE** the Minutes of the meeting of the Committee held on 5 September 2012 attached (page 13).

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

(c) Audit and Performance Review Committee

The Chair of the Committee, Councillor Radford, to **MOVE** the Minutes of the meeting of the Committee held on 24 September 2012 attached (page 15).

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

(d) 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 5 October 2012 attached (page 19).

RECOMMENDATIONS

- (i) that the recommendation at Minute CSCP/14 (Establishment of a Charitable Arm) be approved (**NOTE:** a copy of report CSCPC/12/3 on this issue, as considered by the Committee at the meeting, is attached for reference – page 21);
- (ii) that, subject to (i) above and in accordance with Standing Orders, the Minutes be adopted.

(e) Resources Committee

The Vice-Chair of the Committee, Councillor Woodman, to **MOVE** the Minutes of the meeting of the Committee held 19 October 2012 attached (page 27).

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

(**NOTE:** a copy of report RC/12/11 – Treasury Management Performance 2012/13 (Quarter 2) – is attached (Page 30) *FOR INFORMATION*).

8. **Networked Fire Control Solution Project (NFCSP) - Update and Partnership Agreement**

Report of the Chief Fire Officer (DSFRA/12/25) attached (page 37).

9. **Proposed Changes to Authority Approved Calendar of Meetings 2012/13**

Report of the Clerk to the Authority (DSFRA/12/26) attached (page 42).

10. **Community Right to Challenge (Localism Act 2011)**

Report of the Clerk to the Authority (DSFRA/12/27) attached (page 44)

11. **Chairman's Announcements**

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

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

Nil.

MEMBERS ARE REQUESTED TO SIGN THE ATTENDANCE REGISTER

Membership:-

Councillors Healey(Chair), Gribble (Vice Chair), Bakewell MBE, Bown, Brooksbank, Burridge-Clayton, Chugg, Dyke, Eastman, Foggin, Fry, Gordon, Horsfall, Hughes OBE, Knight, Leaves, Mills, Radford, Randall Johnson, D Smith , J Smith, Way, Woodman and Yeomans

NOTES	
1.	<p><u>Disclosable Pecuniary Interests (Authority Members only)</u></p> <p>If you have any disclosable pecuniary interests (as defined by Regulations) in any item(s) to be considered at this meeting then, unless you have previously obtained a dispensation from the Authority's Monitoring Officer, you must:</p> <ul style="list-style-type: none"> (a) disclose any such interest at the time of commencement of consideration of the item in which you have the interest or, if later, as soon as it becomes apparent to you that you have such an interest; (b) leave the meeting room during consideration of the item in which you have such an interest, taking no part in any discussion or decision thereon; and (c) not seek to influence improperly any decision on the matter in which you have such an interest. <p>If the interest is sensitive (as agreed with the Monitoring Officer), you need not disclose the nature of the interest but merely that you have a disclosable pecuniary interest of a sensitive nature. You must still follow (b) and (c) above.</p>
2.	<p><u>Part 2 Reports</u></p> <p>Members are reminded that any Part 2 reports as circulated with the agenda for this meeting contain exempt information and should therefore be treated accordingly. They should not be disclosed or passed on to any other person(s). Members are also reminded of the need to dispose of such reports carefully and are therefore invited to return them to the Committee Secretary at the conclusion of the meeting for disposal.</p>
3.	<p><u>Substitute Members (Committee Meetings only)</u></p> <p>Members are reminded that, in accordance with Standing Order 35, the Clerk (or his representative) must be advised of any substitution prior to the start of the meeting. Members are also reminded that substitutions are not permitted for full Authority meetings.</p>
4.	<p><u>Access to Information</u></p> <p>Any person wishing to inspect any minutes, reports or lists of background papers relating to any item on this agenda should contact the person listed in the "Please ask for" section at the top of this agenda.</p>

DEVON & SOMERSET FIRE & RESCUE AUTHORITY

30 July 2012

Present:-

Councillors Healey (Chairman), Bakewell MBE, Bown, Mrs. Chugg, Dyke, Eastman, Foggin, Fry, Gordon, Gribble, Horsfall, Hughes OBE, Leaves, Mills, Radford, Randall Johnson, D Smith, J Smith, Woodman and Yeomans.

Apologies:-

Received from Brooksbank, Burr ridge-Clayton and Way.

DSFRA/19. Minutes

RESOLVED that the Minutes of the Annual and Ordinary Meetings of the Authority held on 30 May 2012 be signed as correct records.

DSFRA/20. Declarations of Disclosable Pecuniary Interests

Members were asked to consider whether they had any **disclosable pecuniary 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.

DSFRA/21. Minutes of Committees

(a) Human Resources Management and Development Committee

The Chair of the Committee, Councillor Bown, **MOVED** the Minutes of the meeting held on 25 June 2012 which had considered, amongst other things:

- a report on absence management and health of the organisation;
- a presentation on the work of the Training Academy; and
- a verbal update on the government reform requiring auto enrolment into pension schemes.

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

(b) Community Safety and Corporate Planning Committee

The Chair of the Committee, Councillor Leaves, **MOVED** the Minutes of the meeting held on 6 July 2012 which had considered, amongst other things:

- a report on the recent success by the Service in securing several of the Association of Local Authority Risk Manager (ALARM) Awards;
- a presentation on the Phoenix Project, a joint venture with Job Centre Plus aimed at encouraging young people in long-term employment to realise their potential and build confidence in themselves;
- a presentation on Service initiatives ("The Honest Truth" and "Learn2Live") as part of National Road Safety Day;
- a report on Service preparations linked to the 2012 Olympic Sailing Event;
- a report on progress with the replacement of Fire Angel smoke detectors;

- a report on progress with the Service initiative to promote greater engagement with the landlords of private rented accommodation on the fitting of smoke alarms.

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

(c) Audit and Performance Review Committee

The Chair of the Committee, Councillor Radford, **MOVED** the Minutes of the meeting held on 19 July 2012 which had considered, amongst other things:

- a report detailing performance of the Devon & Somerset Fire & Rescue Service during April 2011 to March 2012 against those measures contained in the approved Corporate Plan for that period;
- a presentation on the proposed Authority Annual Report;
- a progress report on local and national Audit Commission activities;
- a progress report on internal audit work undertaken during the first quarter against the approved Audit and Review Plan 2012/13; and
- a draft Statement of Accounts and associated Annual Governance Statement for 2011/12.

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

(d) Resources Committee

The Chair of the Committee, Councillor Gordon, **MOVED** the Minutes of the meeting held on 20 July 2012 which had considered, amongst other things:

- a report on performance for the first quarter of the current (2012/13) financial year against the agreed financial targets for that year;
- a treasury management performance report for the first quarter of the current financial year;
- a report on disposal of a material asset; and
- a report on a proposed grant in 2012/13 to the Service Ceremonial Unit.

RESOLVED

- (i) that the recommendation at Minute RC/5 (Financial Performance Report 2012/13 – Quarter 1) relating to the revised Capital Programme 2012/13 to 2014/15, as summarised in the table appended to these minutes, be approved;
- (ii) that the recommendation at Minute RC/6 (Treasury Management Performance 2012/13 – Quarter 1), to amend the Authority's Approved Treasury Management Policy to include the use of Certificate Deposits (CDs) and UK Government Gilts as Approved Investment Instruments, be approved;
- (iii) that, subject to (i) and (ii) above, the Minutes be adopted in accordance with Standing Orders.

DSFRA/22. Change In Authority Committee Memberships

The Authority considered a report of the Clerk to the Authority (DSFRA/12/18) on proposed changes to Authority Committee memberships.

RESOLVED that the following Councillors be appointed to fill the vacancies on the Committee as indicated, the term of office in each case to be until the Authority's Annual Meeting in 2013:

- (a) Councillor Knight - Human Resources Management and Development Committee;
- (b) Councillor Bakewell MBE – Community Safety and Corporate Planning Committee.

DSFRA/23. Authority Annual Report

The Authority considered a report of the Chief Fire Officer (DSFRA/12/19) and appended draft Authority Annual Report. The draft would be subject to further proof-reading and amendment to correct typographical and terminological issues and, once approved, would be published and circulated widely amongst partner organisations, parish councils and the public.

RESOLVED that the draft Annual Report as appended to report DSFRA/12/19 be approved for publication.

DSFRA/24. Draft Corporate Plan Consultation Timescale

The Authority received for information a report of the Director of Corporate Services (DSFRA/12/20) on the proposed timescale for consulting on the next iteration of the Authority's Corporate Plan. Although consultation had traditionally taken place over a twelve week period between October and December, it was intended this year to await the government grant announcement, anticipated for the beginning of December 2012, prior to finalising the content of the plan for consultation purposes.

DSFRA/25. Department for Communities and Local Government (CLG) Consultation Papers

The Authority considered a report of the Treasurer to the Authority (DSFRA/12/21) on two consultation documents issued recently by the Department for Communities and Local Government (CLG).

The consultation on the Business Rates Retention Scheme sought views on a range of detailed and technical issues involved in the transition from the current formula grant system to implementation of the business rates retention scheme proposed from April 2013. The closing date for consultation responses was 24 September 2012.

The consultation on the Draft Local Audit Bill sought views on the proposed new audit framework for local public bodies including the process for the appointment of auditors and the regulatory framework for local public audit. The closing date for consultation responses was 31 August 2012.

In light of the closing date for both consultation response, it was proposed that the Treasurer should respond on behalf of the Authority following e-mail consultation with the Members.

RESOLVED that publication by the Department for Communities and Local Government (CLG) of the following two consultation documents be noted, and the Treasurer authorised to respond on behalf of the Authority (following e-mail consultation with Members):

- Business Rates Retention – Technical Consultation.

- Draft Local Audit Bill - A consultation.

DSFRA/26. Council Tax Reduction Draft Schemes - Consultation with Major Precepting Authorities

The Authority considered a report of the Treasurer to the Authority (DSFRA/12/22) setting out details of the draft Council Tax Reduction schemes proposed by the relevant billing authorities for Devon and Somerset and to be implemented, following public consultation, from 1 April 2013. Each of the relevant billing authorities for both Devon and Somerset had adopted a joint approach to the design of the new schemes under a set of common principles. The proposed schemes would deal with both eligibility for Council Tax benefits and the basis on which support was to be calculated. The schemes would impact on the Devon & Somerset Fire & Rescue Authority (as a major precepting body) hence the Authority was being invited to make representations on the schemes proposed for both counties.

The Authority was also addressed on this matter by Donna Parham (South Somerset District Council) in relation to the draft scheme being proposed for Somerset.

RESOLVED

- (a) that the Authority notes the content of the two separate consultation documents relating to Council Tax Reduction Scheme Design received from Somerset District Councils and Devon Billing Authorities and indicates that at this stage the Authority has no significant issues.
- (b) that, for the final scheme designs expected to be issued in October 2012, the Treasurer be authorised to respond on behalf of the Authority following e-mail consultation with the Members.

DSFRA/27. Localism Act 2011 - New Member Conduct Regime

The Authority considered a report of the Clerk to the Authority (DSFRA/12/23) on:

- a proposed Member Code of Conduct;
- a Declarations of Interests procedure; and
- arrangements for investigating and determining alleged breaches of the Code

as required to secure compliance with the requirements of the Localism Act 2011 and Regulations made thereunder.

RESOLVED

- (a) that the Code of Conduct for Authority Members as set out at Appendix A to report DSFRA/12/23 be approved;
- (b) that Mr. David Watson be appointed as “independent person”;
- (c) that the arrangements for dealing with alleged Code breaches as set out in Section 4 of the report be approved, specifically:
 - (i) that the Monitoring Officer be delegated authority to receive allegations, determine (in consultation with the independent person) whether or not they should be investigated and to arrange for the undertaking of any investigations as required;
 - (ii) that a Determinations and Dispensations Committee be established, with Terms of Reference as set out in Appendix B to the report and with the following Members appointed until the Annual Meeting of the Authority in 2013:

Councillors Bown, Horsfall, Mills, Randall Johnson and Yeomans;

- (d) that the proposed arrangements for the registration of interests and granting of dispensations, as set out in Section 5 of the report, together with the form for registering interests as attached at Appendix C to the report, be approved; and
- (e) that the Clerk be authorised to make consequential changes to the Authority's constitutional governance framework documents, to reflect the new arrangements adopted under the Localism Act, as indicated:
- (i) the revision to Standing Orders as set out in Section 6 of the report;
 - (ii) revision of Financial Regulations by deletion of Regulation A4 referring to the Standards Committee);
 - (iii) revision of the Corporate Governance Code:
 - in Core Principle C:
 - by deletion to reference to Model Code under 2000 Local Government Act and replacement with reference to Code adopted under Localism Act 2011;
 - by replacement of reference to General Register of Interests by reference to new requirements under the Localism Act 2011;
 - in Core Principle D:
 - by deletion to reference to Standards Committee in paragraph 5.5
 - (iv) Protocol for Member/Officer Relations:
 - Deletion to reference to Independent Members of Standards Committee in Introduction Section;
 - Replacement of "General Obligations" extract from Model Code with Scope and General Obligations section from new Code;
 - Replacement in Section 11 (Breaches of the Protocol) of:
 - reference to the Model Code and Standards Committee with reference to the new Code and the Determinations and Dispensations Committee; and
 - reference to Independent Members of the Standards Committee with Independent Person.
 - (v) Deletion of reference to allowance for Independent Members of Standards Committee in Authority Approved Scheme of Members Allowances.

DSFRA/28. Bids Against the Fire Capital Funding Programme 2013 - 15

The Authority considered a report of the Treasurer (DSFRA/12/24) detailing two bids against the Department for Communities and Local Government (CLG) Capital Funding Programme 2013 – 15.

The first had been made solely by this Authority and related to the Service Light Rescue Pump (LRP) initiative which, itself, was part of a wider, strategic fleet alignment. This bid had been made in accordance with the process approved by the Authority at its ordinary meeting on 30 May 2012 (Minute DSFRA/15(b) refers).

The second bid had been submitted by the Cambridgeshire Fire & Rescue Authority on behalf of itself, this Authority and the Bedfordshire & Luton Fire & Rescue Authority and related to the Service Transformation and Efficiency Project (STEP) being progressed in partnership by those Authorities.

Although both bids had already been submitted by the relevant deadline (2 July 2012), CLG required confirmation that each bid submitted had been approved by established local governance procedures.

RESOLVED that the following bids, as outlined in report DSFRA/12/24, against the Department for Communities and Local Government Fire Capital Funding Programme 2013-15 be endorsed:

- the bid submitted by this Authority based around the Light Rescue Pump initiative; and
- the bid submitted by Cambridgeshire Fire & Rescue Authority on behalf of itself, this Authority and the Bedfordshire & Luton Fire & Rescue Authority and related to the Service Transformation and Efficiency Project (STEP).

DSFRA/29. Chairman's Announcements

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

DSFRA/30. Chief Fire Officer's Announcements

The Chief Fire Officer reported, for information, on:

- the establishment of a Fire Death Review Panel designed to forge closer and more effective working relationships between this Authority and partner agencies in sharing information to promote better targeting of fire safety information to those individuals and groups most at risk, thereby seeking to reduce fire deaths. This approach had been commended by the Senior Coroner for the region;
- the outcome of an internal investigation into the offering for sale, on "Ebay", of a Standard formerly belonging to the Service Ceremonial Unit, as reported at the last Authority meeting on 30 May 2012 (Minute DSFRA/11 refers). The seller had been traced and had indicated that they had purchased the item some two years ago at a car boot sale in Wales but were unable to identify who they purchased the Standard from. The Chief stressed the gratitude of Unit for the support provided by the Authority and that the Service took such matters as the unauthorised sale of a Standard very seriously. To this end, the matter would now be referred to the police; and
- receipt of letter of thanks from the Firefighters Charity for the contribution made by the Service towards raising £153,000 in the previous financial years which had been used to assist some 143 beneficiaries. The Chief reminded the Authority that the Charity offered a wide range of assistance to both uniformed and non-uniformed fire and rescue service staff.

The meeting started at 10.00hours and finished at 11.33hours.

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

31 July 2012

Present:-

Councillors Dyke, Gribble, Healey, Mills, Randall Johnson, D. Smith and Woodman.

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

RESOLVED that Councillor Healey be elected Chairman of the Committee until its first meeting following the Annual Meeting of the Authority in 2013.

***CSC/2. Minutes**

RESOLVED that the Minutes of the meeting of the Committee held on 3 May 2012 be signed as a correct record.

***CSC/3. Declarations of Disclosable Pecuniary Interests**

Members were asked to consider whether they had any **disclosable pecuniary 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/4. Election of Vice-Chair**

RESOLVED that Councillor Dyke be elected Vice-Chairman of the Committee until its first meeting following the Annual Meeting of the Authority in 2013.

***CSC/5. Commercial Services Budget Monitoring 2012/13 Quarter 1**

The Treasurer reported on the current position, as at Quarter 1, of the budget for commercial services. Although an indicative net shortfall of £0.242m was projected against the agreed income target of £1.227m, both the Treasurer and the Chief Fire Officer commented that it was early in the financial year and that confidence levels were very high that delivery against a number of commercial ventures would result in the income target being realised in full by the end of the financial year.

Members commented that the projection was realistic given the point in time and accepted the reassurance that the income target would be met in full by the end of the year. Members asked, though, that regular updates be provided at all future workshop and formal Committee meetings.

***CSC/6. Commercial Services Governance Arrangements**

The Committee received, for information, a presentation by the Head of Commercial Services depicting, in diagrammatic form, the inter-relationships and governance arrangements between the Red One Ltd., the Service, the Authority and FalckDS.

***CSC/7. 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 they involved 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 and other companies.

***CSC/8. Commercial Services Outline Business Plan 2013 - 17**

(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 Committee considered a report of the Director of People and Organisational Development (CSC/12/14) to which was appended an outline business plan on objectives for commercial services during the period 2013 – 17. The plan set out the aim of commercial services in terms of the quantum of growth of profit/contribution over the four year period, indicative sales revenues and areas of particular focus for commercial service activities. The key intention was that commercial activity be undertaken in such a way as to not compromising the core activities and functions of the Service or place additional financial demands on the Council Tax payer.

The Plan was intended to be dynamic and during the period covered the Commercial Services Team would continue to scope additional opportunities to maximise return on investment.

RESOLVED that the Commercial Services Outline Business Plan 2013 – 17 as appended to report CSC/12/14 be approved subject to any funding implications (levels of investment required) being considered as part of the full budget setting process in February 2013 and subsequent years.

(SEE ALSO MINUTE *CSC/9 BELOW).

***CSC/9. Commercial Services Business Plan 2013/14**

(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 Committee considered a report of the Director of People and Organisational Development (CSC/12/15) to which was appended an annual business plan on the proposed trading activities, initiatives and opportunities intended for the Service – both directly and through the trading vehicle, Red One Ltd., during the 2013/14 financial year.

The plan, which formed part of the overall five year business plan referred to elsewhere on the agenda for this meeting, indicated amongst other things the income target for the 2013/14 financial year together with the indicative level of investment required to secure this.

RESOLVED that the Commercial Business Plan 2013/14 as appended to report CSC/12/15 be approved subject to any funding implications (levels of investment required) being considered as part of the full budget setting process in February 2013.

(SEE ALSO MINUTE *CSC/8 ABOVE).

***CSC/10. Update on Commercial Matters (including Current Commercial Leads and Opportunities)**

(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 Committee received for information an oral update from the Commercial Business Development Manager on:

- recent bids submitted on behalf of the Service for commercial activities and the success therewith;
- work to develop internal commercial trading streams;
- consultancy work undertaken on a commercial basis by the Service; and
- the potential for the development of a new product, linked to the Fire Kills initiative, to promote fire safety in social housing.

***CSC/11. Training Academy 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 Committee received for information a report of the Director of People and Organisational Development (CSC/12/16) on progress to date, achievements and plans for future work associated with the Training Academy. The report detailed, amongst other things, work undertaken and invoiced for from 1 April 2012 to date.

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

The meeting started at 10.00hours and finished at 12.07hours

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

12 September 2012

Present:-

Councillors Healey (Chairman), Dyke, Leaves (vice D. Smith), Mills, Woodman and Yeomans (vice Gribble).

Apologies:-

Councillors Gribble, Randall Johnson and D. Smith.

***CSC/12. Minutes**

RESOLVED that the Minutes of the meeting of the Committee held on 31 July 2012 be signed as a correct record.

***CSC/13. Declarations of Disclosable Pecuniary Interests**

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

No such interests were declared.

***CSC/14. Business Case - Commercial Consultancy**

The Committee considered a report of the Director of People and Organisational Development (CSC/12/17) setting out a business case, as required by the relevant legislation, for commercial trading by the Authority in the area of business consultancy. The business case addressed, amongst other things:

- the scope and objective of the business;
- investment and resources required;
- the potential risks, significance of the risks and mitigations associated with the venture; and
- expected financial results and relevant outcomes.

RESOLVED that the Business Case for Commercial Consultancy, as set out in report CSC/12/17, be approved.

***CSC/15. Business Case - Fleet Services**

The Committee considered a report of the Director of People and Organisational Development (CSC/12/18) setting out a business case, as required by the relevant legislation, for commercial trading by the Authority in the area of fleet services. The business case addressed, amongst other things:

- the scope and objective of the business;
- investment and resources required;
- the potential risks, significance of the risks and mitigations associated with the venture; and

- expected financial results and relevant outcomes.

RESOLVED that the Business Case for Fleet Services, as set out in report CSC/12/18, be approved.

***CSC/16. Business Case - Firefighter Recruitment/Agency Bank**

The Committee considered a report of the Director of People and Organisational Development (CSC/12/19) setting out a business case, as required by the relevant legislation, for commercial trading by the Authority in the area of firefighter recruitment/development of an agency bank. The business case addressed, amongst other things:

- the scope and objective of the business;
- investment and resources required;
- the potential risks, significance of the risks and mitigations associated with the venture; and
- expected financial results and relevant outcomes.

RESOLVED that the Business Case for Firefighter Recruitment/Agency Bank, as set out in report CSC/12/19, be approved.

***CSC/17. Business Case - Out of Hours Call Handling**

The Committee considered a report of the Director of People and Organisational Development (CSC/12/20) setting out a business case, as required by the relevant legislation, for commercial trading by the Authority in the area of out-of-hours call handling. The business case addressed, amongst other things:

- the scope and objective of the business;
- investment and resources required;
- the potential risks, significance of the risks and mitigations associated with the venture; and
- expected financial results and relevant outcomes.

RESOLVED that the Business Case for Out of Hours Call Handling, as set out in report CSC/12/20, be approved.

***CSC/18. Business Case - Product Sales**

The Committee considered a report of the Director of People and Organisational Development (CSC/12/21) setting out a business case, as required by the relevant legislation, for commercial trading by the Authority in product sales. The business case addressed, amongst other things:

- the scope and objective of the business;
- investment and resources required;
- the potential risks, significance of the risks and mitigations associated with the venture; and
- expected financial results and relevant outcomes.

RESOLVED that the Business Case for Product Sales, as set out in report CSC/12/21, be approved.

***CSC/19. 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 and other companies.

***CSC/20. Update On Commercial Matters (Including Current Commercial Leads And Opportunities)**

(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 Committee received for information an oral update from the Commercial Services Development Manager on:

- commercial ventures being progressed in collaboration with Falck; and
- other commercial opportunities being explored or progressed.

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

The meeting started at 10.00hours and finished at 11.25hours.

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

5 September 2012

Present:-

Councillors Brooksbank (Vice Chair – in the Chair), Burridge-Clayton, Chugg, J D Smith and Woodman (vice Bown).

Apologies:-

Councillor Bown

In attendance:-

Councillor Gribble

***HRMDC/8. Minutes**

RESOLVED that the Minutes of the meeting held on 5 September 2012 be signed as a correct record.

***HRMDC/9. Declarations of Interest**

Members were asked to declare any disclosable pecuniary interests they may have in relation to any items on the agenda for this meeting.

No interests were declared.

***HRMDC/10. Firefighters' Pension Scheme Internal Disputes Resolution Panel**

The Committee noted that it was required to appoint 3 of its Members to serve on the Firefighters' Pension Scheme Internal Disputes Resolution Panel. (Membership of this Committee in 2011/12 was Councillors Bown, Boyd and Wright).

RESOLVED that Councillors Bown, Knight and J Smith be appointed to serve on the Panel until the first meeting of the Committee following the Annual Meeting of the Authority in 2013.

***HRMDC/11. Human Resources (HR) Improvement Programme**

The Committee received for information a presentation given by the Director of People and Organisational Development at the meeting in respect of the Human Resources Improvement Project.

The presentation covered a number of areas, including the background to the project, the models that had been developed for potential implementation and the process improvements that had been instigated.

The Human Resources Manager advised the Committee that the project had involved a wide range of staff being asked to give their views in respect of the HR Department and how their role was perceived and could be improved to meet the changing environment and the challenges for the future.

He drew attention to some of the service improvements made, including Gartan (availability, payroll and wholetime), a new payroll provider and electronic payslips/expenses provision.

*** DENOTES DELEGATED MATER WITH POWER TO ACT**

The meeting started at 10.00hours and finished at 11.15hours.

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

24 September 2012

Present:-

Councillors Radford (Chairman), Dyke, Gribble, Healey (vice Burrridge-Clayton), Mills, J D Smith and Way

Apologies:-

Councillor Burrridge-Clayton

***APRC/42. Minutes**

RESOLVED that the Minutes of the meeting held on 19 July 2012 be signed as a correct record.

***APRC/43. Declarations of Interest**

Members were asked to declare any **disclosable pecuniary interests** they held in items as set out on the agenda for this meeting and to declare any such interests at this time.

No such interests were declared.

***APRC/44. Audit Commission Progress Report**

(Alun Williams, Audit Commission, in attendance for this item).

The Committee received for information a report of the Audit Commission, as presented by Mr. Alun Williams of the Commission, providing an update on the Commission's progress in delivering its responsibilities as external auditors to the Authority and highlighting key emerging national issues. Topics covered in the report included, amongst other things:

- the audit of the Authority's 2011/12 financial statements and the Value for Money conclusion;
- outsourcing the work of the Audit Practice;
- the draft Local Audit Bill;
- the 2012/13 National Fraud Initiative (NFI);
- an update on standards and conduct issues under the Localism Act 2011; and
- collaborative work between the Chartered Institute of Internal Auditors (IIA) and the Chartered Institute of Public Finance and Accountancy (CIPFA) to develop public sector internal audit standards.

(SEE ALSO MINUTE *APRC/45 BELOW).

***APRC/45. Audit Commission Annual Governance Report 2011/12, including Draft Opinion on the 2011/12 Statement of Accounts**

(Alun Williams and David Bray, Audit Commission, in attendance for this item).

The Authority considered a report of the Audit Commission, as presented by David Bray of the Commission, summarising the findings from the audit of the Authority's 2011/12 financial statements. The report highlighted:

- that, on the basis of the audit, it was proposed to issue an unqualified opinion on the financial statements;
- that it was anticipated that the value for money work would conclude that the Authority had proper arrangements in place to secure economy, efficiency and effectiveness in the use of its resources;
- adjustments made to financial statements and one area where the statements had not been adjusted, relating to Council Tax Freeze Grant. While the Authority's accounting practice in this respect differed from the view of the Audit Commission, this was a matter of opinion rather than materially affecting the financial statements and had no overall effect either on the statement of comprehensive income and expenditure or balance sheet;
- that the Authority had in place appropriate systems for internal financial control;
- that the Authority's Annual Governance Statement complied with the requirements of the CIPFA/SOLACE Delivering Good Governance in Local Government Framework.

Accompanying the Audit Commission's report were a revised Statement of the Authority's Accounts for 2011/12 together with a draft Letter of Representation on the Authority's financial statements.

The Committee asked to have placed on record its thanks and appreciation for the work of the Treasurer and his finance team in securing another unqualified opinion on the Authority's financial statements.

RESOLVED

- (a) That the Audit Commission's Annual Governance Report 2011/12 (including the recommendations contained therein) together with the financial statements on which it is based, as enclosed with the agenda for this meeting, be approved, and;
- (b) That the Letter of Representation also enclosed with the agenda for this meeting be approved and the Treasurer authorised to sign it and return it to the Audit Commission on behalf of the Authority.

(SEE ALSO MINUTE *APRC/44 ABOVE AND *APRC/46 BELOW)

***APRC/46. Annual Governance Statement 2011/12**

The Committee considered a report of the Chief Fire Officer (APRC/12/9) to which was appended the final Annual Governance Statement for the Authority, accompanying its 2011/12 financial statements, as required by the Accounts and Audit Regulations (England) 2011 (as amended).

The Committee had approved the Statement in principle at its meeting on 19 July 2012 (minute *APRC/41 refers). The Statement had subsequently been considered by the Audit Commission as part of its audit of the Authority's 2011/12 financial statements, with no material issues identified.

RESOLVED that the Authority's Annual Governance Statement for 2011-12 be approved.

(SEE ALSO MINUTE *APRC/45 ABOVE).

***APRC/47. Audit and Review Progress Report**

The Committee received for information a report of the Audit & Review Manager (APRC/12/10) on progress with management actions to improve the assurance ratings of the internal audits undertaken of:

- procurement;
- purchase cards (P cards); and
- the provision and use of work equipment.

Although the initial assurance rating remained at present, the report highlighted significant work undertaken in these areas. It was anticipated that once the changes referred to in the report were fully embedded in each of the areas this would result in an improved assurance rating.

A further report on progress in each of these areas would be submitted to a future meeting.

***APRC/48. Devon & Somerset Fire & Rescue Service Performance Report: April to June 2012**

The Authority received for information a report of the Deputy Chief Fire Officer (APRC/12/11) setting out performance by the Service during April to June of this year against those measures contained in the approved Corporate Plan. The following issues were highlighted:

- **Measure 1 (Deaths from fire where people live):** although there had been a decrease in performance compared to the same period last year, the overall target to maintain a downward trend in deaths from fire where people live was on track with the numbers concerned being very small. Following one of the fatal fires in April the Service had instigated its first incident review arising from which two managers of the care agency involved would receive Service training in undertaking risk assessments and advised on referral to the Service for Home Fire Safety visits. Additionally, other care staff at the agency would in future carry out weekly smoke alarm checks for their premises. The coroner had commended the incident review approach;
- **Measure 2 (Injuries from fire where people live):** performance in this area was not to target (to achieve a downward trend). Work had been commissioned to seek to understand the reasons for this, especially against a backdrop of a reduction in the number of domestic fires. The outcome of this work would be reported to a future meeting;
- **Measure 3 (fire incidents where people live):** although there had been a decrease in performance compared to the same period last year, the overall target to maintain a downward trend in fire incidents where people live was on track with the numbers concerned being very small.
- benchmarking data against three "national" fire and rescue services sharing similar traits to Devon and Somerset indicated that the Service was higher than the south west regional average for all three of the measures, but was below the national average for deaths and injuries;

- **Measures 4, 5 and 6 (deaths, injuries and incidents in places where people work or visit):** measure 4 (deaths) was static at present, with the trend neither increasing or decreasing. The outcome of the coroner's inquest into the M5 road traffic collision could, however, have a bearing on this measure. The other two measures were on target, with a downward trend being maintained and with no fire deaths being recorded in the current year to date in relation to places where people worked or visited;
- **Measures 7 (first attendance in ten minutes at fires where people live) and 8 (first attendance in fifteen minutes at road traffic collisions):** performance against these appeared to have dropped significantly when compared to the same period last year. This needed to be viewed, however, in the context of the merger of the Devon and Somerset Control rooms into one control room (itself necessitated by the government cancellation of the national Regional Control Centre project). Given the complexities involved, the merger had been extremely successful. It had been anticipated that there could be an apparent drop in performance although this was accounted for by differences in recording processes for attendance times rather than an actual reduction in performance. At no time had the public been put in danger or increased risk of harm. Performance had started to improve as familiarity with recording processes became embedded and other, technological initiatives were in train (e.g. the Networked Fire Control Solution Project) that it was anticipated would deliver significant further improvements and enhancements.

In relation to Measures 7 and 8, Members commented that it was also necessary to factor in difficulties associated with responding in a largely rural area. Additionally, had the drop in performance been actual rather than about recording issues, this would have been reflected in the other incident statistics but this had not proven to be the case.

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

The meeting started at 10.00hours and finished at 11.20hours

COMMUNITY SAFETY AND CORPORATE PLANNING COMMITTEE

(Devon and Somerset Fire and Rescue Authority)

5 October 2012

Present:-

Councillors Leaves (Chair), Mrs. Bakewell MBE, Brooksbank, Eastman, Foggin, Fry and Healey.

Also in attendance:-

Councillors Burridge-Clayton, Knight and Yeomans

***CSCPC/12. Minutes**

RESOLVED that the Minutes of the meeting held on 6 July 2012 be signed as a correct record.

***CSCPC/13. Declarations of Interest**

Members were asked to declare any **disclosable pecuniary interests** they had in items as set out on the agenda for this meeting and to declare any such interests at this time.

No such interests were declared.

CSCPC/14. Establishment of a Charitable Arm

The Committee considered a report of the Director of Service Support (CSCPC/12/3) on a proposal to establish a charitable arm and employ, initially on a twelve-month fixed term contract, a dedicated fund-raising officer. The aim of this initiative was to access funding streams otherwise unavailable to the Service to support community safety initiatives. The initiative was fully in-keeping with the wider localism and community empowerment agenda and similar ventures undertaken in Merseyside and Wales had proven highly effective.

RESOLVED that the Fire & Rescue Authority be recommended to approve:

- (a) the establishment of a charitable arm for the purpose of securing funding to deliver community safety initiatives for and with communities in Devon and Somerset; and
- (b) the employment of a fundraising officer on the basis as set out in section 7 of report CSCPC/12/3.

***CSCPC/15. DSFRS Position in Relation to the National Fire Kills Campaign Annual Report 2011/12**

The Committee received for information a report of the Director of Service Support (CSCPC/12/4) identifying notable safety activity undertaken by the Devon Fire & Rescue Service during 2011/12. This activity was in part aligned to but also went beyond that delivered as part of the national Fire Kills Campaign, for which the 2011/12 Annual Report had recently been published.

The Service activities, being data led and target driven, were aligned specifically to risks within Devon and Somerset unlike the national Fire Kills Campaign which nonetheless provided a useful method to deliver, at no cost to the Service, fire safety information using a wide range of popular media

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

The meeting started at 10.00hours and finished at 10.26hours

DEVON & SOMERSET FIRE & RESCUE AUTHORITY



REPORT REFERENCE NO.	CSCPC/12/3
MEETING	COMMUNITY SAFETY & CORPORATE PLANNING COMMITTEE
DATE OF MEETING	5 October 2012
SUBJECT OF REPORT	ESTABLISHMENT OF A CHARITABLE ARM
LEAD OFFICER	DIRECTOR OF SERVICE SUPPORT
RECOMMENDATIONS	<p><i>That the Fire & Rescue Authority be recommended to approve:</i></p> <p><i>(a) The establishment of a charitable arm for the purpose of securing funding to deliver community safety initiatives for and with communities in Devon and Somerset; and</i></p> <p><i>(b) The employment of a fundraising officer as set out within section 7 of the report.</i></p>
EXECUTIVE SUMMARY	<p>The Authority has had limited success in securing external funding to support Community Safety activities. Limited capacity, a lack of fundraising expertise and the status of the Authority as a statutory body inhibit opportunities to access external funding.</p> <p>This paper considers opportunities for the Service to move beyond current constraints and presents a recommendation with potential to sustain existing delivery, fund aspirational activities and create opportunities to support partner organisations in delivering our the service vision of making Devon and Somerset – a safer place for people, communities and business.</p>
RESOURCE IMPLICATIONS	£26,000 in the first year, self- funding thereafter.
EQUALITY RISKS AND BENEFITS ASSESSMENT (ERBA)	It will be important to monitor the engagement of communities and of individuals within communities to ensure that no group is excluded or discriminated against. As a part of the monitoring process, any gaps in project delivery or representation can be identified and addressed
APPENDICES	None
LIST OF BACKGROUND PAPERS	None

1. INTRODUCTION

- 1.1 Against the backdrop of diminishing funding to support Community Safety across both the public sector and through partnership sources, the Authority must look to alternative funding models. With some exceptions, such as Job Centre Plus, the Authority has had limited success in securing external funding to support Community Safety activities. Limited capacity within existing staff, a lack of fundraising expertise and the status of the Authority as a statutory body inhibit opportunities to access external funding.
- 1.2 This proposal seeks to secure additional funds to support innovation and give communities the resources to deal with the issues that are important to them. In doing so we will improve community safety through preventative strategies.
- 1.3 This proposal would stand alone from other fund raising schemes that might seek to secure funding for other elements of service support and delivery.

2. BACKGROUND

- 2.1 Research has identified that an opportunity exists to develop a charitable arm of the service. By employing a fundraising officer the service could support and develop the delivery of Community Safety in a cost effective and sustainable way. Realising this opportunity will support the principles of the Big Society and Localism and will not only benefit local communities in a move towards taking responsibility for their own safety, but will help the Service meet performance targets and work efficiently whilst delivering savings and increasing delivery.
- 2.2 Other Fire Services, most notably Merseyside and a joint venture by the three Welsh services have developed charitable status and each has established its own company limited by guarantee. This has enabled these services to secure the funding and delivery of services to the community that would not otherwise have been possible.
- 2.3 Merseyside and Wales continue to support their charitable arm directly through their Service budget. However, in each case it has been proven that the overall benefit has significantly enhanced delivery through the provision of additional external funding.
- 2.4 In the case of Merseyside through the 'Fire Support Network' charity, their accounts demonstrate that over the last three financial years the financial contributions made (through grant aid and Service Level Agreements) by the Merseyside Fire and Rescue Service has declined from £360,046 to £267,167. To put these figures into perspective in the financial year 2007/08 Merseyside Fire and Rescue Service provided 78% of the Fire Support Network's income, by 2009/10 this had fallen to 37%. However, over the same period of time the total income for the Fire Support Network has risen from £462,889 to £712,893. Firebreak Wales have achieved similar results.
- 2.5 The foundation of charitable status would improve the funds available and the opportunities to deliver community safety activities.
- 2.6 Charitable status has traditionally been achieved through registering with the Charity Commission and to set up a company limited by guarantee. Guarantee companies are useful for non-profit organisations that require corporate status. This means that its profits are not distributed to its members but are retained to be used for the purposes of the guarantee company. Of course this does not mean that the guarantee company cannot make a profit, as indeed it is almost paramount that it can and does so.

- 2.7 Where an organisation is likely to enter into contracts (which could well be the case) it may need the benefit of limited liability to protect its Board of Trustees and its members, who may be involved on a voluntary basis.
- 2.7 An alternative would be to operate as a Charitable Incorporated Organisation. A Charitable Incorporated Organisation, or CIO, is a new legal form for a charity. A Charitable Incorporated Organisation:
- is an incorporated form of charity which is not a company
 - only has to register with the Charity Commission and not Companies House
 - is only created once it is registered by the Commission
 - can enter into contracts in its own right and its trustees will normally have limited or no liability for the debts of the CIO
- 2.8 The CIO was created in response to requests from charities for a new structure which could provide some of the benefits of being a company, but without some of the burdens. There is no cost. This would seem an ideal vehicle to take forward the DSFRS charitable arm. The CIO initiative is yet to go live but it is anticipated that its timescales would roughly meet those of DSFRS should a charitable arm be established.
- 2.9 Once charitable status is achieved the charitable arm will become an arm's length company with its own governance structure. DSFRS will provide the charity with funding and in return will hold some positions on the board of trustees and receive regular updates of accounts.

3. CURRENT POSITION

- 3.1 Elements of current and planned Community Safety activities are already linked into a number of community based initiatives including Community or Participatory Budgeting and the development of a volunteering policy. Although some elements of this work can continue under current funding methods at this time, opportunities to widen these activities and to develop a range of broader risk reduction activities will be not be realised without additional funding.

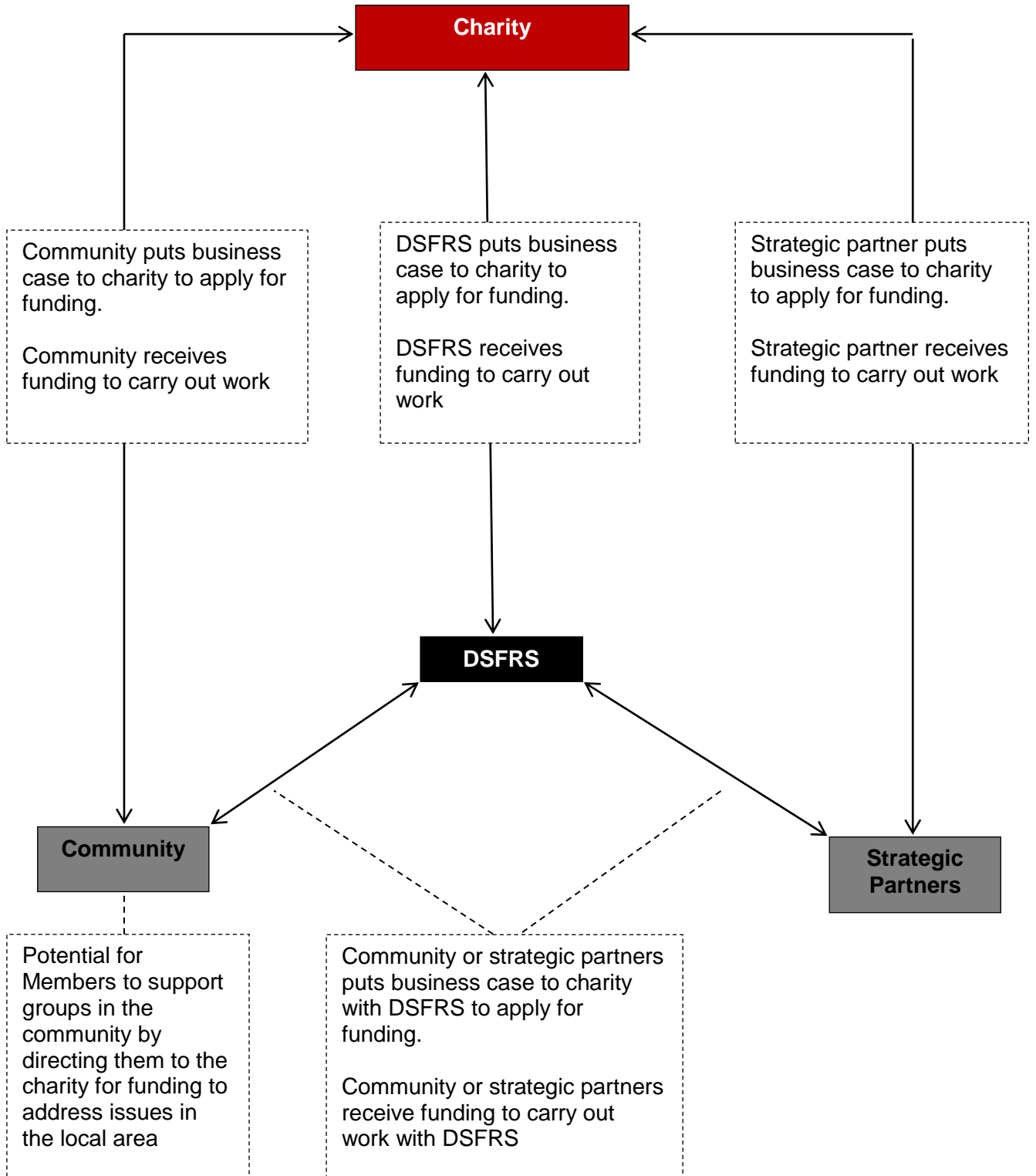
4. OPPORTUNITIES

- 4.1 The Merseyside experience demonstrates how targeted pump priming and support can enable a charity to develop and prosper with benefits for both the FRS and the wider community.
- 4.2 There is a good body of evidence to suggest that DSFRS could achieve similar results.
- 43 The charity would provide opportunity to develop new initiatives to engage with and support community needs. It would also provide resilience for current community engagement initiatives by ensuring money is available through the charity at a time when funding may be withdrawn from other avenues.

5. COMMUNITY IMPACT

- 5.1 The charity would provide a one-stop shop for local communities and DSFRS to deliver aspects of the Big Society, localism and community empowerment. It would provide a dedicated website providing information, advice and guidance to local communities, fundraising advice and support around safer communities and generate funding for DSFRS, the local community and partners. Communities would become more involved in planning safer communities; better community links will be developed, providing advice and support to enable community involvement.
- 5.2 Figure 1 (as set out on the following page) demonstrates the relationships the charity would create it would allow for greater working with partners and the community; strategic partners and the community would be able to work directly with the charity as well as working with DSFRS to access the charity. There would be opportunity for Members to help their local community through the charity to apply for funding to improve community safety in their local area.

Figure 1 - Charity Relationships



6. RISKS AND CHALLENGES

- 6.1 The risk within this proposal is limited to year one when the Service would be funding the employment of a Fund Raising Officer.
- 6.2 The research conducted provides evidence that there are a number of funding streams that would be accessible to the service and therefore this risk is deemed minimal. However, if the reality did not deliver sufficient funding the post would be withdrawn and losses therefore minimised.
- 6.3 Reduced funding from existing sources of grant and council tax poses the most significant threat to on-going success in risk reduction activities.

7. FINANCIAL AND OTHER IMPLICATIONS

- 7.1 There will be a need for the Service to provide the initial investment to establish a charity and employ a fund raiser.
- 7.2 The set up costs and seven month's salary would be £41,000. It is projected that the charity would produce £15,000 for the remainder of the financial year. This would result in an overall year one cost of £26,000. Appointment to the post would be made on a 1 year contract to be reviewed annually by trustees alongside the progress of the charity. The post would be made available for application from both internal and external applicants, in order to secure appropriate skills in running a successful charity.
- 7.3 In year two there is a predicted benefit of £46,000 in rising to £94,000 in year four. These are conservative figures based on the experiences of other fire and rescue services.
- 7.4 This funding would allow us to undertake new and innovative community safety activities. It would also ensure the continued delivery of activities we currently undertake such as:
- Phoenix Course - This costs approximately £500 per person to deliver through funding from the Job Centre Plus. There has been an 86% success rate of getting medium term unemployed young people back into work or education.
 - Learn2Live – This costs approximately £2 per person to deliver through the partnership and reaches 10,000 – 15,000 young people a year.

8. CONCLUSIONS

- 8.1 Foundation of charitable status and the creation of a fund raising position, offers the Service the potential to secure the funding and delivery of services to the community that cannot be sustained through any reduction in the revenue support grant.
- 8.2 It appears that although other services have established either a charitable status, or a trading company this Service would become the first to have established access to public, private and third sector funding.

TREVOR STRATFORD
Assistant Chief Fire Officer, Service Support

RESOURCES COMMITTEE

(Devon and Somerset Fire and Rescue Authority)

19 October 2012

Present:-

Councillors Woodman (Vice Chair) (in the Chair), Bakewell MBE, Gribble (vice Hughes OBE), Horsfall, Mills (vice Yeomans) and D Smith.

Apologies:-

Councillor Gordon (Chair), B Hughes OBE and Yeomans.

***RC/9. Minutes**

RESOLVED that the Minutes of the meeting held on 20 July 2012 be signed as a correct record.

***RC/10. Declarations of Interest**

Members of the Committee were asked to declare any disclosable pecuniary interests they may have in relation to items on the agenda for this meeting and to declare any such interests at this time.

***RC/11. Financial Performance Report 2012/13: Quarter 2**

The Committee considered a report of the Treasurer to the Authority (RC/12/10) that set out the Authority's performance in the second quarter of the financial year (April to September 2012) as measured against the agreed financial targets.

The Treasurer reported upon the performance, which had been categorised into three areas, namely:

- Revenue Budget 2012/13;
- Capital Budget and Prudential Indicators 2012/13, and:
- Other financial indicators.

He indicated that the Authority was performing well against the targets on the whole. In terms of the Revenue Budget for 2012/13, spending was forecast to be £77.274million against an approved Revenue Budget of £78.676 million in 2012/13, representing an underspend of £1.402million, equivalent to 1.78% of the total budget. The Chief Fire Officer drew attention to the point that this underspend was attributable largely to the requirement stipulated by the Service Management Board that all budget holders across the organisation needed to trim their costs wherever possible with a view to reducing their budgets to secure £1 million of savings by the end of the financial year.

The Treasurer added that factors such as the final settlement on the Retained Duty System Part Time Firefighters settlement may impact on the level of savings achieved in 2012/13 and therefore there is no recommendation at this time on how the underspend may be utilised. The Authority would need to make a decision at the year-end as to how it wished to deal with the savings of £1.402 million. He commented that a Comprehensive Spending Review (CSR) Reserve had been established in 2010 to make provision for the cuts in Revenue Support Grant (RSG) that would be forthcoming in future years and the Authority may wish to consider adding to this Reserve.

In terms of the Capital Programme, the Treasurer reported that spending was projected to be £8.106million against an approved Programme of £10.060million, resulting in slippage in spending of £1.954million. Reference was made to 4 projects that had been added to the Capital Programme, namely:

- New ship structure at Service Training Centre, Plympton (£0.052million);
- Enhanced logistics command vehicle for the Urban Search and Rescue (USAR) fleet (£0.094million);
- Additional costs identified relating to the new facilities at Exeter Airport (£0.045million), and:
- USAR temporary building (£0.010million).

It was emphasised that each of these costs was to be funded entirely from revenue or grant income and thus, there was no associated increase in the Authority's external borrowing requirement.

It was noted that, in terms of the other financial performance indicators, the total debtor invoices outstanding as at 30 September 2012 was £99,920 as compared with £175,997 at 30 June 2012. The Treasurer suggested that, as the level of debt outstanding for more than 85 days was so small, this may be skewing the statistics and that he would look into an alternative means of reporting against this indicator.

RESOLVED

- (a) That the budget virement outlined in paragraph 10.1 of report RC/12/10, be approved;
- (b) That, in accordance with Financial Regulations, the increases in the 2012-13 capital programme (to be funded from revenue contributions), as outlined in paragraph 14.2 of the report be approved;
- (c) That, subject to recommendations (a) and (b) above, the monitoring position in relation to projected spending against the 2012-2013 revenue and capital budgets be noted.
- (d) That the performance against the 2012-2013 financial targets be noted.

***RC/12. Treasury Management Performance 2012/13: Quarter 2**

The Committee received for information a report of the Treasurer (RC/12/11) that set out the treasury management activities between 1 April and 30 September 2012 in accordance with the Authority's approved Treasury Management Strategy.

Adam Burleton, the Authority's Treasury Management Adviser, attended the meeting to update the Committee on the performance to date this year. He stated that the UK economy was still weak and was unlikely to improve significantly for some years. As a result, the Authority could expect to see slow growth and low interest rates to continue.

It was noted that, as a result of the investment priorities in place of security of capital and liquidity, the Authority had achieved a return of 0.67% against the benchmark of 0.60% on the 3 month LIBID rate. It was anticipated, therefore that the budget investment return for the year of £0.100million would be overachieved with a potential return of £0.227million.

In terms of borrowing, the Treasurer indicated that it was not intended that any further borrowing would be undertaken in the foreseeable future but the position would be monitored. Total borrowing as at 30 September 2012 was £28.637million.

RESOLVED that the performance in relation to the treasury management activities of the Authority for 2012-2013 (to September), as set out in report RC/12/11, be noted.

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

The meeting started at 10.00hours and finished at 10.50hours

DEVON & SOMERSET FIRE & RESCUE AUTHORITY



REPORT REFERENCE NO.	RC/12/11
MEETING	RESOURCES COMMITTEE
DATE OF MEETING	19 OCTOBER 2012
SUBJECT OF REPORT	TREASURY MANAGEMENT PERFORMANCE 2012-2013 – QUARTER 2
LEAD OFFICER	TREASURER
RECOMMENDATIONS	<i>That the performance in relation to the treasury management activities of the Authority for 2012-2013 (to September 2012), as set out in this report, be noted.</i>
EXECUTIVE SUMMARY	The Chartered Institute of Public Finance and Accountancy (CIPFA) issued the revised Code of Practice for Treasury Management in November 2009. The revised Code suggests that members should be informed of Treasury Management activities at least twice a year, but preferably quarterly. This report therefore ensures this Authority is embracing Best Practice in accordance with CIPFA's revised Code of Practice.
RESOURCE IMPLICATIONS	As indicated within the report.
EQUALITY RISKS AND BENEFITS ASSESSMENT (ERBA)	An initial assessment has not identified any equality issues emanating from this report.
APPENDICES	A. Investments held as at 30 September 2012.
LIST OF BACKGROUND PAPERS	Treasury Management Strategy (including Prudential and Treasury Indicators) Report DSFRA/12/3 – as approved at the meeting of the DSFRA meeting held on the 17 February 2012.

1. INTRODUCTION

1.1 The Treasury Management Strategy for Devon and Somerset FRA had been underpinned by the adoption of the Chartered Institute of Public Finance and Accountancy's (CIPFA) 2011 Treasury Management in Public Services Code of Practice (the Code) and the CIPFA Prudential Code. The most recent revision of the Code was adopted at the meeting of the DSFRA on the 17th February 2012. The Authority fully complies with the primary requirements of the Code, which includes:

- The creation and maintenance of a Treasury Management Policy Statement, which sets out the policies and objectives of the Authority's treasury management activities.
- The creation and maintenance of Treasury Management Practices, which set out the manner in which the Authority will seek to achieve those policies and objectives.
- The Receipt by the full Authority of an annual Treasury Management Strategy Statement - including the Annual Investment Strategy and Minimum Revenue Provision Policy - for the year ahead, **a Mid-year Review Report** and an Annual Report (stewardship report) covering activities during the previous year.
- The delegation by the authority of responsibilities for implementing and monitoring treasury management policies and practices and for the execution and administration of treasury management decisions.

1.2 Treasury management in this context is defined as:

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

1.3 The preparation of this report demonstrates that the Authority is implementing best practice in accordance with the code.

2. ECONOMIC BACKGROUND

Economic performance to date

2.1 Economic sentiment, in respect of the prospects for the UK economy to recover swiftly from recession, suffered a major blow in August when the Bank of England substantially lowered its expectations for the speed of recovery and rate of growth over the coming months and materially amended its forecasts for 2012 and 2013. It was noted that the UK economy is heavily influenced by worldwide economic developments, particularly in the Eurozone, and that on-going negative sentiment in that area would inevitably permeate into the UK's economic performance.

2.2 With regard to the Eurozone, investor confidence remains weak because successive "rescue packages" have first raised, and then disappointed, market expectations. However, the uncertainty created by the continuing Eurozone debt crisis is having a major effect in undermining business and consumer confidence not only in Europe and the UK, but also in America and the Far East/China.

- 2.3 In the UK, consumer confidence remains very depressed with unemployment concerns, indebtedness and a squeeze on real incomes from high inflation and low pay rises, all taking a toll. Whilst inflation has fallen considerably (CPI @ 2.6% in July), UK GDP fell by 0.5% in the quarter to 30 June, the third quarterly fall in succession. This means that the UK's recovery from the initial 2008 recession has been the worst and slowest of any G7 country apart from Italy (G7 = US, Japan, Germany, France, Canada, Italy and UK). It is also the slowest recovery from a recession of any of the five UK recessions since 1930 and total GDP is still 4.5% below its peak in 2008.
- 2.4 This weak recovery has caused social security payments to remain elevated and tax receipts to be depressed. Consequently, the Chancellor's plan to eliminate the annual public sector borrowing deficit has been pushed back further into the future. The Monetary Policy Committee has kept Bank Rate at 0.5% throughout the period while quantitative easing was increased by £50bn to £375bn in July. In addition, in June, the Bank of England and the Government announced schemes to free up banking funds for business and consumers.
- 2.5 On a positive note, despite all the bad news on the economic front, the UK's sovereign debt remains one of the first ports of call for surplus cash to be invested in and gilt yields, prior to the ECB bond buying announcement in early September, were close to zero for periods out to five years and not that much higher out to ten years.

Outlook for the next six months of 2012/13

- 2.6 The risks in economic forecasts continue unabated from the previous treasury strategy. Concern has been escalating that the Chinese economy is heading for a hard landing, rather than a gentle slowdown, while America is hamstrung by political deadlock which prevents a positive approach to countering weak growth. Whether the presidential election in November will remedy this deadlock is debatable but urgent action will be required early in 2013 to address the US debt position. However, on 13 September the Fed announced an aggressive stimulus programme for the economy with a third round of quantitative easing focused on boosting the stubbornly weak growth in job creation, and this time with no time limit. They also announced that it was unlikely that there would be any increase in interest rates until at least mid-2015.
- 2.7 Eurozone growth will remain weak as austerity programmes in various countries curtail economic recovery. A crunch situation is rapidly developing in Greece as it has failed yet again to achieve deficit reduction targets and so may require yet another (third) bail out. There is the distinct possibility that some of the northern European countries could push for the ejection of Greece from the Eurozone unless its financial prospects improve, which does not seem likely at this juncture.
- 2.8 A financial crisis was also rapidly escalating over the situation in Spain. However, in early September the ECB announced that it would purchase unlimited amounts of shorter term bonds of Eurozone countries which have formally agreed the terms for a bailout. Importantly, this support would be subject to conditions (which have yet to be set) and include supervision from the International Monetary Fund. This resulted in a surge in confidence that the Eurozone has at last put in place the framework for adequate defences to protect the Euro. However, it remains to be seen whether the politicians in charge of Spain and Italy will accept such loss of sovereignty in the light of the verdicts that voters have delivered to the politicians in other peripheral countries which have accepted such supervision and austerity programmes. The Eurozone crisis is therefore far from being resolved as yet. The immediate aftermath of this announcement was a rise in bond yields in safe haven countries, including the UK. Nevertheless, this could prove to be as short lived as previous "solutions" to the

Eurozone crisis.

2.9 The Bank of England Quarterly Inflation Report in August pushed back the timing of the return to trend growth and also lowered its inflation expectations. Nevertheless, concern remains that the Bank's forecasts of a weaker and delayed robust recovery may still prove to be over optimistic given the world headwinds the UK economy faces. Weak export markets will remain a drag on the economy and consumer expenditure will continue to be depressed due to a focus on paying down debt, negative economic sentiment and job fears. The Coalition Government, meanwhile, is likely to be hampered in promoting growth by the requirement of maintaining austerity measures to tackle the budget deficit.

2.10 The overall balance of risks is, therefore, weighted to the downside:

- We expect low growth in the UK to continue, with Bank Rate unlikely to rise in the next 24 months, coupled with a possible further extension of quantitative easing. This will keep investment returns depressed.
- The expected longer run trend for PWLB borrowing rates is for them to eventually rise, primarily due to the need for a high volume of gilt issuance in the UK and the high volume of debt issuance in other major western countries. However, the current safe haven status of the UK may continue for some time, tempering any increases in yield.
- This interest rate forecast is based on an assumption that growth starts to recover in the next three years to a near trend rate (2.5%). However, if the Eurozone debt crisis worsens as a result of one or more countries having to leave the Euro, or low growth in the UK continues longer, then Bank Rate is likely to be depressed for even longer than in this forecast.

Sector's interest rate forecast

2.11 The Sector forecasts below for PWLB rates incorporate the introduction of the **PWLB certainty rate** in November 2012 which will reduce PWLB borrowing rates by 0.20% for this authority.

	as at 17/9/12	Dec- 12	Mar- 13	Jun- 13	Sep- 13	Dec- 13	Mar- 14	Jun- 14	Sep- 14	Dec- 14	Mar- 15
Bank Rate	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.75%	1.00%
3 Month Libid	0.55%	0.60%	0.60%	0.60%	0.60%	0.60%	0.60%	0.70%	0.90%	1.10%	1.40%
6 Month Libid	0.85%	0.85%	0.85%	0.85%	0.85%	0.85%	1.00%	1.10%	1.30%	1.50%	1.80%
12 Month Libid	1.30%	1.30%	1.30%	1.30%	1.40%	1.50%	1.70%	1.90%	2.10%	2.30%	2.60%
5 yr PWLB Rate	1.89%	1.50%	1.50%	1.50%	1.60%	1.70%	1.80%	1.90%	2.00%	2.10%	2.30%
10 yr PWLB Rate	2.91%	2.50%	2.50%	2.50%	2.60%	2.70%	2.80%	2.90%	3.00%	3.20%	3.30%
25 yr PWLB Rate	4.15%	3.70%	3.70%	3.70%	3.80%	3.80%	3.90%	4.00%	4.10%	4.20%	4.30%
50 yr PWLB Rate	4.32%	3.90%	3.90%	3.90%	4.00%	4.00%	4.10%	4.20%	4.30%	4.40%	4.50%

3. **TREASURY MANAGEMENT STRATEGY STATEMENT**

Annual Investment Strategy

- 3.1 The Authority's Annual Investment Strategy, which is incorporated in the Treasury Management Strategy Statement (TMSS) was approved by the Authority on the 17th February 2012. It outlines the Authority's investment priorities as follows:
- Security of Capital
 - Liquidity
- 3.2 The Authority will also aim to achieve the optimum return on investments commensurate with the proper levels of security and liquidity. In the current economic climate it is considered appropriate to keep a significant proportion of investments short term to cover short term cash flow needs but also to seek out value available in significantly higher rates in periods up to 12 months with highly credit rated financial institutions using the Sector suggested creditworthiness matrices, including Credit Default Swap (CDS) overlay information provided by Sector.
- 3.3 There are no policy changes to the TMSS; the details in this report update the position in the light of the updated economic position and budgetary changes already approved.
- 3.4 A full list of investments held as at 30 September 2012 are shown in Appendix A.
- 3.5 Investment rates available in the market have continued at historically low levels.
- 3.6 The average level of funds available for investment purposes during the quarter was £25.048m (£17.980m in previous quarter). These funds were available on a temporary basis, and the level of funds available was mainly dependent on the timing of precept payments, receipt of grants and progress on the Capital Programme.

Benchmark	Benchmark Return	Authority Performance	Investment interest for quarter
3 Month LIBID	0.60%	0.67%	£77,658

- 3.7 As illustrated above, the authority has outperformed the 3 month LIBID benchmark by 0.07 bp. It is anticipated that the budgeted investment return for the year of £0.100m will be overachieved. Our performance so far indicates that the figure will be overachieved by £0.127m.

Borrowing Strategy

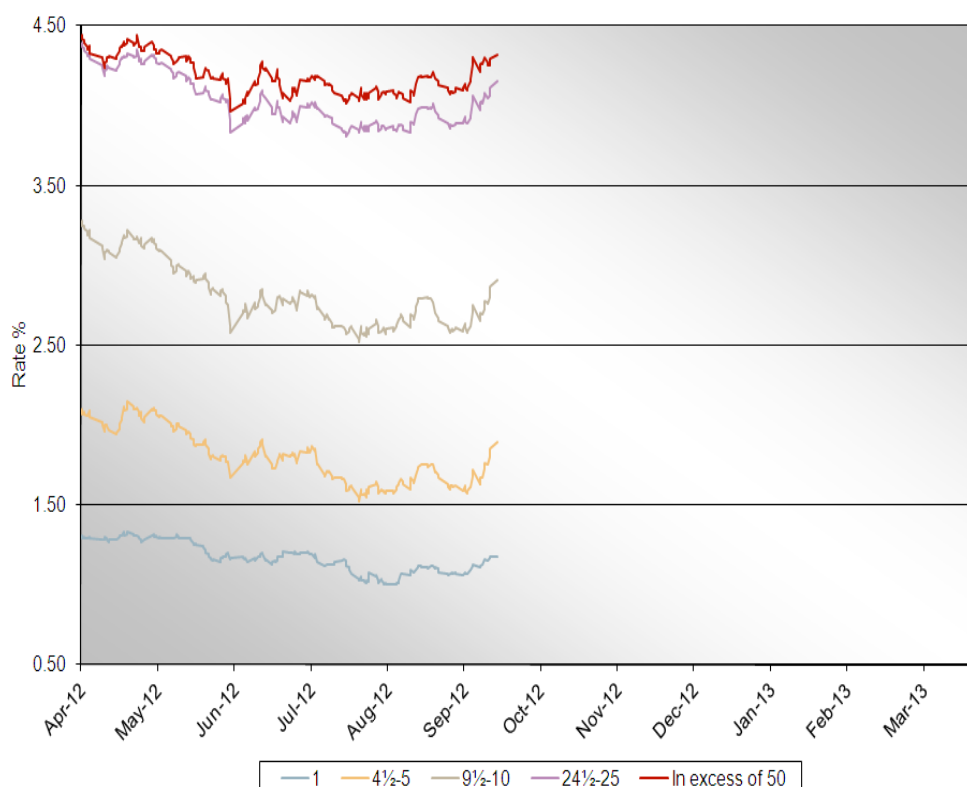
Prudential Indicators:

- 3.8 It is a statutory duty for the Authority to determine and keep under review the "Affordable Borrowing Limits". The Authority's approved Prudential Indicators (affordability limits) are outlined in the approved TMSS.
- 3.9 A full list of the approved limits (as amended) are included in the Financial Performance Report 2012-2013, considered elsewhere on the agenda, which confirms that no breaches of the Prudential Indicators were made in the period to September 2012 and that there are no concerns that they will be breached during the financial year.

3.10 Total external borrowing as at 30 September 2012 stood at £28.637m, compared to a figure as at 30 June 2012 of £29.066m. No new borrowing was taken out during the quarter with an amount of £0.699m being repaid. No debt rescheduling was taken out during the quarter.

3.11 The graph and table below show the movement in PWLB rates for the first six months of the year (to 10.9.12): It is anticipated that internal borrowing and available grants will reduce the call on any further borrowing and therefore it is unlikely that any further borrowing will be undertaken this financial year.

PWLB Rates 2012-13



4. SUMMARY

4.1 In compliance with the requirements of the CIPFA Code of Practice of Treasury Management, this report provides members with a second quarter report of the treasury management activities for 2012-2013. As is indicated in this report, none of the Prudential Indicators have been breached, and a prudent approach has been taken in relation to investment decisions taken so far, with priority being given to liquidity and security over yield. Whilst investment returns are still low as a consequence of the fall in interest rates, the Authority is still anticipating that the investment returns will be greater than originally budgeted.

KEVIN WOODWARD
Treasurer

APPENDIX A TO REPORT RC/12/11

Investments as at 30th September 2012						
% of total investments	Counterparty	Maximum to be invested (£m)	Total amount invested (£m)	Call or Term	Date if Term	Interest Rate
19.64%	Bank of Scotland	5.0	1.500	T	04/07/2013	3.00%
			1.500	T	04/07/2013	3.00%
			2.000	T	01/02/2013	2.00%
30.44%	Barclays	10.0	2.000	T	30/11/2012	1.24%
			1.750	T	07/12/2012	1.19%
			1.500	T	12/12/2012	0.52%
			2.500	T	16/10/2012	0.76%
19.64%	Ignis Money Market Fund	5.0	5.000	C		Variable
16.54%	Black Rock	5.0	4.210	C		Variable
5.89%	Nationwide B/S	1.5	1.500	T	29/11/2012	0.54%
7.86%	Local Authority	1.5	2.000	T	15/07/2013	0.34%
			25.460			



DEVON & SOMERSET FIRE & RESCUE AUTHORITY

REPORT REFERENCE NO.	DSFRA/12/25
MEETING	DEVON & SOMERSET FIRE & RESCUE AUTHORITY
DATE OF MEETING	5 NOVEMBER 2012
SUBJECT OF REPORT	NETWORKED FIRE CONTROL SOLUTION PROJECT (NFCSP) – UPDATE AND PARTNERSHIP AGREEMENT
LEAD OFFICER	Chief Fire Officer
RECOMMENDATIONS	<p>(a) <i>that the Authority approves entering into the formal partnership agreement with Dorset, Hampshire and Wiltshire Fire and Rescue Services to provide an interlinked resilient fire command and mobilising system; and</i></p> <p>(b) <i>that, subject to (a) above, the remainder of this report updating on progress with the project be noted.</i></p>
EXECUTIVE SUMMARY	<p>The Authority has previously been informed that the Devon & Somerset Fire & Rescue Service (“the Service”) has been working with Dorset, Hampshire and Wiltshire Fire and Rescue Services on the development of a new command and mobilising system that will be interoperable and provide a high degree of resilience. Each of the fire and rescue services (FRSs) has been awarded £1.8 million from the Department for Communities and Local Government to fund this project.</p> <p>To ensure the system is fit for purpose it is essential that the Fire Control facility be developed to allow for potential commercial expansion and improved incident support. While It was initially intended to secure this by the establishment of a new Control Room on the Service Headquarters site it has subsequently been identified, following the successful merger of the two previous control rooms, that the current accommodation for the merged control room can be upgraded to provide such a facility at considerably lower cost.</p> <p>Adoption of a formal partnership agreement with the other FRS is a key component of the intended future arrangements and is required for successful completion of the procurement process. Although procurement process could take up to 12 months in total, the desired intention is to complete it within six months for the system to go live date by 30 June 2013, with full networking by January 2014.</p>

	<p>This agreement has now been drafted and deemed fit for purpose by the legal advisers to each of the fire and rescue services to the partnership. It is, therefore, commended for formal approval</p>
<p>RESOURCE IMPLICATIONS</p>	<p>The costs of procuring and installing the new system will be met from the £1.8 million provided to this Service for the project by the Department for Communities and Local Government.</p> <p>The cost of re-developing the current Fire Control building is estimated as being £500,000. Budgetary provision already exists to meet these costs.</p>
<p>EQUALITY RISKS AND BENEFITS ASSESSMENT (ERBA)</p>	<p>Not applicable to this report.</p>
<p>APPENDICES</p>	<p>Nil.</p>
<p>LIST OF BACKGROUND PAPERS</p>	<p>Networked Fire Control Solution Project Partnership Agreement</p>

1. BACKGROUND

- 1.1 The Authority has previously been informed of work between the Devon & Somerset Fire & Rescue Service (“the Service”) and Dorset, Hampshire and Wiltshire Fire and Rescue Services to develop a new integrated fire control system.
- 1.2 It should be stressed that, under the project, each FRS will retain its own Control Room but the systems operated will be identical and capable of carrying out the full functionality of each of the other controls rooms, thus providing a high degree of resilience in respect of spate (high call volume) conditions and for business continuity.

2. FUNDING

- 2.1 In March 2012 the Department for Communities and Local Government (CLG) announced that each of the partners would receive £1.8 million in grant funding to develop the network. This funding has now been received and ring-fenced for the development of the Fire Control system.

3. FIRE CONTROL LOCATION

- 3.1 The Authority has also previously been informed of vacation of the former Control Room at Hestercombe House, Somerset, and its merger with the existing Control Room sited at Service Headquarters (SHQ). This was initially seen as the first phase in a longer term project that would ultimately see the development – linked to the networked fire control solution project – of new accommodation for the Control Room. This was considered necessary at the time to overcome technical difficulties associated with the current location.
- 3.2 The merger involved, however, some degree of refurbishment to the existing Control Room. This has overcome the previously anticipated technical difficulties meaning that it is now a more viable and cost-effective proposition to look to further develop the current Fire Control Room to accommodate the networked fire control solution.

4. PARTNERSHIP AGREEMENT

- 4.1 Critical to ensuring the success of the partnership is a formal agreement which provides confidence that the partners are committed to the long-term, and that suitable arrangements are in place to deal with all potential situations that may occur over the lifetime of the partnership. This formal agreement has now been drafted. It is rather technical in nature and runs to some 60+ pages in length. It has been, however, assessed by the legal advisers to each of the fire and rescue services to the partnership and deemed fit for purpose. A hard-copy of the full agreement, which is now commended for approval, is available to Members on request and can be viewed (together with the whole agenda for this meeting) on the agenda section of the Authority’s website.
- 4.2 The agreement ties the Service into the partnership for a minimum of eight years with an optional further 4 years. It covers this period of time to maximise the potential procurement benefits.

5. PROCUREMENT OF THE SYSTEM

5.1 To ensure that any system purchased is both fit for purpose and future-proofed, extensive work has been undertaken to clarify and clearly define the operational and technical requirements. This work has been subject to scrutiny both within the fire control environment and with operational staff.

5.2 Using this work as its basis, the procurement process adopted is as follows:

Stage 1

- the pre-qualification questionnaire (PQQ) (stage one) commenced on 18 June 2012 with a closing date is 26 July @ 12:00 noon;
- Following the closing date, responses to the PQQ will be evaluated and a short-list developed

Stage 2

- An Invitation to Tender (ITT) will be issued to the shortlisted suppliers with a designated closing date for return of tenders;
- All tenders returned by the closing date will be subject to evaluation;
- An award recommendation paper will be drafted for each FRS to sign-off with the intention of preliminary contract award (subject to standstill period) in December 2012 with final award (subject to there being no legal challenge) in January 2013.

6. “GO LIVE”

6.1 The full procurement of the new system could, potentially, last up to twelve months. In light of the considerable preparatory work referred to in paragraph 5.1 above, however, in developing the specifications it is hoped that the procurement process can be completed in a much shorter timescale. While this is dependent on prevailing market conditions and ability to engage positively with potential suppliers it is nonetheless hoped to complete the procurement process by January 2013 and to progress the project in accordance with the following timetable:

- phase 1 building works and alterations commenced by February 2013;
- system installation by April 2013;
- system testing and training by June 2013;
- system “go live” by 30 June 2013;
- phase 2 building works and alterations by September 2013;
- full networking “go live” by January 2014.

6.2 It should be noted that this is only an indicative timetable. This Service does not have a critical time path for the project but would wish to be supportive of other partner FRSs who do have such a time path for go live. As indicated, full network functionality is expected in early 2014 at which time this Service will be able to take calls and mobilise operational assets for all of our partner FRSs.

7. CONCLUSION

7.1 The networked fire control solution project is highly innovative and intended to deliver a much-needed state-of-art, resilient command and control function for this Service. A realistic implementation plan has been developed and the necessary formal Partnership Agreement drafted and endorsed as fit for purpose. This is now commended for approval.

LEE HOWELL
Chief Fire Officer



DEVON & SOMERSET FIRE & RESCUE AUTHORITY

REPORT REFERENCE NO.	DSFRA/12/26
MEETING	DEVON & SOMERSET FIRE & RESCUE AUTHORITY
DATE OF MEETING	5 NOVEMBER 2012
SUBJECT OF REPORT	PROPOSED CHANGES TO AUTHORITY APPROVED CALENDAR OF MEETINGS 2012/13
LEAD OFFICER	CLERK TO THE AUTHORITY
RECOMMENDATIONS	<p><i>That the following changes to the Calendar of Meetings 2012/13 be approved:</i></p> <ul style="list-style-type: none"> <i>(a). Human Resources Management and Development Committee to be held at 10.00hours on Wednesday 16 January 2013 (moved from Friday 18 January 2013); and</i> <i>(b). Special Authority Meeting (to approve draft Corporate Plan for consultation purposes) to be held at 10.00hours on Friday 18 January 2013, to be followed by Members' Forum (already scheduled for that date).</i>
EXECUTIVE SUMMARY	<p>The Authority has previously been informed of the likely level of financial savings required over the next few years, arising from the Comprehensive Spending Review, and of the need for the Authority's approved Corporate Plan to reflect and recognise securing these savings.</p> <p>It is understood that the government may not announce the 2013/14 level of grant funding for this Authority until the second week in December of this year. The level of grant funding will have a bearing on the content of the next iteration of the Corporate Plan. Consequently, to allow sufficient time for this to be reflected it is proposed that the approved Authority Calendar of Meetings for 2012/13 be amended to allow for a special, full Authority meeting to be held on Friday 18 January 2013, for the purposes of approving a four year (2013 – 17) draft Corporate Plan for consultation purposes.</p>
RESOURCE IMPLICATIONS	Not applicable.

EQUALITY RISKS AND BENEFITS ASSESSMENT (ERBA)	Not applicable.
APPENDICES	None.
LIST OF BACKGROUND PAPERS	Authority approved Calendar of Meetings 2012/13.



DEVON & SOMERSET FIRE & RESCUE AUTHORITY

REPORT REFERENCE NO.	DSFRA/12/27
MEETING	DEVON & SOMERSET FIRE & RESCUE AUTHORITY
DATE OF MEETING	5 NOVEMBER 2012
SUBJECT OF REPORT	COMMUNITY RIGHT TO CHALLENGE (LOCALISM ACT 2011)
LEAD OFFICER	CLERK TO THE AUTHORITY
RECOMMENDATIONS	<p>(a) <i>that, subject to any amendments that may be indicated at the meeting:</i></p> <p>(i) <i>the Policy and Procedure as appended to this report for determining Expressions of Interest submitted under the Community Right to Challenge (introduced by the Localism Act 2011) be approved; and</i></p> <p>(ii) <i>the wording for publicising the window for submission of Expressions of Interest as set out at paragraph 4.5 of this report, be approved for publication on the Authority's website, in accordance with the requirements of the Act;</i></p> <p>(b) <i>that the policy and procedure so approved be reviewed after twelve months and revised as necessary in light of actual experience in determining expressions of interest.</i></p>
EXECUTIVE SUMMARY	<p>The Localism Act 2011 introduced, amongst other things, the "Community Right to Challenge" – specifically, a duty for relevant authorities (including combined fire and rescue authorities) to consider and determine as appropriate any "expressions of interest" made in writing by relevant bodies wishing to provide, or assist in providing, a service on behalf of the relevant authority.</p> <p>These provisions of the Act were brought into force on 27 June 2012. In light of this, a policy and procedure has been drafted for administering any expressions of interest so received.</p>
RESOURCE IMPLICATIONS	Any resource implications associated with operation of the policy and procedure, once adopted, will be contained from within existing resources.

EQUALITY RISKS AND BENEFITS ASSESSMENT (ERBA)	Not applicable to this report although, should an expression of interest prove successful, it would be appropriate to undertake an ERBA in relation to any associated procurement exercise.
APPENDICES	A. Localism Act 2011 – Draft Policy and Procedure for administering Expressions of Interest made under the Community Right to Challenge
LIST OF BACKGROUND PAPERS	<p>The Localism Act 2011 – Sections 81 to 86 inclusive.</p> <p>The Community Right to Challenge (Fire and Rescue Authorities and Rejection of Expressions of Interest)(England) Regulations 2012</p> <p>Community Right to Challenge – Statutory Guidance published by the Department for Communities and Local Government (CLG) June 2012</p> <p>“Community Right to Challenge” report to the County Durham & Darlington Fire & Rescue Authority</p> <p>“Community Right to Challenge” report submitted to Plymouth City Council Cabinet meeting, 14 August 2012</p>

1. INTRODUCTION

- 1.1 This report focuses on the “Community Right to Challenge” as provided for by Sections 81 to 86 of the Localism Act 2011 and Regulations made thereunder. These provisions came into force on 27 June 2012.
- 1.2 Appended to the report is a draft policy and procedure for determining any “expressions of interest” submitted under the Community Right to Challenge.

2. THE COMMUNITY RIGHT TO CHALLENGE

- 2.1 In essence, the Act imposes a new duty on relevant authorities (including combined fire and rescue authorities) to consider and determine as appropriate any expressions of interest made in writing by relevant bodies wishing to provide, or assist in providing, a service on behalf of the relevant authority.
- 2.2 In relation to the Community Right to Challenge, the Act and Regulations made thereunder:
1. Define “relevant authority” (this includes combined fire and rescue authorities);
 2. Define what is meant by a “relevant body”;
 3. Define “relevant service” (any service – other than those specified in Regulations – provided by or on behalf of a relevant authority in the exercise of its functions);
 4. Provide for a relevant authority to specify and – as a minimum – publish on its website details of any period/periods during which expressions of interest must be submitted. The Statutory Guidance indicates that specifying such periods would help authorities manage the flow of expressions of interest and allow for synchronisation with, for example, other commissioning cycles or budget setting;
 5. Require a relevant authority to specify and – as a minimum – publish on its website details of:
 - a. the maximum period of time to elapse between receipt and notification of the authority’s decision to the relevant body on any expression of interest submitted; and
 - b. the minimum and maximum period of time to elapse between acceptance of an expression of interest and commencement of the associated procurement exercise;

For both (a) and (b) above, different periods of time may be specified in different cases (i.e. for different services);
 6. specify timeframes for the relevant authority to notify the relevant body in writing as to when it should expect to be informed on whether an expression of interest it has submitted has been accepted or rejected (within 30 days of the end of any period specified for receipt of expressions of interest; otherwise within 30 days of receipt of the expression of interest);
 7. allow a relevant authority to modify, in certain circumstances, an expression of interest received; and
 8. provide for expressions of interest to be either accepted or rejected. If accepted, a procurement exercise must be undertaken in which the relevant body submitting the initial expression of interest must be invited to participate.

2.3 Regulations published subsequently under the Act specify the only grounds on which an expression of interest may be rejected. Additionally, the Department for Communities and Local Government (CLG) published, in June of this year, Statutory Guidance on the community right to challenge covering each of the areas listed in paragraph 2.2 above.

3. POLICY FOR ADMINISTERING EXPRESSIONS OF INTEREST SUBMITTED UNDER THE COMMUNITY RIGHT TO CHALLENGE

3.1 As indicated, the Community Right to Challenge provisions of the Localism Act 2011 came into force in June of this year, with statutory guidance issued the same month. It is appropriate, therefore, that the Authority has in place a policy for administering any expressions of interest made under the new provisions. A draft policy and procedure, is attached at Appendix A to this report. The draft policy reflects the requirements of the Localism Act, Regulations made thereunder and the CLG Statutory Guidance in relation to the Community Right to Challenge. It also takes account of policies and procedures adopted by other fire and rescue authorities in relation to this issue.

4. PERIOD FOR SUBMITTING EXPRESSIONS OF INTEREST

4.1 As indicated at paragraph 2.2 (point 4) above, the legislation allows an relevant authority to stipulate a period (or periods) for submission of expressions of interest and further provides (Section 82(4) of the Localism Act):

“The relevant authority may refuse to consider an expression of interest submitted outside a period specified...”

4.2 The Statutory Guidance referred to elsewhere in this report indicates that defining a period/period(s) would assist relevant authorities in managing the associated process involving consideration of expressions of interest submitted and, as necessary, undertaking procurement exercises.

4.3 It is intended, therefore, that such period is defined for this Authority and that this should be the month of August. This would allow sufficient time of any expression of interest received to be considered holistically and for any potential impacts (e.g. on the budget setting process for the following financial year) to be addressed. Any relevant body submitting an expression of interest at any other time will be advised that the expression will only be considered in accordance with the Authority’s procedure and which in turn provides only for consideration of expressions of interest submitted during the month of August.

4.4 As indicated previously, the Act requires the Authority:

- if it has determined a period for submission of expressions of interest, to publish (as a minimum, on its website) details of any period so specified;
- to notify the relevant body of when it can expect to receive the decision on the expression of interest submitted – this must be no later than 30 days after the end of any period specified for submission of expressions of interest; and
- to specify the maximum period to elapse between the date it receives an expression of interest and the date on which it notifies the relevant body of its decision in relation to the expression of interest so submitted.

- 4.5 To comply with the above, it is proposed that the following wording be published on the Authority's website:

"COMMUNITY RIGHT TO CHALLENGE (LOCALISM ACT 2011)

The Devon & Somerset Fire & Rescue Authority has adopted a policy and procedure for determining any expressions of interest submitted under the Community Right to Challenge introduced by the Localism Act 2011. In accordance with the provisions of the Act, the Authority has determined that it will only consider expressions of interest submitted in August of any given year, for the delivery of a service to commence at the earliest in April of the following year.

Any relevant body submitting an expression of interest during the month of August will, in accordance with legislative requirements, be notified:

- (a) by no later than 30 September as to when it is anticipated that the decision on the expression of interest so submitted will be made; and
- (b) by no later than 31 January of the year in which delivery of the service could commence in April at the earliest, of the final decision in relation to any expression of interest submitted during the preceding August."

5. CONCLUSION

- 5.1 The Authority is required to have in place a policy and procedure for determining any expressions of interest submitted under the Community Right to Challenge introduced by the Localism Act 2011.
- 5.2 This policy and procedure has now been drafted, having due regard to the legislative requirements, statutory guidance and similar policies and procedures in place for other combined fire and rescue authorities. This draft policy and procedure is now appended for adoption, subject to any amendments as may be suggested at the meeting.
- 5.3 It remains, however, that the Community Right to Challenge is a new statutory requirement with only limited guidance available at present on its practical application. Consequently, it is proposed that – once adopted – the policy and procedure for administering it be reviewed in twelve months' time and revised as appropriate in light of actual experience.

MIKE PEARSON
Clerk to the Authority

LOCALISM ACT 2011 – DRAFT POLICY AND PROCEDURE FOR ADMINISTERING EXPRESSIONS OF INTEREST MADE UNDER THE COMMUNITY RIGHT TO CHALLENGE

A. POLICY OUTLINE

1 *What is the Policy about?*

1.1 The Community Right to Challenge, introduced under Sections 81 to 86 of the Localism Act 2011, is part of the government's Open Public Services agenda to open up public services to more diverse patterns of provision and to empower communities to take on and run public services themselves.

1.2 The Community Right to Challenge enables "relevant bodies" to express an interest in running a service or part of a service on behalf of a relevant authority. The relevant authority is obliged to consider such expressions of interest and – where they are accepted – undertake a procurement exercise for the service concerned. The Devon & Somerset Fire & Rescue Authority is a "relevant authority" for the purpose of the legislation.

2. *Relevant Bodies*

2.1 "Relevant bodies" are defined in the legislation as:

- (a) a voluntary or community body;
- (b) a body of persons or a trust which is established for charitable purposes only;
- (c) a parish council;
- (d) two or more employees of a relevant authority; or
- (e) such other person or body as may be specified by the Secretary of State by regulations.

3. *Scope of Community Right to Challenge*

3.1 The Community Right to Challenge extends to all services provided by or on behalf of a relevant authority in the exercise of its statutory functions. The right applies only to the provision of services – it does not delegate responsibility for the function itself, which remains with the relevant authority. Fire and rescue services fall within the scope of the Community Right to Challenge.

4. *Responsibility*

4.1 The Senior Management Board is collectively responsible for the efficient and effective handling of Community Right to Challenge expressions of interest submitted to the Authority.

4.2 The Board will determine whether to accept or reject a Community Right to Challenge expression of interest. In the case of acceptance, the Board will also determine the appropriate procurement exercise to be undertaken.

5. *Monitoring*

5.1 A central database of all expressions of interest made under the Community Right to Challenge will be maintained by the Director of Corporate Services and will be published on the Authority's website, together with details of when expressions of interest will be considered and information on decisions – including reasons in summary form for those decisions – on any expressions of interest made.

6. Support

6.1 The legislation provides for the Secretary of State to do anything considered appropriate to advise or assist relevant bodies with the submission of expressions of interest, participation in a procurement exercise and provision of a relevant service on behalf of the Authority. Any advice so published will be made available on request to any relevant body considering submitting an expression of interest.

6.2 “Locality”, the leading UK network of community enterprises, development trusts, settlements and social action centres, has published guidance on the Community Right to Challenge for anyone considering submitting an expression of interest. This guidance may be accessed at the following website:

<http://mycommunityrights.org.uk/community-right-to-challenge/>

7. Confidentiality

7.1 All information provided in Community Right to Challenge expressions of interest will be handled sensitively and used only for its proper purpose.

7.2 Under the Data Protection Act 1998 individuals have the right to see their own personal data held subject to the rights of confidentiality of any third parties involved in that information.

8. Publicising/distribution of the policy and procedure

8.1 A copy of this will be made available to employees and interested parties on request.

9. Reviewing the policy and procedure

9.1 This policy and procedure will be subject to annual review and revision by the Senior Management Board as necessary.

10. Equality and Diversity

10.1 The Authority is committed to including equalities in everything that it does. This includes the elimination of unlawful discrimination, promoting diversity as a positive force and valuing and celebrating a diverse workforce and community.

10.2 Any expression of interest accepted will be subject to an Equality Risks and Benefits Assessment (ERBA) as part of the associated procurement exercise.

B. PROCEDURE

1. *Introduction*

- 1.1 The Authority recognises its legal obligations under the Localism Act 2011 and will consider any expression of interest submitted during the month of August (see paragraph 10.2) by a relevant body (see Section A2 above). In line with legislative requirements, such expressions must be made in writing and should be submitted to the following address:

Director of Corporate Services
Devon & Somerset Fire & Rescue Authority
Service Headquarters
The Knowle
Clyst St. George
EXETER EX3 0NW

- 1.2 Any expression so received will be acknowledged within ten working days. The acknowledgement will indicate the date by which initial screening of the application will be completed.

2. *Initial Screening*

- 2.1 Initial screening will be undertaken by the Director of Corporate Services, in consultation with the Director of Financial Services and Legal Adviser to the Authority as necessary. The purpose of the initial screening will be to satisfy that:

- the expression of interest has been submitted by a relevant body as defined by the legislation; and
- that the service concerned is not excluded from the Community Right to Challenge.

- 2.2 In determining whether an expression of interest has been submitted by a relevant body, the officers concerned will have regard to the statutory definitions (see Section A2 above) and to Section 1 of the Statutory Guidance issued by the Department for Community and Local Government.

- 2.3 Regulations¹ define the following services as excluded from the Community Right to Challenge, either for a limited period or permanently:

- until 1 April 2014, a relevant service commissioned in conjunction with one or more health services by the Authority, or by a Primary Care Trust, National Health Service (NHS) Trust or NHS Foundation Trust under a partnership agreement; or by the Authority and an NHS Body or Strategic Health Authority acting jointly;
- until 1 April 2014, a relevant service commissioned by an NHS body on behalf of the Authority;
- a relevant service commissioned by the Authority in respect of a named person with complex individual health or social care needs; and
- services which are commissioned or managed by individuals or their representatives using direct payments (e.g. under The Community Care, Services for Carers and Children's Services (Direct Payment) (England) Regulations 2009).

¹ The Community Right to Challenge (Expressions of Interest and Excluded Services) (England) Regulations 2012

- 2.4 The submitting body will be notified in writing of the outcome of the initial screening process within ten working days of completion of the process.
- 2.5 If the submission is successful at the initial screening, the submitting body will be invited to submit any additional information (if not already provided) necessary to enable the expression of interest to be fully considered and notified of the timescale for submission of this information (see Section B3 below on information required for full consideration of an expression of interest).
- 2.6 In the event that the submission fails the initial screening, the submitting body will be provided with summary reasons for this.

3. Information required for Full Consideration of an Expression of Interest

- 3.1 In accordance with the relevant Regulations², any written expression of interest must contain the following information to enable full consideration to be given to it:
- (a) information about the financial resources of the relevant body submitting the expression of interest;
 - (b) evidence demonstrating that, by the time of any procurement exercise, the relevant body submitting the expression of interest will be capable of providing or assisting in providing the relevant service;
 - (c) where the relevant body proposes to deliver the relevant service as part of a consortium, or use a sub-contractor, the information specified in (a) and (b) above must be given for each member of the consortium and for each sub-contractor as appropriate;
 - (d) information about the relevant service sufficient to identify it and the geographical area to which the expression of interest relates;
 - (e) information about the outcomes to be achieved by the relevant body or, where appropriate, the consortium of which it is a part, in providing or assisting in the provision of the relevant service, in particular:
 - (i). how the provision or assistance will promote or improve the social, economic or environmental well-being of the area served by the Devon & Somerset Fire & Rescue Authority; and
 - (ii). how it will meet the needs of users of the relevant service; and
 - (f) where the relevant body consists of employees of the Devon & Somerset Fire & Rescue Service, how the relevant body proposes to engage with other employees of the Service who are affected by the expression of interest.
- 3.2 Once the full expression of interest has been received, the submitting body will be notified in writing, within 30 days of its receipt, of the maximum period of time to elapse between receipt and determination of a full expression of interest. In accordance with legislative requirements, this timeframe will also be published on the Authority's website. The notification will also set out the expected time period for determination of the expression of interest.

² The Community Right to Challenge (Expressions of Interest and Excluded Services) (England) Regulations 2012

4. Full Consideration of Expression of Interest

4.1 Receipt of a full expression of interest will be acknowledged in writing to the submitting relevant body. The Senior Management Board will consider any full expression of interest submitted in writing by a relevant body and in doing so will first satisfy itself that it has all the required information, as set out in Section B3 above.

4.2 The Board will either:

- accept the expression of interest;
- modify the expression of interest; or
- reject the expression of interest.

5. Acceptance of Expression of Interest

5.1 If the expression of interest is accepted, the Board will determine the appropriate procurement exercise to be followed. The submitting relevant body will be notified in writing:

- of the minimum and maximum periods of time to elapse between acceptance of the expression of interest and the commencement of the associated procurement exercise. These details will also be published on the Authority's website; and
- of how it may participate in the associated procurement exercise.

6. Modification of Expression of Interest

6.1 In accordance with legislation, the Board may only modify the expression of interest if:

- it feels that the expression of interest would not otherwise be capable of acceptance; and
- if the submitting relevant body agrees to the modification.

6.2 The submitting relevant body will be notified in writing of any decision to modify an expression of interest and the reasons for that decision. This notification will be published on the Authority's website.

7. Rejection of Expression of Interest

7.1 A full expression of interest may only be rejected on one of the grounds as contained in the relevant Regulations³. These are set out in the Annex to this Policy and Procedure for ease of reference.

7.2 In determining whether to reject an expression of interest the Senior Management Board will pay due regard to the statutory grounds for rejection as set out in the relevant Regulations³ together with Section 6 of the Statutory Guidance issued by the Department for Communities and Local Government.

7.3 The submitting relevant body will be notified in writing of any decision to reject an expression of interest and the reasons for that decision. This notification will be published on the Authority's website.

8. Responsibility for Written Notifications

8.1 The Director of Corporate Services will be responsible for providing all written notifications referred to in this Policy and Procedure.

³ The Community Right to Challenge (Fire and Rescue Authorities and Rejection of Expressions of Interest) (England) Regulations 2012

9. *Expressions of Interest submitted by employees of the Devon & Somerset Fire & Rescue Service*

9.1 The legislation provides that two or more employees of the Devon & Somerset Fire & Rescue Service may be considered as a relevant body for the purposes of submitting an expression of interest to assist in providing or assisting to provide a relevant service.

9.2 The following extract from the Statutory Guidance issued by the Department for Communities and Local Government is, however, drawn to the attention of any such staff grouping considering submission of an expression of interest under the Community Right to Challenge:

“The Government is committed to giving public sector workers the right to bid to take over running the services they deliver. Two or more employees of the relevant authority are eligible to use the Right. We expect employees to form an employee-led structure to take on running services under the Right. Employees using the Right are not expected to have finalised all of their arrangements before submitting an expression of interest but will probably need to form a separate legal entity in order to bid in a procurement exercise (so that management and contractual relationships are clear)”.

10. *Timing of Expressions of Interest*

10.1 Section 82 of the Localism Act 2011 enables the Authority to specify periods during which expressions of interest may be submitted and to refuse to consider any expression of interest submitted outside any period so specified.

10.2 The Authority has determined that it will only consider expressions of interest submitted during the month of August for delivery of a relevant service commencing at the earliest in April of the following year.

10.3 Any relevant body submitting an expression of interest during the month of August will, in accordance with legislative requirements, be notified:

- (a) by no later than 30 September as to when it is anticipated that the decision on the expression of interest so submitted will be made; and
- (b) by no later than 31 January of the year in which delivery of the service could commence in April at the earliest, of the final decision in relation to any expression of interest submitted during the preceding August.

COMMUNITY RIGHT TO CHALLENGE POLICY AND PROCEDURE – ANNEX

GROUNDINGS FOR REJECTION OF EXPRESSIONS OF INTEREST

Any full expression of interest submitted in writing may only be rejected on the basis of one or more of the of the grounds set out in The Community Right to Challenge (Fire and Rescue Authorities and Rejection of Expressions of Interest) (England) Regulations 2012. These grounds are (words in square brackets indicate textual amendments to the original text of the Regulations aimed at aiding clarity):

1. The expression of interest does not comply with one or more of the requirements specified in Section 81(1) [of the Localism Act 2011] or in regulations made by the Secretary of State under Section 81(1)(b) [of the Act] (duty to consider expressions of interest).
2. The relevant body provides information in the expression of interest which, in the opinion of [the Authority], is in a material particular inadequate or inaccurate;
3. [The Authority] considers, based on the information in the expression of interest, that the relevant body or, where applicable:
 - (a). any member of the consortium of which it is a part; or
 - (b). any sub-contractor referred to in the expression of interestis not suitable to provide or assist in providing the relevant service.
4. The expression of interest relates to a relevant service where a decision, evidenced in writing, has been taken by [the Authority] to stop providing that service;
5. The expression of interest relates to a relevant service:
 - (a). provided, in whole or in part, by or on behalf of [the Authority] to persons who are also in receipt of a service provided or arranged by an NHS body which is integrated with the relevant service; and
 - (b). the continued integration of such services is, in the opinion of [the Authority], critical to the well-being of those persons;
6. The relevant service is already the subject of a procurement exercise.
7. [The Authority] and a third party have entered into negotiations for the provision of the relevant service, which negotiations are at least part conducted in writing.
8. [The Authority] has published its intention to consider the provision of the relevant service by a body that two or more specified persons of [the Devon & Somerset Fire & Rescue Service] propose to establish.
9. [The Authority] considers that the expression of interest is frivolous or vexatious.
10. [The Authority] considers that acceptance of the expression of interest is likely to lead to a contravention of an enactment or other rule of law or a breach of statutory duty.