

M. Pearson  
CLERK TO THE AUTHORITY

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

(see below)

**SERVICE HEADQUARTERS  
THE KNOWLE  
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Our ref :  
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## **DEVON & SOMERSET FIRE & RESCUE AUTHORITY**

**Wednesday 17 December 2014**

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 5 November 2014 attached (page 5).
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 (e-mail address: [clerk@dsfire.gov.uk](mailto:clerk@dsfire.gov.uk)) **by midday on Friday 12 December 2014.**

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**

**(a) Commercial Services Committee**

The Chair of the Committee, Councillor Healey, to **MOVE** the Minutes of the meeting held on 6 November 2014, attached (page 9)

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

**(b) Resources Committee**

The Chair of the Committee, Councillor Dyke, to **MOVE** the Minutes of the meeting held on 20 November 2014, attached (page 11)

**RECOMMENDATIONS**

- (i) that the recommendation at Minute RC/9 (Treasury Management Performance 2014-15 – Mid-Year Review) be considered in conjunction with item 8 below;
- (ii) that, subject to (i) above and in accordance with Standing Orders, the Minutes be adopted.

**(c) Audit & Performance Review Committee**

The Chair of the Committee, Councillor Radford, to **MOVE** the Minutes of the meeting held on 24 November 2014, attached (page 14)

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

**(d) Human Resources Management & Development Committee**

The Chair of the Committee, Councillor Bown, to **MOVE** the Minutes of the meeting held on 26 November 2014, attached (page 17)

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

8. **Treasury Management Performance 2014-15: Mid-Year Review**

Report of the Treasurer (RC/14/14) attached (page 21). (**NOTES:** This report was previously considered by the Resources Committee at its meeting on 20 November 2014 – Minute RC/9 refers. Adam Burleton – CAPITA – to attend for this item).

9. **Appointment Of In-House Lawyer**

Report of the Clerk to the Authority (DSFRA/14/17) attached (page 29)

10. **Department for Communities & Local Government (CLG) Consultation: Bellwin Scheme of Emergency Financial Assistance to Local Authorities**

Report of the Treasurer (DSFRA/14/18) attached (page 35)

11. **Precept Consultation for 2015-16 Budget**

Report of the Treasurer (DSFRA/14/19) attached (page 39)

12. **Constitutional Issues**

Report of the Clerk to the Authority (DSFRA/14/20) attached (page 43)

13. **Regulation of Investigatory Powers Act (RIPA) 2000 - Revised Authority Policy**

Report of the Clerk to the Authority (DSFRA/14/21) attached (page 45)

14. **Chairman's Announcements**

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

16. **Exclusion of the Press and Public**

**RECOMMENDATION** 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.

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

17. **Asset Opportunity**

Report of the Chief Fire Officer (DSFRA/14/22) attached (page 49).

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

**Membership:-**

Councillors Healey (Chair), Ball, Bown, Mrs. Bowyer, Brooksbank, Burrige-Clayton, Chugg, Colthorpe, Dyke, Eastman, Edmunds, Ellery, Greenslade, Horsfall, Knight, Leaves, Owen, Prior-Sankey, Radford, Randall Johnson, Singh, J Smith, Way, Woodman, Yeomans

<b>NOTES</b>	
<b>1.</b>	<p><b><u>Access to Information</u></b>  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>
<b>2.</b>	<p><b><u>Reporting of Meetings</u></b>  Any person attending a meeting may report (film, photograph or make an audio recording) on any part of the meeting which is open to the public – unless there is good reason not to do so, as directed by the Chairman - and use any communication method, including the internet and social media (Facebook, Twitter etc.), to publish, post or otherwise share the report. The Authority accepts no liability for the content or accuracy of any such report, which should not be construed as representing the official, Authority record of the meeting. Similarly, any views expressed in such reports should not be interpreted as representing the views of the Authority. Flash photography is not permitted and any filming must be done as unobtrusively as possible from a single fixed position without the use of any additional lighting; focusing only on those actively participating in the meeting and having regard also to the wishes of any member of the public present who may not wish to be filmed. As a matter of courtesy, anyone wishing to film proceedings is asked to advise the Chairman or the Democratic Services Officer in attendance so that all those present may be made aware that is happening.</p>
<b>3.</b>	<p><b><u>Disclosable Pecuniary Interests (Authority Members only)</u></b>  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"> <li>(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;</li> <li>(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</li> <li>(c) not seek to influence improperly any decision on the matter in which you have such an interest.</li> </ul> <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>
<b>4.</b>	<p><b><u>Part 2 Reports</u></b>  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>
<b>5.</b>	<p><b><u>Substitute Members (Committee Meetings only)</u></b>  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>

# DEVON & SOMERSET FIRE & RESCUE AUTHORITY

5 November 2014

## Present:-

Councillors Healey (Chair), Ball, Bown, Mrs. Bowyer, Brooksbank, Burrige-Clayton, Chugg, Colthorpe, Eastman, Edmunds, Ellery, Greenslade, Horsfall, Knight, Leaves, Owen, Prior-Sankey, Radford, Randall Johnson, Singh, Smith, Way, Woodman and Yeomans.

## Apologies:-

Councillor Dyke

### **DSFRA/21. Minutes**

**RESOLVED** that the Minutes of the meeting held on 30 July 2014 be signed as a correct record.

### **DSFRA/22. Minutes of Committees**

#### **(a) Resources Committee**

In the absence of the Committee Chair (Councillor Dyke), the Vice-Chair of the Committee, Councillor Yeomans, **MOVED** the Minutes of the meeting held on 1 September 2014 which had considered, amongst other things:

- a report on Treasury Management performance for the first quarter of the current (2014-15) financial year;
- a report on performance for the first quarter of the current financial year against those targets set in relation to the approved revenue budget;
- a report setting out a proposed revision to the approved capital programme 2014-15 to 2016-17; and
- a report on the charitable donation to Dartmoor Rescue Groups of six "end of operational life" Service Land Rover vehicles.

#### **RESOLVED**

- (i) that the recommendation at Minute RC/6 (Revision to Capital Programme 2014-15 to 2016-17) be approved; and
- (ii) that, in accordance with Standing Orders, the Minutes be adopted.

#### **(b) Commercial Services Committee**

The Chair of the Committee, Councillor Healey, **MOVED** the Minutes of the meeting held on 4 September 2014 which had considered, amongst other things:

- an update on the financial performance of commercial activities for the first quarter of the current (2014-15) financial year;
- an update report on commercial leads and opportunities currently being progressed; and
- update reports and a presentation on brand management; resourcing for Red One Ltd. and the marketing and commercial development of the Training Academy Schools.

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

**(c) Community Safety & Corporate Planning Committee**

The Chair of the Committee, Councillor Eastman, **MOVED** the Minutes of the meeting held on 17 September 2014 which had considered, amongst other things:

- a presentation on the framework being used to underpin development of the next iteration of the Corporate Plan;
- a presentation on establishment of the Blue Light Innovation Group to consider collaborative approaches between the fire, police and ambulance;
- a presentation on a pilot study of Rapid Intervention Units (RIUs) aimed at enhancing both firefighter and community safety by the utilisation of modern firefighting concepts and innovations; and
- a presentation on the Community Capacity Building Project – a collaborative venture with the Devon & Cornwall Constabulary and the South West Ambulance Services Trust (SWAST) aimed at supporting communities to become more resilient, cohesive and better prepared to respond to emergencies.

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

**(d) Human Resources Management & Development Committee**

The Chair of the Committee, Councillor Bown, **MOVED** the Minutes of the meeting held on 19 September 2014 which had considered, amongst other things:

- a report on requests for retirement and re-employment made pursuant to the Authority's approved Pay Policy Statement for the current (2014-15) financial year;
- a further report on proposed arrangements for working with trade unions; and
- a draft response to the Government review on the terms and conditions of service for operational staff.

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

**(e) Audit & Performance Review Committee**

The Chair of the Committee, Councillor Radford, **MOVED** the Minutes of the meeting held on 24 September 2014 which had considered, amongst other things:

- a document prepared by Grant Thornton (the Authority's external auditor) on its findings and opinion on the Authority's financial statements for the year ended 31 March 2014;
- the final 2013-14 Annual Statement of Assurance setting out issues of financial, governance and operational assurance and drafted to comply with the requirements of the Accounts and Audit (England) Regulations and the Fire and Rescue Authority National Framework;
- a report on progress as at the second quarter of the current (2014-15) financial year in relation to the programme of internal audit and review work for the year; and
- a report on the Service's performance between April to June 2014 against those measures contained in the Corporate Plan 2013-14 to 2014-15.

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

**DSFRA/23. Appointments to Firefighters Pensions Scheme Internal Dispute Resolution Panel Membership**

The Authority considered a report of the Clerk to the Authority (DSFRA/14/15) on a requirement to appoint, for the current (2014-15) municipal year, Members to serve on a small Panel established to determine appeals under Stage 2 of the Firefighters' Pension Scheme.

**RESOLVED** that Councillors Bown, Brooksbank and Smith be appointed to serve on the Firefighters Pension Scheme Independent Disputes Resolution Panel for the current (2014-15) municipal year, the term of office to be until the first meeting of the Human Resources Management & Development Committee following the Annual Meeting of the Authority in 2015.

**DSFRA/24. Chairman's Announcements**

The Authority received, for information, a schedule of events attended by the Chairman on its behalf since the last meeting.

**DSFRA/25. Chief Fire Officer's Announcements**

The Chief Fire Officer reported:

- that the latest, four-day, period of industrial action arising from the dispute between the central government and the Fire Brigades Union over proposed reforms to the Firefighters' Pension Scheme. There had been some 207 incidents during the period of industrial action, the majority of which were co-responder. There had been some 44 fires, of which only 1 – in Ilfracombe – had been significant, involving 6 appliances;
- that, going forward, Authority Members would be notified of fatalities at the time these occurred rather than at the next relevant Authority meeting;
- that he had given notice to the Welsh Assembly not to extend his current contract as Fire and Rescue Adviser and Inspector for Wales, which would run until the end of July 2015;
- on the appointment of Area Manager Phil Martin as Assistant Chief Fire Officer with Cornwall Fire and Rescue Service.

Members asked to have placed on record their appreciation of the Service in swiftly responding to the incident at Ilfracombe, thereby preventing the spread of fire, and in supporting the Bridgwater Carnival, both of which events had occurred during the period of industrial action.

Members also asked to have placed on record their congratulations to Area Manager Phil Martin on securing his promotion to Assistant Chief Fire Officer with Cornwall and wished Phil every success in his future career.

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

**RESOLVED** that, in accordance with Section 100A(4) of the Local Government Act 1972 the press and public 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.

**DSFRA/27. Asset 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 Authority considered a report of the Director of Corporate Services (DSFRA/14/16) identifying an asset acquisition opportunity which, if pursued, could assist the Service in the effective and efficient management of its property portfolio.

To progress this initiative would require an increase to the approved Capital Programme but this could be achieved by a revenue contribution from underspend identified in the revenue budget for the current year.

Following a debate on this matter, Councillor Yeomans **MOVED** (with Councillor Radford seconding) that the recommendation as set out in report DSFRA/14/16 be approved.

Councillor Randall Johnson then proposed the following **AMENDMENT**:

“to insert the words “...and the Authority Chair and Vice-Chair of the Resources Committee...” after the words “...following consultation with the Chairman of the Resources Committee...” in the Motion as proposed by Councillor Yeomans”.

Councillors Yeomans and Radford indicated that they were prepared to accept the amendment proposed to the motion. The substantive motion, as duly revised, was then put to the vote whereupon it was

**RESOLVED**, unanimously, that efforts be made to acquire the site identified in report DSFRA/14/16 on terms and conditions to be agreed, with the Chief Fire Officer delegated authority, following consultation with the Authority Chair and Chair and Vice-Chair of the Resources Committee, to determine the matter.

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



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

6 November 2014

Present:

Councillors Healey, Ball, Edmunds, Leaves and Randall Johnson.

Also in attendance in accordance with Standing Order 36:

Councillor Prior-Sankey.

Apologies:

Councillors Dyke and Woodman.

**\*CSC/14. Minutes**

**RESOLVED** that of the meeting held on 4 September 2014 be signed as a correct record.

**\*CSC/15. 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 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/16. Financial 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 Treasurer reported, for information, on the financial performance of commercial activities for the period April to September 2014. Turn-over was in excess of that for the same period in the previous financial year but was below the projected target figure. Gross profit was greater than the same period in the previous financial year and expenses less, with both figures out performing the projected target.

**\*CSC/17. Working In Overseas Environments**

(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 Commercial Services (CSC/14/8) identifying the policy and procedures followed by Red One Ltd. in the assessment and implementation of commercial projects overseas and/or in potentially hostile working environments. The policy and procedures were designed to both identify and where necessary mitigate any risks associated with such activities.

**RESOLVED** that the procedure and methodology as outlined in report CSC/14/8 for the assessment of commercial projects, particularly those in overseas locations, and for managing the attendant risk that may accompany such work, be endorsed.

**\*CSC/18. Commercial Update October 2014**

(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 Commercial Business Development Manager (CSC/14/9) on commercial leads and opportunities currently being progressed.

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

The meeting started at 10.00hours and finished at 11.25hours

## RESOURCES COMMITTEE

(Devon and Somerset Fire and Rescue Authority)

20 November 2014

### Present:-

Councillors Dyke (Chair), Burridge-Clayton, Chugg, Ellery (vice Brooksbank), Greenslade, Singh and Yeomans.

### Apologies:-

Councillor Brooksbank

### \*RC/8. Minutes

**RESOLVED** that the Minutes of the meeting held on 1 September 2014 be signed as a correct record.

### RC/9. Treasury Management Performance 2014-2015: Mid Year Review

(Adam Burleton [CAPITA] – Treasury Management Adviser to the Authority – in attendance for this item).

The Committee considered a report of the Treasurer (RC/14/14) on Authority treasury management activities for the first two quarters of the current (2014-15) financial year in accordance with the best practice recommended by the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice for Treasury Management.

The report set the Authority's treasury management performance against the UK and global economic performance and outlook. Particularly in this respect, the report identified potential changes, linked to levels of sovereign support, to credit ratings operated by Fitch, Moody and Standard and Poor (the main credit rating agencies). It was proposed that the Authority may wish to amend its Treasury Management Strategy, to the effect that the credit element of the Authority's future methodology for determining credit worthy investment counterparties should focus solely on Short- and Long-term ratings, to account for these changes.

The report concluded that no prudential indicators had been breached and that a prudent approach had been adopted to investment decisions with priority given to liquidity and security over yield. While investment returns were still low due to the fall in interest rates, it was still anticipated that Authority investment returns would exceed the budgeted target.

### **RESOLVED**

- (a) That the Authority be recommended to approve an amendment to its approved Treasury Management Strategy to reflect changes to credit methodology to cease monitoring the Viability and Financial Strength standalone ratings and assessing Support ratings, with the future focus for determining creditworthy investment counterparties being the Short- and Long-term ratings of an institution, as detailed paragraphs 3.7 to 3.11 of report RC/14/14; and,
- (b) that, subject to (a) above, the Authority treasury management performance for the first two quarters of the current (2014-2015) as set out in the report be noted.

**RC/10. Financial Performance Report 2014-2015: Quarter 2**

(Councillor Brian Greenslade declared a personal, non-pecuniary interest in this item in so far as it related to Exeter Airport, by virtue of his being a non-executive Director on Exeter Airport).

The Committee considered a report of the Treasurer to the Authority (RC/14/15) on the financial performance of the Service for the first two quarters of the current (2014-15) financial year as against agreed targets.

An underspend of £0.862m (1.1%) was forecast against the approved revenue budget. This was net of a proposed transfer of £1.5m from to an Earmarked Reserve intended to fund a contribution to capital spending which in turn would deliver a further £195,000 recurring savings from 2016-17. The report identified major variations against the approved budget and particular reference was made to:

- the current position in relation to the impact of the Employment Tribunal decision on application of the Part Time Workers (Less than Favourable Working Conditions) Regulations. Individuals affected by this decision had until March 2015 to confirm whether they would wish to buy into the Firefighters Pension Scheme, by which time the Service would be in a better position to assess the financial impact;
- that income from commercial services was likely to exceed the budgeted target. In line with the Authority's earlier, in principle, decision any such excess against the budgeted target would be ring-fenced to provide further direct revenue funding towards capital spending.

Expenditure of £5.557m was projected against a revised Capital Programme of £7.154m. The revised programme had increased by £60,000 from the programme of £7.094m approved by the Authority at its last meeting (Minute DSFRA/ refers) to allow for the purchase of six community safety vehicles to be funded from the Earmarked reserve established to fund revenue contributions to capital spending. This increase in the overall programme, however, did not result in any increase in the external borrowing requirement.

The slippage of £1.597m against the revised Capital Programme would be carried forward to following years, as permitted by the Prudential Code, and would have a positive impact against the revenue account in that it deferred borrowing requirements and associated debt charges.

No prudential or treasury management indicators had been breached and the report also identified the current position in relation to outstanding debt, payment of supplier invoices and the Reserves and Provision balances held by the Authority.

**RESOLVED**

- (a) that the Authority be recommended to approve the transfer of £1.5m forecast underspend against the 2014-15 approved Revenue Budget into the Earmarked Reserve established to fund further revenue contributions to capital spending;
- (b) that, subject to (a) above, the monitoring position in relation to projected spending against the 2014-2015 revenue and capital budgets as set out in report RC/14/15 be noted; and
- (c) that the performance against the other 2014-2015 financial targets as indicated in the report be noted.

**\*RC/11. Firefighters' Pension Scheme 2015: Consultation on Proposals for New Governance Arrangements**

The Committee considered a report of the Director of People and Commercial Services (RC/14/16) on the consultation issued by the Department for Communities and Local Government (CLG) on proposed governance arrangements for the Firefighters Pension Scheme 2015. A draft Authority response to the consultation, for which views were invited by 21 November 2014, was appended to the report.

**RESOLVED** that the Authority response to the CLG consultation on governance arrangements for Firefighters Pension Scheme 2015, as set out at Appendix A to report RC/14/16, be approved and the Clerk authorised to submit it on behalf of the Authority.

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

The meeting started at 14:00hours and finished at 15:26hours

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

24 November 2014

Present:-

Councillors Radford (Chair), Edmunds, Healey and Horsfall.

Apologies:-

Received from Councillors Ball and Singh.

**\*APRC/12. Minutes**

**RESOLVED** that the Minutes of the meeting held on 24 September 2014 be signed as a correct record.

**\*APRC/13. Audit Committee Update**

Peter Barber and David Bray, representing the Authority's external auditor, Grant Thornton, attended the meeting to report on progress in delivering its audit responsibilities to the Devon and Somerset Fire and Rescue Authority.

The Committee noted that the 2013-14 audit work had now been completed and that work on the 2014-15 audit would commence in February 2015. Grant Thornton had also submitted the Annual Audit Letter for 2013-14 which was considered in conjunction with Minute \*APRC/14 below.

**\*APRC/14. Devon and Somerset Fire and Rescue Authority Annual Audit Letter for the Year Ended 31 March 2014**

The Committee received for information the Annual Audit Letter for 2013/14 as prepared by Grant Thornton, the Authority's external auditors. Peter Barber drew attention to the work that had been undertaken with the Authority during the year, including the Statement of Accounts and the Value for Money conclusion, both of which had received an unqualified opinion.

A list of key issues and recommendations made during the 2013-14 audit was set out at Appendix A to the Annual Audit Letter and it was requested that the action taken to implement the 3 significant recommendations made should be reported back to the Committee at its next meeting. The Clerk reported that the Authority already had an audit tracker in place and that this would be reported back to the Committee as requested.

**\*APRC/15. External Audit - Proposed Work Programme and Scale of Fees for 2015-16: Consultation**

The Committee considered a report of the Treasurer and Clerk to the Authority (APRC/14/9) that set out details of a consultation exercise that was being carried out by the Audit Commission in respect of its proposed work programme and scale of fees for 2015-16 for local government and police bodies. The report also set out a proposed response to the consultation for consideration by the Committee.

Reference was made to the reduction in the scale of fees for 2015-16 to £33,820 (from £45,093 in 2014-15) and clarification was sought as to whether this was a one off reduction. Peter Barber of Grant Thornton stated that the Audit Commission had reported an excess balance in its accounts as at 31 March 2015 and as a result, it had been decided that local authorities would be offered a one off rebate to subsidise the audit fees in 2015-16. He confirmed that there would not be any reduction in the service provided by Grant Thornton as a result of this.

**RESOLVED** that the draft response to the Audit Commission consultation on the proposed work programme and scale of fees for 2015-16, as set out at paragraph 3.1 of report APRC/14/9, be approved for submission to the Audit Commission.

**\*APRC/16. Devon and Somerset Fire and Rescue Service Performance Report: April to September 2014**

The Committee received for information a report of the Director of Operations (APRC/14/10) that detailed the Service's performance for the period April to September 2014 against the measures set out within the Corporate Plan for 2013/14 to 2014/15.

In terms of the performance to date this year, the Committee noted that:

- Measures 1 (deaths which occurred where people lived) – there had been 2 fire deaths to September 2014 as compared with 6 in the same period in 2013-14 which was a welcome decrease;
- Measure 2 (injuries which occurred where people lived) – there had been a significant reduction in dwelling fire injuries to 16 from 53 in the same period in 2013-14 and there had also not been any deliberate fires in this period;
- Measure 3 (incidents which occurred where people lived) – there were 445 dwelling fires between April and September 2014 as compared with 525 in 2013-14 which continued the overall downward trend that had occurred almost year on year since 2007 with the exception of 2013-14;
- Measure 4 (deaths which occurred where people worked and visited) – there were 2 fire deaths between April and September 2014 which was the same as in 2013/14, although the long term trend was downwards;
- Measure 5 (injuries which occurred where people worked or visited) – there was a decrease of 30% in the number of injuries recorded in April to September 2014, together with a 17% reduction in the number of fires causing injuries. This was a reflection of the national trend;
- Measure 6 (incidents which occurred where people worked and visited) – the number of incidents, including both deliberate and accidental fires, had decreased from 782 to 768 in April to September 2014 when compared with the same period in 2013/14;

- Measures 7 and 8 (emergency response standards) – Measure 7 was still showing an improvement to September 2014 with a performance of 70.49% for first attendance in 10 minutes. For Measure 8, there had been a slight decrease on first attendance within 15 minutes to road traffic collisions to 75.58% from 73.25% to September 2014. It was noted that each command was receiving a detailed breakdown on the emergency response performance so that the Area Commanders could address the issues.
- Sickness absence – the average number of days sickness lost per person per shift/day had increased to 4.6 days in April to September 2014, caused partly by an increase in long term sickness. This matter was the subject of a more detailed report to the Human Resources Management and Development Committee on 26 November 2014.

The question was asked as to whether the Service was aware if there was a correlation between fire deaths and the type of premises such as private rented or owner occupied. The Director of Operations reported that this data was collected but the Service did not report against it currently. He added that the Service could look into this with a view to reporting back at a future meeting.

The Committee also received a presentation given by the Director of Operations in respect of the proposed changes to the reporting of performance data in the future. This was centred on the need for the Service to consider “leading” measures rather than “lagging” measures so that the Service was able to respond proactively to risk rather than being reactive after events had happened. This would also encourage issues to be dealt with at a much lower level within the organisation rather than being escalated up to senior management. A copy of the slides presented was circulated to members of the Committee for reference.

## **RESOLVED**

- (a) That the proposed changes in respect of the presentation of performance data in future be noted at this stage and that a more detailed report thereon be submitted to the Committee in due course; and,
- (b) Subject to (a) above, the Performance Report for the period April to September 2014 be noted.

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

The meeting started at 10:00hours and finished at 11:47hours



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

26 November 2014

Present:-

Councillors Bown (Chair), Brooksbank, Horsfall, Knight and Smith.

Apologies:-

Received from Councillor Chugg.

**\*HRMDC/15. Minutes**

**RESOLVED** that the Minutes of the meeting held on 19 September 2014 be signed as a correct record.

**\*HRMDC/16. National Joint Council for Local Government Services 2014-16 Pay Settlement –Non- Consolidated Payments**

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

The Chairman decided that this item should be taken as an urgent matter to enable the Committee to make a decision at the earliest opportunity and should this be favourable for the staff concerned, to facilitate meeting the pay deadline for December 2014.

The Committee considered a report of the Chief Fire Officer (as circulated at the meeting) that advised upon the recently agreed 2014-16 pay settlement of 2.2% for staff conditioned to the National Joint Council for Local Government Services (the "Green Book") terms and conditions of employment.

It was noted that, in addition to the 2.2% cost of living increase applicable to all spinal column points, the award also featured one-off consolidated payments which, by virtue of the settlement, had only been applied to spinal column points 5 to 49 inclusive. The pay scales operated by Devon and Somerset Fire and Rescue Authority for Green Book staff extended to spinal column point 61, however, and the Committee was asked to consider an extension of the one-off non-consolidated payments on a local agreement to incorporate the 24 staff affected, subject to a cap of £200 on each of these payments.

In response to a question, the Clerk advised that the non-consolidated payments had been awarded as the pay award had been instigated for a two year period with effect from 1 January 2015 (and not 1 April 2014 as would normally have been the case) with no backdating. The payments were to be made in two stages – a flat rate of £100 payable in December 2014 and a further payment due according to the spinal column point in April 2015. The Committee considered the position carefully in the light of the current economic climate and felt that the consolidated payments should be awarded to the additional 24 staff but that this should not be at a higher amount payable to the majority of staff on spinal column points 5 to 49. With this in mind, Councillor Knight **MOVED** (and was seconded by Councillor Brooksbank):

“that approval be given to extending, locally, the one off non-consolidated payments approved as part of the National Joint Council for Local Government Services (“the Green Book”) 2014-16 pay settlement to Service staff on spinal column points 50 to 61 conditioned to the Green Book, subject to these payments being capped at a maximum of £150.00, with £100 payable in December 2014 and £50 payable in April 2015.

This was **CARRIED** unanimously, whereupon it was:

**RESOLVED** that approval be given to extending, locally, the one off non-consolidated payments approved as part of the National Joint Council for Local Government Services (“the Green Book”) 2014-16 pay settlement to Service staff on spinal column points 50 to 61 conditioned to the Green Book, subject to these payments being capped at a maximum of £150.00, with £100 payable in December 2014 and £50 payable in April 2015.

**\*HRMDC/17. Absence Management and Health of the Organisation**

The Committee received for information a report of the Director of People and Commercial Services (HRMDC/14/12) that updated the Committee in respect of the level of sickness absence within the organisation as compared with the target set, which was to achieve year-on-year improvements in performance.

The Director of People and Commercial Services reported that between April and September 2014, service employees had taken 4.6 days sickness absence which represented a 33.3% increase on the same period in 2013/14. The statistics for August and September 2014 showed lower sickness levels than the previous four months but these were still higher than in the same period in 2013/14. This was attributable largely to increases in sickness, particularly within Fire Control which had seen an overall increase of 77.2%. There had also been an increase in the sickness rate for support staff of 33.8% which was compounded by an increase in long term sickness of 62.2%. Short term sickness rates overall had decreased, however, by 10.4%.

Reference was made to the reasons behind the increase which it was felt may be partly as a result of the introduction of the new electronic sickness absence reporting portal from 1 April 2014. This may have skewed the statistics in terms of the number of days that were recorded as absence and an audit was being undertaken to check the validity of the information recorded initially. Work was also being undertaken on long term sickness absence additionally as this may also have contributed to the increase overall. The Director of People and Commercial Services added that one of the difficulties with the new system was that staff did not always wish to release the nature of their illness, particularly if it related to very personal conditions, so this information was not recorded which caused difficulties when collating the statistics.

A discussion ensued in respect of the sickness absence portal and the reasons for the increase in the absence level. The Committee expressed the view that the sickness absence portal should be amended to avoid the issues that had occurred. Additionally, it was felt that staff should report the nature of their absence at all times and if this was not to their Line Manager, then a facility should be introduced for this to be via a second line manager so the information was collected. The Clerk advised that the issues in respect of the sickness absence portal were being investigated but, depending on the outcome, this could be fixed fairly quickly. If it involved software development, however, this may take a lot longer in view of the development timescales.

**\*HRMDC/18. 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 the following paragraphs of Part 1 of Schedule 12A (as amended) to the Act, namely:

For item 6:

- paragraph 1 - information relating to any individual;
- paragraph 2 – information which is likely to reveal the identity of an individual;
- paragraph 3 - information relating to the financial or business affairs of the Authority and other companies;
- paragraph 4 – information relating to any consultations or negotiations or contemplated consultations or negotiations in connection with any labour relations matter arising between the Authority and its employees.

For item 7:

- paragraph 4 – information relating to any consultations or negotiations or contemplated consultations or negotiations in connection with any labour relations matter arising between the Authority and its employees.

**\*HRMDC/19. Employee Relations Issues - Further Considerations**

(An item considered in accordance with Section 100(A) 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 Commercial Services (HRMDC/14/13) that set out details of a request from the Fire Brigades' Union for full time release of an employee for regional trade union duties.

**RESOLVED** that the recommendations as set out within report HRMDC/14/13 be approved.

**\*HRMDC/20. Consultation on Amendments to the Fire & Rescue National Framework – Firefighter Fitness Standards and Assessment**

(An item considered in accordance with Section 100(A) 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 Commercial Services (HRMDC/14/14) that set out details of a consultation document that had been issued by the Department for Communities and Local Government (DCLG) on a proposed amendment to the Fire & Rescue National Framework addressing fitness standards and assessments for firefighters.

The Director of People and Commercial Services gave an overview of the Service's position in respect of the proposals within the consultation at the meeting for the Committee to consider.

**RESOLVED** that the Director of People and Commercial Services be authorised to draft a response based on the views expressed by the Committee for submission to the DCLG by the deadline of 9 December 2014.

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

The meeting started at 14:00hours and finished at 15:40hours.

<b>REPORT REFERENCE NO.</b>	<b>RC/14/14</b>
<b>MEETING</b>	<b>RESOURCES COMMITTEE</b>
<b>DATE OF MEETING</b>	<b>20 NOVEMBER 2014</b>
<b>SUBJECT OF REPORT</b>	<b>TREASURY MANAGEMENT PERFORMANCE 2014-2015 – MID YEAR REVIEW</b>
<b>LEAD OFFICER</b>	<b>TREASURER</b>
<b>RECOMMENDATIONS</b>	<p><b>(a) <i>That it be recommended to the Devon and Somerset Fire and Rescue Authority that changes to credit methodology whereby previous standalone ratings for viability and financial strength and the support ratings will no longer be considered as key criteria in the choice of creditworthy investment counterparties but will be incorporated into Long Term ratings, as outlined in paragraphs 3.7 to 3.11 of report RC/14/14; and,</i></b></p> <p><b>(b) <i>Subject to (a) above, that the performance in relation to the treasury management activities of the Authority for 2014-2015 (to September) be noted.</i></b></p>
	<p>The Chartered Institute of Public Finance and Accountancy (CIPFA) issued a Code of Practice for Treasury Management. The 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 Code of Practice.</p>
<b>RESOURCE IMPLICATIONS</b>	As indicated within the report.
<b>EQUALITY IMPACT ASSESSMENT</b>	An initial assessment has not identified any equality issues emanating from this report.
<b>APPENDICES</b>	Appendix A – Investments held as at 30 September 2014.
<b>LIST OF BACKGROUND PAPERS</b>	Treasury Management Strategy (including Prudential and Treasury Indicators) Report DSFRA/14/3 – as approved at the meeting of the DSFRA meeting held on the 24 February 2014.

## 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 Devon and Somerset Fire and Rescue Authority (DSFRA) on the 18<sup>th</sup> February 2013 (Minute DSFRA/53(b) refers). 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 and Outlook

2.1 After strong UK GDP quarterly growth of 0.7%, 0.8% and 0.7% in quarters 2, 3 and 4 respectively in 2013, (2013 annual rate 2.7%), and 0.7% in Q1, 0.9% in Q2 and a first estimate of 0.7% in Q3 2014 (annual rate 3.1% in Q3), it appears very likely that strong growth will continue through 2014 and into 2015 as forward surveys for the services and construction sectors, are very encouraging and business investment is also recovering strongly. The manufacturing sector has also been encouraging though the latest figures indicate a weakening in the future trend rate of growth.

2.2 However, for this recovery to become more balanced and sustainable in the longer term, the recovery needs to move away from dependence on consumer expenditure and the housing market to exporting, and particularly of manufactured goods, both of which need to substantially improve on their recent lacklustre performance. This overall strong growth has resulted in unemployment falling much faster through the initial threshold of 7%, set by the Monetary Policy Committee (MPC) last August, before it said it would consider any increases in Bank Rate.

- 2.3 The MPC has subsequently broadened its forward guidance by adopting five qualitative principles and looking at a much wider range of about eighteen indicators in order to form a view on how much slack there is in the economy and how quickly slack is being used up. The MPC is particularly concerned that the current squeeze on the disposable incomes of consumers should be reversed by wage inflation rising back above the level of inflation in order to ensure that the recovery will be sustainable.
- 2.4 There also needs to be a major improvement in labour productivity, which has languished at dismal levels since 2008, to support increases in pay rates. Most economic forecasters are expecting growth to peak in 2014 and then to ease off a little, though still remaining strong, in 2015 and 2016. Unemployment is therefore expected to keep on its downward trend and this is likely to eventually feed through into a return to significant increases in pay rates at some point during the next three years. However, just how much those future increases in pay rates will counteract the depressive effect of increases in Bank Rate on consumer confidence, the rate of growth in consumer expenditure and the buoyancy of the housing market, are areas that will need to be kept under regular review.
- 2.5 Also encouraging has been the sharp fall in inflation (Consumer Price Index - CPI), reaching 1.2% in September, the lowest rate since 2009. Forward indications are that inflation is likely to fall further in 2014 to possibly 1%. Overall, markets are expecting that the MPC will be cautious in raising Bank Rate as it will want to protect heavily indebted consumers from too early an increase in Bank Rate at a time when inflationary pressures are also weak. A first increase in Bank Rate is therefore expected in Q2 2015 and they expect increases after that to be at a slow pace to lower levels than prevailed before 2008 as increases in Bank Rate will have a much bigger effect on heavily indebted consumers than they did before 2008.
- 2.6 The return to strong growth has also helped lower forecasts for the increase in Government debt by £73bn over the next five years, as announced in the 2013 Autumn Statement, and by an additional £24bn, as announced in the March 2014 Budget - which also forecast a return to a significant budget surplus, (of £5bn), in 2018-19. However, monthly public sector deficit figures have disappointed so far in 2014/15.
- 2.7 The U.S. faces similar debt problems to those of the UK, but thanks to reasonable growth, cuts in government expenditure and tax rises, the annual government deficit has been halved from its peak without appearing to do too much damage to growth, although the weak labour force participation rate remains a matter of key concern for the Federal Reserve when considering the amount of slack in the economy and monetary policy decisions.
- 2.8 The Eurozone is facing an increasing threat from weak or negative growth and from deflation. In September, the inflation rate fell further, to reach a low of 0.3%. However, this is an average for all EZ countries and includes some countries with negative rates of inflation. Accordingly, the ECB took some rather limited action in June to loosen monetary policy in order to promote growth. In September it took further action to cut its benchmark rate to only 0.05%, its deposit rate to -0.2% and to start a programme of purchases of corporate debt. However, it has not embarked yet on full quantitative easing (purchase of sovereign debt).
- 2.9 Concern in financial markets for the Eurozone subsided considerably during 2013. However, sovereign debt difficulties have not gone away and major issues could return in respect of any countries that do not dynamically address fundamental issues of low growth, international uncompetitiveness and the need for overdue reforms of the economy, (as Ireland has done). It is, therefore, possible over the next few years that levels of government debt to GDP ratios could continue to rise for some countries. This could mean that sovereign debt concerns have not disappeared but, rather, have only been postponed.

## Capita Interest Rate Forecasts

- 2.9 Capita Asset Services undertook a review of its interest rate forecasts on 24 October. During September and October, a further rise in geopolitical concerns, principally over Ukraine but also over the Middle East, plus fears around Ebola and an accumulation of dismal growth news in most of the ten largest economies of the world and also on the growing risk of deflation in the Eurozone, had sparked a flight from equities into safe havens like gilts and depressed PWLB rates. However, there is much volatility in rates as news ebbs and flows in negative or positive ways. This latest forecast includes a first increase in Bank Rate in quarter 2 of 2015.

	Dec-14	Mar-15	Jun-15	Sep-15	Dec-15	Mar-16	Jun-16	Sep-16	Dec-16	Mar-17	Jun-17	Sep-17	Dec-17	Mar-18
Bank rate	0.50%	0.50%	0.75%	0.75%	1.00%	1.00%	1.25%	1.25%	1.50%	1.50%	1.75%	2.00%	2.25%	2.50%
5yr PWLB rate	2.50%	2.70%	2.70%	2.80%	2.90%	3.00%	3.10%	3.20%	3.30%	3.40%	3.50%	3.50%	3.50%	3.50%
10yr PWLB rate	3.20%	3.40%	3.50%	3.60%	3.70%	3.80%	3.90%	4.00%	4.10%	4.10%	4.20%	4.20%	4.30%	4.30%
25yr PWLB rate	3.90%	4.00%	4.10%	4.30%	4.40%	4.50%	4.60%	4.70%	4.70%	4.80%	4.80%	4.90%	4.90%	5.00%
50yr PWLB rate	3.90%	4.00%	4.10%	4.30%	4.40%	4.50%	4.60%	4.70%	4.70%	4.80%	4.80%	4.90%	4.90%	5.00%

## 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 24<sup>th</sup> February 2014. 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 Capita suggested creditworthiness matrices, including Credit Default Swap (CDS) overlay information provided by Capita.
- 3.3 A full list of investments held as at 30 September 2014 are shown in Appendix A of this report.
- 3.4 Investment rates available in the market have been broadly stable during the quarter and have continued at historically low levels as a result of the ultra-low Bank Rate and other extraordinary measures such as the Funding for Lending Scheme.
- 3.5 The average level of funds available for investment purposes during the quarter was £37.119m (£33.743m 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 to quarter 2
3 Month LIBID	0.43%	0.46%	£38,081

- 3.6 As illustrated, the Authority outperformed the 3 month LIBID benchmark by 0.03 bp. It is also forecast that the Authority's will exceed the budgeted investment target for 2014-2015 of £0.100m.

#### Investment Counterparty criteria

- 3.7 The main rating agencies (Fitch, Moody's and Standard & Poor's) have, through much of the financial crisis, provided some institutions with a ratings "uplift" due to implied levels of sovereign support. More recently, in response to the evolving regulatory regime, the agencies have indicated they may remove these "uplifts". This process may commence during this financial year. The actual timing of the changes is still subject to discussion, but this does mean immediate changes to the credit methodology are required.
- 3.8 It is important to stress that the rating agency changes do not reflect any changes in the underlying status of the institution or credit environment, merely the implied level of support that has been built into ratings through the financial crisis. The eventual removal of implied Government support will only take place when the regulatory and economic environments have ensured that financial institutions are much stronger and less prone to failure in a financial crisis.
- 3.9 Both Fitch and Moody's provide "standalone" credit ratings for financial institutions. For Fitch, it is the Viability Rating, while Moody's has the Financial Strength Rating. Due to the future removal of sovereign support from institution assessments, both agencies have suggested going forward that these will be in line with their respective Long Term ratings. As such, there is no point monitoring both Long Term and these "standalone" ratings.
- 3.10 Furthermore, Fitch has already begun assessing its Support ratings, with a clear expectation that these will be lowered to 5, which is defined as "A bank for which there is a possibility of external support, but it cannot be relied upon." With all institutions likely to drop to these levels, there is little to no differentiation to be had by assessing Support ratings.
- 3.11 As a result of these rating agency changes, it is recommended that the credit element of the Authority's future methodology will focus solely on the Short and Long Term ratings of an institution. Rating Watch and Outlook information will continue to be assessed where it relates to these categories. This is the same process for Standard & Poor's that we have always taken, but a change to the use of Fitch and Moody's ratings. Furthermore, we will continue to utilise CDS prices as an overlay to ratings in our new methodology.

#### Borrowing Strategy

##### Prudential Indicators:

- 3.12 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 Treasury Management Strategy (TMSS).

- 3.13 The projected performance against these Indicators is included in a separate report on the agenda for this meeting entitled “Financial Performance Report 2014-2015 – Quarter 2”, which confirms that no breaches of the Prudential Indicators were made in the period to September 2014 and that there are no concerns that they will be breached during the financial year.

#### Current external borrowing

- 3.14 Total external borrowing with the Public Works Loan Board (PWLB) as at 30 September 2014 stands at £26.059m (£26.214m in previous quarter), forecast to reduce to £25.944m by 31<sup>st</sup> March 2015 as a result of further principal repayments. All of this debt is at fixed rate with the remaining principal having an average rate/life of 4.231%/31.08 years.

#### Loan Rescheduling/Borrowing in Advance of Need

- 3.15 External borrowing of £26.059m as at 30 September 2014 exceeds the Capital Financing Requirement (CFR) figure of £23.430m, which reflects that borrowing of £2.629m has been taken out in advance of spending. This is as a result of slippage against the 2013-14 capital programme being more than forecast. At this time this does not represent a breach of prudential indicators, as borrowing is permitted to be above current CFR as long as future CFR estimates for current and next two financial years will utilise these loans. The Authority also maintains an Authorised Limit i.e. £31.120m and as loans fall below this, there is no immediate action required.
- 3.16 It is forecast that capital spending in the next two years will increase the CFR sufficiently to reverse this over borrowing position. However, as discussed at the last meeting of Resources Committee on 1 September 2014, consideration will also be given to the viability of early debt repayment during 2014-15 which would bring the debt figure closer to the CFR figure. Any such repayment would bring benefits in terms of future savings on interest payments but the PWLB would require a premium payment to be made to reflect the early repayment. Our external advisors have already completed a review of our debt portfolio to identify those individual loans which may be subject to early repayment; however their advice at this stage is to await potential further increases in PWLB later in the year which would have the effect of reducing early repayment premium payments.

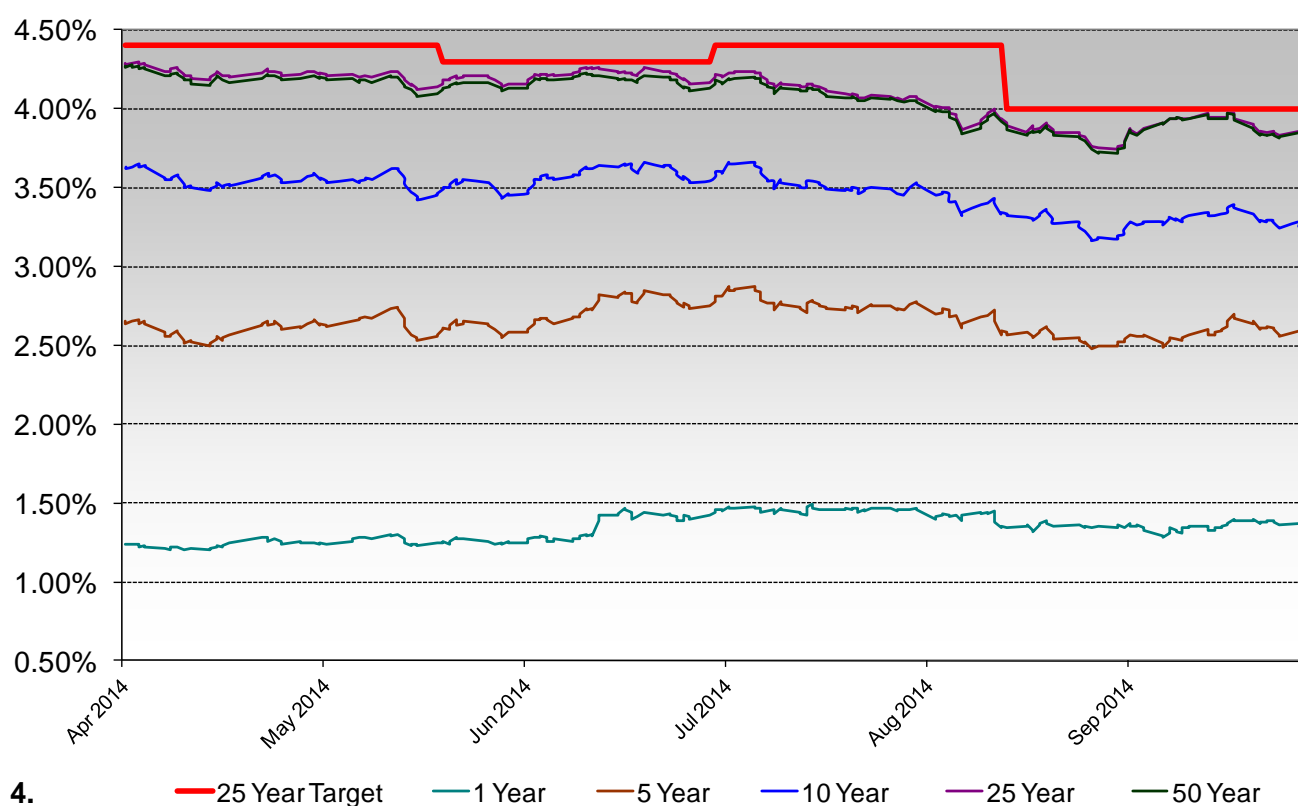
#### New Borrowing

- 3.17 No new borrowing was undertaken during the quarter and none is planned during 2014-15, as it is forecast that all capital spending will be funded from revenue funding and government grants.
- 3.18 PWLB certainty rates for the quarter ended 30 September 2014 are shown below. DSFRA is eligible to borrow at certainty rates.

## PWLB rates quarter ended 30.09.2014

	1 Year	5 Year	10 Year	25 Year	50 Year
Low	1.20%	2.48%	3.16%	3.74%	3.72%
Date	08/04/2014	28/08/2014	28/08/2014	01/09/2014	29/08/2014
High	1.49%	2.87%	3.66%	4.30%	4.28%
Date	16/07/2014	03/07/2014	20/06/2014	03/04/2014	02/04/2014
Average	1.35%	2.66%	3.47%	4.10%	4.07%

3.19 Borrowing rates for the first six months are shown below.



4.1 In compliance with the requirements of the CIPFA Code of Practice of Treasury Management, this report provides members with the Mid-Year report of the treasury management activities for 2014-2015 to September 2014. 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 anticipating that investment returns will over achieve the budgeted target.

**KEVIN WOODWARD**  
Treasurer

APPENDIX A TO REPORT RC/14/14

Investments as at 30 September 2014					
Counterparty	Maximum to be invested	Total amount invested	Call or Term	Period invested	Interest rate(s)
	£m	£m			
Bank of Scotland	5.000	2.000	T	6 mths	0.70%
		1.500	T	1 yr	0.95%
		1.500	T	9 mths	0.80%
Barclays	10.000	2.000	T	3 mths	0.61%
		3.000	T	6 mths	0.61%
		3.000	T	3 mths	0.48%
		0.123	C	Instant Access	Variable
Goldman Sachs	5.000	5.000	T	6 mths	0.69%
Nationwide B/S	2.000	2.000	T	6 mths	0.63%
National Westminster Bank	5.000	5.000	T	3 mths	0.40%
Svenska Handelsbanken	5.000	5.000	C	Instant Access	Variable
Federated Prime Rate Money Market Funds	5.000	4.503	C	Instant Access	Variable
Ignis Sterling Liquidity Money Market Fund	5.000	1.000	C	Instant Access	Variable
Black Rock Money Market Fund	5.000	0.044	C	Instant Access	Variable
<b>Total invested as at 30th September 2014</b>		<b>35.670m</b>			

<b>REPORT REFERENCE NO.</b>	<b>DSFRA/14/17</b>
<b>MEETING</b>	<b>DEVON &amp; SOMERSET FIRE &amp; RESCUE AUTHORITY</b>
<b>DATE OF MEETING</b>	<b>17 DECEMBER 2014</b>
<b>SUBJECT OF REPORT</b>	<b>APPOINTMENT OF IN-HOUSE LAWYER</b>
<b>LEAD OFFICER</b>	<b>Clerk to the Authority</b>
<b>RECOMMENDATIONS</b>	<p><i>(a) that a recruitment process be undertaken for appointment of an in-house lawyer, at the salary grade as indicated in this report and on the basis of an initial, three-year fixed term contract;</i></p> <p><i>(b) that the Chief Fire Officer be delegated authority to make the post of in-house lawyer a substantive post during the fixed term period subject to the business case benefits being realised.</i></p>
<b>EXECUTIVE SUMMARY</b>	This report sets out in brief the history of legal services support to both Authority and Service, summarises outline and full business case reviews of this provision and proposes a new, blended approach, featuring both in-house and external support, going forwards to improve effectiveness, quality and efficiency in this area.
<b>RESOURCE IMPLICATIONS</b>	As set out in Section 3 of this report
<b>EQUALITY RISKS AND BENEFITS ANALYSIS (ERBA)</b>	The contents of this report are considered compatible with existing human rights and equalities legislation.
<b>APPENDICES</b>	A. Appointment of In-house Solicitor (Legal Services) – Full Business Case (page numbered separately).
<b>LIST OF BACKGROUND PAPERS</b>	A. Provision of Legal Services – Outline Business Case

## 1. **BACKGROUND**

1.1 The provision of legal services to the Authority has a long and protracted history. Prior to combination, the former Devon Fire & Rescue Authority received, over the years, legal advice from each of its constituents (Devon County Council; Torbay Council; and Plymouth City Council). Owing to a mixture of factors – primarily either capacity to undertake the work or quality of work delivered – the actual provider changed. The terms of the Combination Scheme Order allowed this work to be commissioned without the need for any formal competitive tendering process.

1.2 More recently, following combination, the Devon & Somerset Fire & Rescue Authority has received its legal advice from two main sources:

- a Service Level Agreement (SLA) with Cornwall County Council for the majority of legal advice in a number of areas, principally human resources and property issues (including, where required, litigation). This is demand-led and delivered at a flat hourly rate irrespective of the qualifications/experience of the person providing the advice; and
- A low-value annual contract with a Barrister providing for:
  - specialist training on fire safety/fire investigation matters (including enforcement, PACE requirements etc);
  - 12 pieces of legal advice per annum on fire safety/RRO matters;
  - Representation/advice in up to 3 fire safety prosecutions. As a matter of practice, this representation is usually only used for significant, high-profile cases (for example, where the potential for loss of life is significant).

Legal advice is also sought on occasion from external sources (e.g. private solicitors) – either directly or under other framework arrangements, where this is felt to be more appropriate either in terms of requiring an urgent response or due to the specialist nature of the advice being requested.

1.3 In 2012, an internal review was commenced into the [then] legal services provision and seeking to identify the most appropriate provision for both Authority and the Service going forwards. This led to production of an outline business case which addressed, amongst other things:

- historical legal services provision and its effectiveness;
- analysis of spend on areas of legal advice (e.g. employment law, property issues etc.);
- identification and analysis of options for future provision ranging from the status quo to full in-house provision;
- identification and examination of the risks and opportunities/benefits associated with each option.

1.4 The outline business case identified the following drivers for seeking to revise the [then] current provision of legal services:

- Following combination of Devon and Somerset, the new Authority has increased in complexity and, over the past 18 months or so, has embarked on a bold and demanding journey to achieve excellence and to safeguard and improve service delivery in a climate of reducing central government funding. As part of this venture, the Authority is being exposed to – and requires access to frequent and regular advice on – a range of new initiatives, not least of which that relating to commercial trading activity.
- The absence of an in-house lawyer exposes weaknesses in sourcing appropriate and timely advice. Many of the issues now going before either the full Authority or its committees have a legal dimension that might best be explained at the meeting by an appropriately qualified person, thereby providing a degree of assurance to Authority Members during the decision making process that currently is not readily available.
- The Authority is currently operating in times where there is an increased risk of litigation and against a backdrop of continuous and – frequently – rapid change. Against this backdrop, both the Authority and Service are seeking to maintain and ideally enhance their reputation as being in the forefront of the field. The provision of relevant, timely, cost-effective legal advice is an essential ingredient if the risks associated with operating in such an environment are to be adequately mitigated.
- Linked to this, while in the main the provision of legal services via the Cornwall SLA has proven effective, there have been times when – for various reasons including timeliness, capacity and complexity of issue – the Service has had to seek additional/specialist legal advice at additional cost.

1.5 The outline business case concluded that the best option going forward would be to implement a “blended” approach featuring the appointment of an in-house lawyer, able to delivery directly legal advice in certain, core areas, and overseeing the outsourcing of other provision as required. This conclusion was supported by the [then] Senior Management Board. The Authority was advised of this position at the Members’ Forum meeting on 30 July 2012, the intention at that point being to progress to appointment of an in-house lawyer.

## **2. MORE RECENT DEVELOPMENTS**

### ***(a) Inter-Authority Agreement for the Provision of Legal Services***

- 2.1 During the process of exploring how best to secure the appointment of an in-house lawyer, an alternative model of legal services provision – an inter-authority agreement – was proposed. By using what is termed the “Hamburg” exemption (recently codified into procurement law), this allows several authorities to collaborate in service provision on the basis of reciprocal benefit and subject to work being undertaken on a not-for-profit, cost recovery basis.
- 2.2 Local authority in-house provision is usually extensive in the areas this Authority and Service require legal advice and historically more cost-effective than external (i.e. private solicitor) provision. Given the specialist nature of the work, Bevan Brittan was commissioned to assist in drafting the inter-authority agreement for the provision of legal services. Given its innovative nature, the process to secure an agreement was somewhat more lengthy than initially envisaged but a final agreement was entered into in August of this year – for an initial three year period - with Devon County Council, Torbay Council, Plymouth City Council and Cornwall Council. Somerset County Council and the Devon & Cornwall Constabulary were invited to participate in this venture but declined to do so.

2.3 This agreement provides, amongst other things, for the Authority to access legal services, case-by-case, on a cost recovery basis. More pertinently, the agreement also allows for this Authority to provide services to the other parties to the agreement, again on a cost recovery basis.

**(b) Pilot in-house lawyer (9 month fixed term contract)**

2.4 In the interim to agreeing the final inter-authority agreement referred to above, an opportunity arose in June of this year to trial, on a nine-month, fixed-term contract basis, the appointment of an in-house lawyer. This appointment was subject to the following:

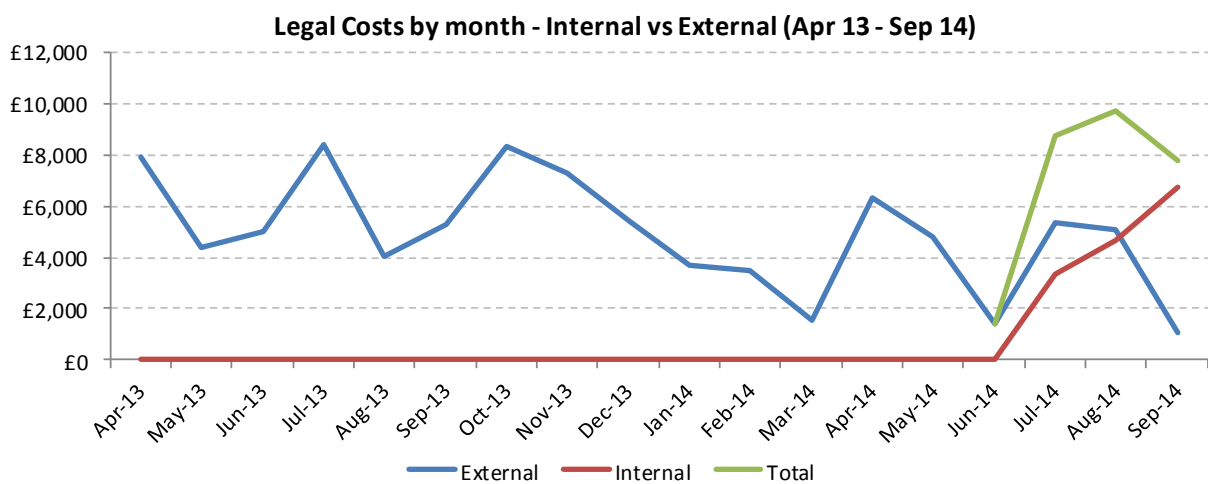
- an assessment as to whether the role of the Authority Solicitor was, in fact, viable;
- the production of a full Business Case for consideration by the Executive Board to demonstrate this viability; and
- should the resulting full business case be approved by the Executive Board, there would be a recruitment process conducted for the role.

**3. FULL BUSINESS CASE**

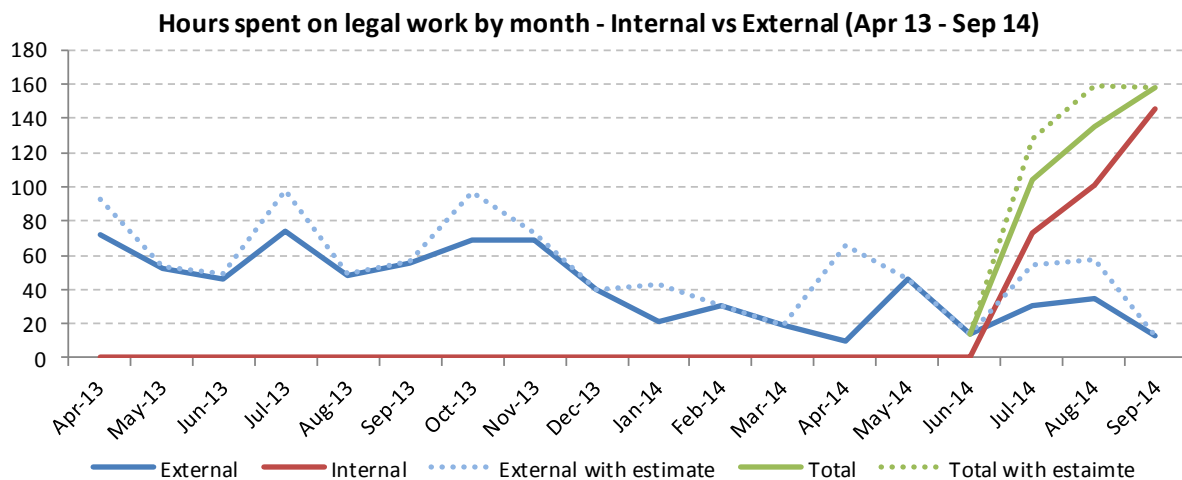
**(a) General Conclusions**

3.1 The full business case referred to above has now been produced and was approved by the Executive Board at its meeting on 2 December 2014. This business case, which is attached at Appendix A, indicates that various metrics (including hours spent on legal work; spend on legal work) recorded from July 2014 to date supports the viability of the appointment of an in-house lawyer.

3.2 The two graphs (below and overleaf) are extracted from the business case and demonstrate a dramatic reduction in external spend on legal fees and also a considerable increase in hours received by the provision of internal legal services from July 2014 to September 2014







3.3 Additionally, the business case identified specific examples of “value added” benefits arising from use of an in-house lawyer, resulting in tangible cost-savings in several areas of work which would otherwise have been outsourced.

**(b) Resourcing**

3.4 As with all non-uniformed (“Green Book”) posts, the post of in-house lawyer has been subject to the appropriate job evaluation process. This indicates that the appropriate grade for the post should be Grade 11, which initially equates to a salary cost of £50,898 per annum (£64,831 including on-costs).

3.5 The business case indicates that a blended approach involving the appointment of an in-house lawyer can, as a minimum, be secured on a cost-neutral basis. Additionally, by virtue of the flexibility of the inter-authority agreement referred to earlier, the appointment of an in-house lawyer presents an income-generating opportunity that otherwise would not exist and initial assessment provides a high degree of confidence that such fee income could be circa £30,000.

**4. CONCLUSION**

4.1 The initial outline business case identified a number of drivers in 2012 (see 1.4 above) for seeking to revise the current provision of legal services.

4.2 While the inter-agency agreement entered into recently addresses some of the concerns relating to the Cornwall SLA (referred to in the last bullet point of para. 1.4), in that the Authority can now access a wider pool of legal advice, the drivers identified still hold true.

4.3 The full business case now indicates that a blended approach, incorporating the appointment of an in-house lawyer, can be secured on a cost-neutral basis as a minimum, affords the opportunity to realise income generation thereby driving costs down further and also affords the following, “value added” benefits:

- Legal considerations in decision making resulting in improved/confident decision making and reduced risk (e.g. advice and assistance to Estates in respect of various boiler failures at a number of sites across the Service resulting in repairs being carried out by the contractor without cost to the Authority, claiming additional losses and at present avoiding litigation)
- Relevant, timely, cost effective legal advice

- Improved access to legal advice
- Monitoring of external legal fees to reduce external spend
- Impact on the quality of internal evidence gathering
- Investigation advice
- Improved internal systems
- External representation, where appropriate, including at the Fire Lawyers Network and the Department for Communities and Local Government (CLG).

- 4.4 Appointment of an in-house lawyer (effectively bringing in-house an outsourced function) would increase the full-time, non-uniformed establishment by one full time equivalent. The Authority's approved Scheme of Delegations authorises the Chief Fire Officer to, amongst other things, effect minor variations in the establishment between uniformed and non-uniformed posts where this is in the best interests of the Service and effect changes in the establishment structure subject to any financial implications being met from within existing resources. However, the Service is operating within, and needing to make adjustments for, an increasingly difficult economic climate and any increase in staffing numbers must be justifiable in that context which is why this matter is being brought to the Authority.
- 4.5 The full business case exemplifies that significant benefits – including financial savings and the possibility for income generation - should accrue both to the Authority and Service from the appointment of an in-house lawyer.
- 4.6 Balancing all of these issues, it is proposed that a recruitment process should be undertaken for the appointment of an in-house lawyer initially on a three year fixed-term contract issues and that the Chief Fire Officer should be given delegated authority to permanently substantiate the post subject to realisation of the business case benefits. Furthermore, given the time required for the recruitment process and the notice period that the successful candidate might be expected to give, it is intended to extend the existing temporary contract to 1 May 2015 to ensure continuity of provision and also to allow for an appropriate handover period, if necessary.
- 4.7 This course of action is, therefore, commended to the Authority for approval.

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

<b>REPORT REFERENCE NO.</b>	<b>DSFRA/14/18</b>
<b>MEETING</b>	<b>DEVON &amp; SOMERSET FIRE &amp; RESCUE AUTHORITY</b>
<b>DATE OF MEETING</b>	<b>17 December 2014</b>
<b>SUBJECT OF REPORT</b>	<b>DEPARTMENT FOR COMMUNITIES AND LOCAL GOVERNMENT (CLG) CONSULTATION: BELLWIN SCHEME OF EMERGENCY FINANCIAL ASSISTANCE TO LOCAL AUTHORITIES</b>
<b>LEAD OFFICER</b>	<b>Treasurer</b>
<b>RECOMMENDATIONS</b>	<i>That, subject to incorporation of any amendments that may be indicated at the meeting, the draft Authority response to the government consultation on proposed revisions to the Bellwin Scheme of Emergency Assistance, as appended to this report, be approved and the Treasurer authorised to submit it on behalf of the Authority.</i>
<b>EXECUTIVE SUMMARY</b>	<p>The Department for Communities and Local Government (CLG) is consulting on proposed revisions to the Bellwin Scheme whereby local authorities can claim financial relief from the government towards costs incurred on, or in connection with, immediate action to safeguard life and property or to prevent suffering or severe inconvenience as a result of a disaster or emergency in a local authority's area.</p> <p>The Bellwin Scheme is activated by Ministers and most recently was activated to address widespread flooding, as experienced at the Somerset Levels amongst other places.</p> <p>Responses to the consultation are requested by 1 January 2015. A draft Authority response is appended to this report.</p>
<b>RESOURCE IMPLICATIONS</b>	As indicated in the report and consultation document.
<b>EQUALITY RISKS AND BENEFITS ANALYSIS (ERBA)</b>	The contents of this report are considered compatible with current human rights and equalities legislation.
<b>APPENDICES</b>	<p>A. Department for Communities and Local Government Consultation Document: Bellwin Scheme of Emergency Financial Assistance to Local Authorities.</p> <p>B. Draft Authority response to consultation.</p>
<b>LIST OF BACKGROUND PAPERS</b>	As per background papers.

## **1. BACKGROUND**

- 1.1 The Bellwin scheme provides emergency financial assistance to local authorities under section 155 of the Local Government and Housing Act 1989. The scheme provides reimbursement for local authority costs incurred on, or in connection with, immediate action to safeguard life and property or to prevent suffering or severe inconvenience as a result of a disaster or emergency in the local authority area.
- 1.2 In the period December 2013 to March 2014, England experienced wide spread flooding as a result of the severe weather experienced last winter. Locally, this saw significant disruption to the main line rail service between Paddington and Penzance and extensive flooding particularly on the Somerset Levels.
- 1.3 On Thursday 6 February 2014, as a part of the Government's response to the situation, Eric Pickles, the Secretary of State for Communities and Local Government announced enhanced terms for the Bellwin scheme to help local authorities in England meet the challenges associated with the recent severe weather.
- 1.4 A review group was set up to assess what permanent changes may be needed to the Bellwin Scheme in the light of the more frequent and challenging severe weather events. The review considered the existing terms of the scheme, including:
- Thresholds
  - Grant rate
  - Eligible spending criteria
- 1.5 Stemming from this review, the Department for Communities and Local Government has now published a consultation document (attached, Appendix A) seeking views on the suggested revised principles to govern operation of the Bellwin Scheme.

## **2. REVISED PRINCIPLES**

- 2.1 In summary, the consultation seeks views on the following proposed revisions to the Scheme:
- a lowering of the threshold triggering central government support, from 0.2% of a local authority's approved revenue budget to a designated, annual threshold to be published alongside the finance settlement;
  - to pay 100% of costs incurred above the threshold (the previous grant rate was 85% of costs incurred); and
  - to shorten the time period for eligible spending to one month from when a particular incident is agreed to have moved from response to recovery phase and then allow a longer period of three months to total all relevant costs and make a claim for reimbursement;
  - to widen the types of costs that can be claimed to cover activities such as:
    - permanent repairs (e.g. where a wall is unstable or dangerous, the costs of rebuilding the wall would be covered under the scheme);
    - urgent works to repair flood defences instead of temporary fixes.

2.2 Responses to the consultation are invited by 1 January 2015 and a proposed, draft Authority response is now attached (Appendix B). The Authority is invited to consider the consultation document and draft response with a view to approving – subject to incorporation of any amendments that may be suggested at the meeting – a final response for submission by the Treasurer, on behalf of the Authority.

**KEVIN WOODWARD**  
Treasurer

**DEVON & SOMERSET FIRE & RESCUE DRAFT RESPONSE TO CONSULTATION ON REVISION TO BELLWIN PRINCIPLES**

**Thresholds and Grant**

Consultation Question 1 - Do respondents favour retaining the new lower thresholds?

*DSFRA Response – Yes we support the new lower thresholds albeit that it is noted that for stand-alone fire and rescue authorities this represents no change to the amount of threshold from the previous rules. However given the prolonged nature of the Somerset levels flooding in 2013 we are concerned that under the current rules we could be subject to more frequent numbers of emergencies/disasters which could mean this threshold being applied more than once during a financial year. We would welcome some clarity on the application of the threshold during a year of repeated emergency situations.*

Consultation Question 2 - Do respondents agree with the government paying 100% costs above the threshold thresholds?

*DSFRA Response – Yes this is very helpful.*

**Eligible Costs**

Consultation Question 3 - Does the respondent agree that to ensure that the scheme truly covers emergency response, the Government should widen the type of costs that can be claimed and shorten the time period for eligible spending to one month?

*DSFRA Response – We believe that any changes to be made should provide more flexibility than the current scheme to enable an effective response to be made without concerns as to who will be picking up individual elements of cost. We therefore support the proposal to widen the type of costs that can be claimed particularly if this enables more permanent solutions to be made rather than temporary fixes. However we do have concerns as to whether the proposal to shorten the time period to one month is a bit narrow and would not be appropriate to all types of incidents. We are particularly thinking of the events in 2013 at the Somerset levels where a one-month window would have been particularly restrictive given the prolonged nature of the period of flooding.*

Consultation Question 4 - Does the respondent agree that the Government should widen the definition of eligible costs to include some forms of capital?

*DSFRA Response – Yes. As above we believe that the rules should contain adequate flexibility to cater for the increasing likelihood of these types of disasters occurring and it should recognise that in some cases (albeit exceptional) capital costs e.g. flood defence improvements may be required.*

Consultation Question 5 - Does the respondent have any other comments on the proposed changes?

*DSFRA Response – We welcome the proposed changes and ask that as much flexibility as possible be built into the revised scheme to ensure that local authorities are able to continue to provide an effective response in times of austerity.*

<b>REPORT REFERENCE NO.</b>	<b>DSFRA/14/19</b>
<b>MEETING</b>	<b>DEVON &amp; SOMERSET FIRE &amp; RESCUE AUTHORITY</b>
<b>DATE OF MEETING</b>	<b>17 DECEMBER 2014</b>
<b>SUBJECT OF REPORT</b>	<b>PRECEPT CONSULTATION FOR 2015/16 BUDGET</b>
<b>LEAD OFFICER</b>	<b>Treasurer</b>
<b>RECOMMENDATIONS</b>	<i>That the Authority considers the options detailed in section 5 of this report in relation to consulting on the 2015-16 precept and determines the approach to be adopted.</i>
<b>EXECUTIVE SUMMARY</b>	The Authority is asked to consider and determine how it would wish to undertake consultation on the 2015-16 Council Tax precept. This report paper sets out three options offering different approaches to how the consultation is undertaken and who is consulted. The report also details the requirement to consult (relevant legislation requires only that non-domestic ratepayers be consulted on expenditure proposals) and outlines the Service's historical approach to precept consultation.
<b>RESOURCE IMPLICATIONS</b>	The cost associated with the each option is identified in paragraph 5.1 of the report and has been provided for within the existing budget.
<b>EQUALITY RISKS AND BENEFITS ANALYSIS (ERBA)</b>	The contents of this report are considered compatible with equalities and human rights legislation.
<b>APPENDICES</b>	Nil.
<b>LIST OF BACKGROUND PAPERS</b>	Nil.

## **1. INTRODUCTION**

- 1.1 The Authority is required to consult on its level of precept in setting its budget for the forthcoming financial year. The purpose of this paper is to outline the rationale regarding the desired approach to consultation so that the Service can meet its legal obligation and commence planning.

## **2. PRECEPT CONSULTATION – REQUIREMENT TO CONSULT**

- 2.1 Section 65 of the Local Government Finance Act 1992 requires precepting authorities, including this Authority, to consult non-domestic ratepayers on its proposals for expenditure.
- 2.2 Whilst there is no statutory duty to consult Council Tax payers (the public) on the level of Council Tax, it is considered good practice to engage with those who contribute towards the funding of the Devon & Somerset Fire & Rescue Service (the Service). Consultation regarding the 2015-16 Council Tax precept will assist the Authority in determining the levels to be applied based upon public and business opinion, thereby informing the 2015-16 revenue budget setting process.

## **3. CONSULTATION IN PREVIOUS YEARS**

- 3.1 The Authority has always complied with its legal obligation to consult, annually, with business (non-domestic ratepayers) groups. In 2012, however, the Authority resolved to extend this consultation to include members of the public.
- 3.2 Until 2014, the consultation method was a telephone survey outsourced to a research contractor. This method has been the most practical due to the time constraints between understanding the impact of the government finance settlement announcement and completing the fieldwork, analysis and reporting during January in time for papers to be agreed and distributed for the budget meetings in February.
- 3.3 Outsourcing has also been practical because it releases internal capacity at a time, historically, when Service staff have been heavily involved with work associated with the annual corporate planning cycle and the development of the Corporate Plan, Department Plans and Local Community Plans.
- 3.4 The Service has a contract in place to provide a telephone survey for both businesses and members of the public. The existing, approved revenue budget contains sufficient provision to meet these costs.
- 3.5 In 2014 the consultation method was changed from the use of a telephone survey for both businesses and members of the public to an approach that required a face-to-face street survey of members of the public in each of the constituent authority areas and a telephone survey for businesses. The impact of this was:
- a reduced response rate (183 responses for the face-to-face survey against 400 for the recommended telephone survey);
  - a less representative sample;
  - increased effort to manage the face-to-face survey, analysis and reporting when compared against outsourcing, with capacity re-directed away from the normal planning cycle activities and delays introduced in production of departmental plans;



- estimated staff and non-staff costs of £4,500, the majority of this is “opportunity” staff costs;
- the internal costs associated with last year’s survey exceed that which would have been paid for a similar service negotiated through the recognised contract, i.e. 200 sample survey for £3,000.

#### **4. PARTNERSHIP OPPORTUNITIES**

- 4.1 Last year the Authority asked that the scope for a shared consultation process with constituent authorities be explored. In the event, this did not prove practicable owing to timing issues, with constituent authorities either being in the midst of or actually having completed their consultation exercises.
- 4.2 The Service has, for the forthcoming consultation, again explored the potential to share consultation arrangements. The four constituent authorities have been contacted to identify if there were opportunities to combine the Service precept consultation with those being undertaken by each constituent authority. However, for this to be successful and to produce reliable results, an opportunity needs to exist with each constituent authority and for each authority to have similar methodologies planned.
- 4.3 The benefit of combining consultation requirements is to achieve some economies of scale and therefore potentially reduce costs. There is a potential risk, though, that partners’ results could be affected by conducting a joint exercise as opinions are given, not in the context of single organisation, but in a comparison between organisations. This may raise expectations or cause confusion, e.g. that a community budgeting exercise is being undertaken.
- 4.4 The responses from constituent authorities this year is that it would not be possible to successfully combine the various consultations because – again - the timings of the consultation strategies differ (some consultations have already been completed) and there are different approaches being taken for those yet to commence engagement with the public.
- 4.5 Each of the constituent authorities conducts some form of budget consultation with the general public in addition to the statutory requirement to consult the business community. However, the consultation timing and approaches vary significantly which is why it has not been possible to combine our efforts.

#### **5. OPTIONS**

- 5.1 To assist with planning preparations it would be beneficial to establish an early position on the desired approach. It is suggested that one of the three following options are agreed.

***Option 1: Business only (telephone survey) consultation, cost £5500***

***Summary:***

- to consult with businesses only;
- to utilise the existing contract to conduct a telephone survey for businesses;
- to ask a small group of key questions plus demographic information;
- to collect answers to both “closed” and “open” questions;

- to provide a representative sample of 400 business by constituent authority area (Devon County Council; Plymouth City Council; Somerset County Council; and Torbay Council).

**Option 2: Business and public consultation (telephone survey), cost £11,000**

**Summary:**

- to consult with businesses;
- to consult with members of the public;
- to utilise the existing contract to conduct a telephone survey for both businesses and public;
- to ask a small group of key questions plus demographic information;
- to collect answers to both “closed” and “open” questions;
- to provide a representative sample of 400 business and 400 members of the public by constituent authority area (Devon County Council; Plymouth City Council; Somerset County Council; and Torbay Council).

**Option 3: Business (telephone survey) and public (street survey) consultation, cost £5500 + estimated street survey cost (excluding opportunity costs) of £500 (includes staff and non-staff costs). Total Direct Cost £6,000**

**Summary:**

- to conduct a telephone survey with businesses as described in Option 1;
- to consult members of the public by conducting face to face street surveys at Exeter, Plymouth, Taunton and Torquay, within each of the four constituent authorities. The work load associated with this can be absorbed within existing capacity this year because there is no public IRMP consultation taking place and this reduces the associated costs.

It should be noted, though, that this option typically generates a reduced response rate and the sample is much less representative than that achieved through the telephone survey option. These factors make the results less reliable.

- 5.2 As previously indicated, provision already exists within the approved revenue budget to meet the cost associated with all options. Similarly, while Option 2 is the more expensive, it does afford a highly cost-effective and statistically more reliable way of consulting with the general public on an issue of significant interest which it is suggested will provide the Authority with pertinent information and a more complete picture to assist in determining the appropriate level of precept for the forthcoming financial year.

**6. REPORTING OF RESULTS**

- 6.1 The results of the survey will be reported back to the budget meetings in February 2015 to inform the considerations in relation to budget setting for 2015-16 and any associated precept level.

**KEVIN WOODWARD**  
Treasurer

<b>REPORT REFERENCE NO.</b>	<b>DSFRA/14/20</b>
<b>MEETING</b>	<b>DEVON &amp; SOMERSET FIRE &amp; RESCUE AUTHORITY</b>
<b>DATE OF MEETING</b>	<b>17 DECEMBER 2014</b>
<b>SUBJECT OF REPORT</b>	<b>CONSTITUTIONAL ISSUES</b>
<b>LEAD OFFICER</b>	<b>Clerk to the Authority</b>
<b>RECOMMENDATIONS</b>	<p>(a) <i>that the Authority appoints one of its Members to fill the current vacancy on the Audit &amp; Performance Review Committee, the term of office of the appointment to be until the Annual Authority meeting in May 2015;</i></p> <p>(b) <i>that the formal Authority meeting scheduled for 10.00hours on Wednesday 28 January 2015 be cancelled, with the Forum meeting also scheduled for that day to commence at the earlier time of 10.00hours.</i></p>
<b>EXECUTIVE SUMMARY</b>	This report seeks appointment to a vacancy arising on the Authority's Audit & Performance Review Committee and advises of the proposed cancellation of the full Authority meeting scheduled for Wednesday 28 January 2015 and the rescheduling of the Members' Forum meeting on that day to 10.00hours.
<b>RESOURCE IMPLICATIONS</b>	None.
<b>EQUALITY RISKS AND BENEFITS ANALYSIS (ERBA)</b>	The contents of this report are considered compatible with existing human rights and equalities legislation.
<b>APPENDICES</b>	Nil.
<b>LIST OF BACKGROUND PAPERS</b>	Authority approved Calendar of Meetings 2014-15 Municipal Year Minutes of the Annual Authority meeting held on 29 May 2014

**1. VACANCY ON AUDIT & PERFORMANCE REVIEW COMMITTEE**

- 1.1 Councillor Kevin Ball has tendered his resignation from the Audit & Performance Review Committee resulting in a vacancy on that body. Application of the Authority's Standing Orders on Committee appointments (political proportionality) would indicate that a replacement for Councillor Ball should be a Conservative Councillor. Additionally, if the replacement were from amongst those Conservative councillors appointed to the Authority by Devon County Council, then this would help overall Committee membership reflect constituent authority proportions on the Authority.
- 1.2 The Authority is invited to consider the above and make an appointment to the vacancy on the Audit & Performance Review Committee, the term of office of the appointment to be until the Annual Authority meeting in 2015.

**2. PROPOSED CANCELLATION OF AUTHORITY MEETING SCHEDULED FOR 28 JANUARY 2015**

- 2.1 The approved Authority Calendar of Meetings for the current (2014-15) municipal year features a date of 28 January 2015 for a formal, full Authority meeting. This meeting was included in the Calendar in the event that it would be necessary to approve a Corporate Plan (incorporating the Integrated Risk Management Plan – IRMP) containing specific proposals requiring public consultation.
- 2.2 The Authority has previously been informed, at Members' Forum meetings, that the next iteration of the Corporate Plan 2015-20 ("Creating Safer Communities") contains no specific proposals requiring formal public consultation and it continues to build on the general strategic thrust of matching resources to risk and concentrating on the three Service priorities of:
- improving public safety;
  - improving staff safety; and
  - creating a more efficient and effective organisation.
- 2.3 Whilst there is no requirement for formal public consultation, a series of pilots will be established in 2015 to inform the Corporate Plan 2016-17 onwards. Papers to the Community Safety & Corporate Planning Committee and - where appropriate - the full Fire Authority will be produced to inform next steps. At the same time, discussions with trade unions will continue in order to maximise efficiencies. Finally, a wide range of options will be effected within the financial year to drive out the further savings needed to balance the budget for future years.
- 2.4 In light of the above, it is suggested that the formal Authority meeting provisionally scheduled for 28 January 2014 is now not needed and should be cancelled. It is still intended, however, that the Forum meeting also scheduled for that day should proceed, but commencing at the earlier time of 10.00hours.
- 2.5 The Authority is invited to approve this course of action.

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

<b>REPORT REFERENCE NO.</b>	<b>DSFRA/14/21</b>
<b>MEETING</b>	<b>DEVON &amp; SOMERSET FIRE &amp; RESCUE AUTHORITY</b>
<b>DATE OF MEETING</b>	<b>17 DECEMBER 2014</b>
<b>SUBJECT OF REPORT</b>	<b>REGULATION OF INVESTIGATORY POWERS ACT (RIPA) 2000 – REVISED AUTHORITY POLICY</b>
<b>LEAD OFFICER</b>	<b>Clerk to the Authority</b>
<b>RECOMMENDATIONS</b>	<p>(a) <i>That the Authority RIPA Policy, as appended to this report, be approved;</i></p> <p>(b) <i>That the Terms of Reference of the Authority’s Audit &amp; Performance Review Committee be amended to include the following:</i></p> <p style="text-align: center;"><i>To review, at least annually, the Authority’s RIPA policy and to approve any consequential amendments to the Policy as may be necessary.</i></p>
<b>EXECUTIVE SUMMARY</b>	<p>The Regulation of Investigatory Powers Act 2000 (RIPA) sets out a regulatory framework for the use by specified public authorities (including combined fire and rescue authorities such as the Devon &amp; Somerset Fire &amp; Rescue Authority) of covert investigatory techniques.</p> <p>Irrespective of whether the covert techniques are actually used, individual authorities are nonetheless required to have in place a policy, compliant with existing guidance and codes of practice, governing use and clearly setting out the appropriate procedure for doing so.</p> <p>RIPA itself has recently been subject to legislative change in relation to the authorisation process. These changes do not, however, apply to combined fire and rescue authorities and the Authority policy now appended has been clarified to reference this.</p>
<b>RESOURCE IMPLICATIONS</b>	<p>There is a requirement to ensure:</p> <ul style="list-style-type: none"> <li>• that authorising officers receive appropriate training relevant to this task; and</li> <li>• that sufficient, Service-wide awareness-raising is undertaken to promote understanding of the correct processes to be followed to obtain RIPA authorisation, should this be required.</li> </ul> <p>Costs associated with the above will be met from within existing resources.</p>
<b>EQUALITY RISKS AND BENEFITS ANALYSIS (ERBA)</b>	<p>The contents of this report are considered compatible with current human rights and equalities legislation.</p>

<b>APPENDICES</b>	A. Revised Authority RIPA policy (page numbered separately).
<b>LIST OF BACKGROUND PAPERS</b>	The Investigation of Regulatory Powers Act (RIPA) 2000. The Protection of Freedoms Act 2012 The Regulation of Investigatory Powers (Directed Surveillance and Covert Human Intelligence Sources) Order 2010

## **1. BACKGROUND**

- 1.1 The Regulation of Investigatory Powers Act 2000 (RIPA) sets out a regulatory framework for the use by specified public authorities (including combined fire and rescue authorities such as the Devon & Somerset Fire & Rescue Authority) of covert investigatory techniques which might otherwise infringe legal rights to privacy and respect for family life. RIPA limits authorities to using three, defined covert techniques. Use of any one of these techniques is subject to prior authorisation by an authorising officer or other designated person.
- 1.2 This Authority has no history of using the covert investigatory techniques covered by RIPA and there is no expectation that there will be a need to use them in the future. Instead, it is anticipated that the Authority will invariably be able to gather all the information required for its statutory functions without covert information gathering.
- 1.3 Nonetheless, the Authority is still required to have in place a policy setting out minimum requirements to be complied with in the unlikely event that it is necessary to use RIPA provisions. The policy is intended to provide protection for the Authority, individual officers using RIPA provisions and those subject to or otherwise affected by the process. The terms of the protection are based on necessity, proportionality and the authorisation given in relation to a particular investigation.

## **2. REVISIONS TO AUTHORITY POLICY**

- 2.1 The Authority policy is intended to:
- ensure that should an unforeseen and exceptional eventuality arise when the use of RIPA is needed there will be a clear procedure for handling its use; and
  - reinforce advice to officers that the use of covert investigatory techniques will be inappropriate in almost all circumstances.
- 2.2 The existing Authority policy references legislative changes to the authorisation process for the use of RIPA, to clarify that these are not applicable to combined fire and rescue authorities. In drafting the revised policy, due regard has been given to codes of practice and guidance published on the website of the Home Office. The policy also stresses that these codes and guidance (and any updated versions) should be referenced when considering any utilisation of RIPA powers.
- 2.3 There are no resource implications associated with this other than:
- to ensure that Authorising Officers under RIPA receive appropriate training; and
  - to raise, Service-wide, awareness of RIPA and specifically the approval processes associated with it.
- 2.4 These training and awareness-raising elements will be met from within existing resources.
- 2.5 The Authority is required to review its approved RIPA policy at least annually, with this review to include anonymised data on the use of RIPA in the relevant preceding twelve months. The Audit & Performance Review Committee is currently responsible, amongst other things, for corporate risk and approving the Authority's Annual Statement of Assurance.

2.6 Going forwards, in light of this and that – as previously indicated – it is not anticipated the Authority will ever use the covert investigatory techniques governed by RIPA – it is suggested that it would be in-keeping, from a proportionality perspective, to delegate annual review and revision of the RIPA policy, as necessary, to the Audit & Performance Committee.

**3. CONCLUSION**

3.1 The revised Authority RIPA policy, as amended to reflect legislative changes to the authorisation process, is now appended to this report and is commended for approval.

3.2 The Authority is also invited to delegate responsibility for the annual review and consequent amendment (as necessary) of the Authority RIPA policy to the Audit & Performance Review Committee and – accordingly - to approve an amendment to the Terms of Reference for this Committee to reflect this.

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