

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

7 September 2015

Present:-

Councillors Healey (Chair), Dyke, Edmunds, Randall Johnson and Woodman

Apologies:-

Councillors Ball and Leaves

**\*CSC/7. Minutes**

**RESOLVED** of the meeting held on 15 June 2015 be signed as a correct record.

**\*CSC/8. Commercial Activities - Governance Options (Minute DSFRA/19, Authority meeting 29 July 2015) - Update**

Chief Fire Officer and Area Manager Hanson reported, for information, on progressing options for revised governance arrangements for commercial trading (including, amongst other things, the appointment of non-executive directors to the Board of Red One Ltd.) following consideration of this matter by the Authority at its last full meeting on 29 July 2015 (Minute DSFRA/19 refers).

The matters discussed, including consideration of an independent non-executive director to sit on the Board of Red One Ltd., would form the basis of a report to the next Authority meeting.

**(SEE ALSO MINUTE CSC/10 BELOW).**

**\*CSC/9. Exclusion of the Press and Public**

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

- for Minutes \*CS/10, \*CS/12 and \*CS/13, 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; and
- for Minute \*CS/11, in Paragraphs 3 and 5 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 (Paragraph 3) and information in respect of which a claim to legal professional privilege could be maintained in legal proceedings (Paragraph 5).

**CSC/10. Commercial Activities 2014-15 Financial Year - Declaration of Dividend by Red One Ltd.**

(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/15/6) setting out, amongst other things:

- turn-over for Red One Ltd. for the 2014-15 financial year;

- the contribution made by commercial trading to the Devon & Somerset Fire & Rescue Service in the 2014-15 financial year; and
- the profit made during the financial year.

The report contained two options initially proposed by the Board of Red One Ltd. on use of the profit made in the financial year and the ultimate final dividend to be declared to the Authority. The Chief Fire Officer suggested, however, that - in light of the proposed changes relating, amongst other things, to governance arrangements – the Committee might wish to maximise flexibility for future commercial activities by recommending that the Authority approves retention of the sum of money initially suggested in the first option (but not restricting this to the purposes identified in the report) and declaring the remainder of the profit available as a dividend for use by the Authority.

**RESOLVED** that the Authority be recommended:

- (i) to approve retention from the profit made from commercial activities in the 2014-15 financial year of a total sum as specified in Option 1 of report CSC/15/6 for reinvestment in progressing commercial activities; and
- (ii) subject to (i) above, to consider using the residual final dividend to fund capital expenditure, thereby reducing debt charges, in line with the previous agreement of the Authority (Minute DSFRA/59(b) of the meeting held on 18 February 2013 refers).

**(SEE ALSO MINUTE \*CSC/8 ABOVE)**

**\*CSC/11. State Aid Issue**

(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 Chief Fire Officer (CSC/15/7) on progress to date with this matter and specifically a solution proposed for the matter following discussions with the European Union Directorate General for Competition (DG Comp).

**\*CSC/12. 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 Senior Finance Manager reported, for information, on the current position in relation to the commercial services profit and loss accounts for the current (2015-16) financial year. Although sales were lower for the first two months of the current financial year (when compared to the same period in the previous year), it was nonetheless anticipated that, by the end of the financial year, performance for the previous financial year would be matched if not exceeded.

**\*CSC/13. Commercial Update July and August 2015**

(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 Development Business Manager (CSC/15/8) on commercial leads and opportunities currently being progressed.

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

The meeting started at 10.00hours and finished at 11.30hours.