



DEVON & SOMERSET FIRE & RESCUE AUTHORITY

**M. Pearson
CLERK TO THE AUTHORITY**

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

(see below)

**SERVICE HEADQUARTERS
THE KNOWLE
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Your ref :
Our ref : DSFRA/MP/SY
Website : www.dsfire.gov.uk

Date : 18 July 2017
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DEVON & SOMERSET FIRE & RESCUE AUTHORITY

Wednesday, 26 July, 2017

A meeting of the Devon & Somerset Fire & Rescue Authority will be held on the above date, **commencing at 10.00 am in Conference Rooms, Service Headquarters, Exeter** 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 (Pages 1 - 10)

of the Annual and Ordinary Meetings held on 12 June 2017 attached.

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 from 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) **by midday on Friday 21 July 2017.**

5 Addresses by Representative Bodies

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

6 Questions from Members of the Authority

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

7 Minutes of Committees

a General Purposes Committee (Pages 11 - 12)

The Chair of the Committee, Councillor Greenslade, to **MOVE** the Minutes of the meeting held on 6 June 2017.

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

b Human Resources Management & Development Committee (Pages 13 - 16)

The Chair of the Committee, Councillor Bown, to **MOVE** the Minutes of the meeting held on 23 June 2017.

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

c Audit & Performance Review Committee (Pages 17 - 20)

The Chair of the Committee, Councillor Wheeler, to **MOVE** the Minutes of the meeting held on 28 June 2017.

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

d Community Safety & Corporate Planning Committee (Pages 21 - 24)

The Chair of the Committee, Councillor Redman, to **MOVE** the Minutes of the meeting held on 11 July 2017.

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

8 Red One Ltd. - Appointment of Directors (Pages 25 - 30)

Report of the Director of Corporate Services (DSFRA/17/22) attached.

9 Company Trading Models - Further Developments (Pages 31 - 34)

Report of the Director of Corporate Services (DSFRA/17/23) attached.

10 Structure of the Service Executive Board (Pages 35 - 42)

Report of the Chief Fire Officer (DSFRA/17/24) attached.

11 Chair's Announcements

12 Chief Fire Officer's Announcements

13 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 any particular person – including the authority holding that information.

PART 2 - ITEMS WHICH MAY BE CONSIDERED IN THE ABSENCE OF THE PRESS AND PUBLIC

14 Red One Ltd. - Financial Update (Pages 43 - 46)

Report of the Treasurer to the Authority (DSFRA/17/25) attached.

MEMBERS ARE REQUESTED TO SIGN THE ATTENDANCE REGISTER

Membership:-

Councillors Randall Johnson (Chair), Best, Biederman, Bown, Burrige-Clayton, Chugg, Coles, Colthorpe, Eastman, Ellery, Greenslade, Hannaford, Healey (Vice-Chair), Hendy, Hosking, Hunt, Leaves, Peart, Prowse, Redman, Riley, Saywell, Thomas, Trail, Wallace and Wheeler

NOTES

1.	<p><u>Access to Information</u></p> <p>Any person wishing to inspect any minutes, reports or lists of background papers relating to any item on this agenda should contact the person listed in the “Please ask for” section at the top of this agenda.</p>
2.	<p><u>Reporting of Meetings</u></p> <p>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.</p> <p>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>
3.	<p><u>Declarations of Interests (Authority Members only)</u></p>
	<p>(a). <u>Disclosable Pecuniary Interests</u></p> <p>If you have any disclosable pecuniary interests (as defined by Regulations) in any item(s) to be considered at this meeting then, unless you have previously obtained a dispensation from the Authority’s Monitoring Officer, you must:</p> <ul style="list-style-type: none">(i). 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;(ii). 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(iii). not seek to influence improperly any decision on the matter in which you have such an interest. <p>If the interest is sensitive (as agreed with the Monitoring Officer), you need not disclose the nature of the interest but merely that you have a disclosable pecuniary interest of a sensitive nature. You must still follow (ii) and (iii) above.</p>
	<p>(b). <u>Other (Personal) Interests</u></p> <p>Where you have a personal (i.e. other than a disclosable pecuniary) interest in any matter to be considered at this meeting then you must declare that interest no later than the commencement of the consideration of the matter in which you have that interest, or (if later) the time at which the interest becomes apparent to you. If the interest is sensitive (as agreed with the Monitoring Officer), you need not disclose the precise nature of the interest but merely declare that you have a personal interest of a sensitive nature.</p> <p>If the interest is such that it might reasonably be perceived as causing a conflict with discharging your duties as an Authority Member then, unless you have previously obtained a dispensation from the Authority’s Monitoring Officer, you must not seek to improperly influence any decision on the matter and as such may wish to leave the meeting while it is being considered. In any event, you must comply with any reasonable restrictions the Authority may place on your involvement with the matter in which you have the personal interest.</p>
4.	<p><u>Part 2 Reports</u></p> <p>Members are reminded that any Part 2 reports as circulated with the agenda for this meeting contain exempt information and should therefore be treated accordingly. They should not be disclosed or passed on to any other person(s). Members are also reminded of the need to dispose of such reports carefully and are therefore invited to return them to the Committee Secretary at the conclusion of the meeting for disposal.</p>
5.	<p><u>Substitute Members (Committee Meetings only)</u></p> <p>Members are reminded that, in accordance with Standing Order 35, the Clerk (or his representative) must be advised of any substitution prior to the start of the meeting. Members are also reminded that substitutions are not permitted for full Authority meetings.</p>

DEVON & SOMERSET FIRE & RESCUE AUTHORITY
(Annual Meeting)

12 June 2017

Present:-

Councillors Best, Biederman, Bown, Burridge-Clayton, Chugg, Coles, Colthorpe, Eastman, Ellery, Greenslade, Hannaford, Healey, Hendy, Hosking, Hunt, Leaves, Peart, Prowse, Randall Johnson, Redman, Riley, Saywell, Thomas, Trail, Wallace and Wheeler.

DSFRA/1 **Election of Chair**

Councillor Greenslade **PROPOSED**, with Councillor Ellery seconding, that Councillor Healey be elected Chair.

Councillor Chugg **PROPOSED**, with Councillor Colthorpe seconding, that Councillor Randall Johnson be elected Chair.

In accordance with Standing Order 25(3), the Authority then resolved to hold a secret ballot, following which it was

RESOLVED that Councillor Randall Johnson be elected Chair until the Annual Meeting of the Authority in 2018.

DSFRA/2 **Minutes**

RESOLVED that the Minutes of the Budget Meeting held on 17 February 2017 be signed as a correct record.

DSFRA/3 **Election of Vice-Chair**

Councillor Bown **PROPOSED**, with Councillor Greenslade seconding, that Councillor Healey be elected Vice-Chair.

Councillor Saywell **PROPOSED**, with Councillor Chugg seconding, that Councillor Wallace be elected Vice-Chair.

In accordance with Standing Order 25(3), the Authority then resolved to hold a secret ballot, following which it was

RESOLVED that Councillor Healey be elected Vice-Chair until the Annual Meeting of the Authority in 2018.

DSFRA/4 **Review of Constitutional Framework Documents**

The Authority considered a report of the Clerk to the Authority (DSFRA/17/10) on the outcome of the most recent review of the Authority's constitutional governance framework documents (Standing Orders, Financial Regulations etc.).

While the documents remained fit for purpose and required no material, substantive changes, the opportunity had been taken to make minor amendments for clarification purposes, or to reflect both internal Service changes over the past twelve months and other changes necessitated by external factors. The minor amendments were highlighted in the report.

RESOLVED

- (a). that the minor amendments to constitutional governance documents, as set out in Section 3 of report DSFRA/17/10, be noted; and

- (b). that, subject to (a) above, the constitutional governance framework documents as listed in Section 1 of the report be endorsed.

DSFRA/5 Schedule of Appointments to Committees, Outside Bodies etc.

The Committee considered a report of the Clerk to the Authority (DSFRA/17/11) on appointments to the Authority's committees and to outside bodies for the forthcoming (2017-18) municipal year.

RESOLVED

- (a). that, in accordance with Standing Orders, appointments be made to Committees etc. for the forthcoming (2017-18) municipal year as shown below, the term of office to be until the Authority's Annual Meeting in 2018:

Audit & Performance Review Committee

Councillors Burridge-Clayton, Healey, Hunt, Saywell, Trail, Wallace and Wheeler.

Community Safety & Corporate Planning Committee

Councillors Bown, Colthorpe, Eastman, Ellery, Leaves, Prowse and Redman.

Determinations & Dispensations Committee

Councillors Bown, Coles, Ellery, Redman and Thomas.

Human Resources Management & Development Committee

Councillors Best, Bown, Burridge-Clayton, Chugg, Hannaford, Peart and Thomas.

Resources Committee

Councillors Biederman, Chugg, Coles, Greenslade, Hendy, Hosking and Peart.

Capital Programme Working Party

Councillors Bown, Greenslade, Healey and Wheeler

Equality & Diversity Member Champion

Councillor Redman.

Climate Change & Sustainability Member Champion

Councillor Burridge-Clayton.

Local Pensions Board

Councillor Greenslade

- (b). that Councillors Healey and Thomas be confirmed as Authority-appointed Non-Executive Directors on the Board of Red One Ltd. but that the Clerk be requested to arrange an appropriate selection process to determine the third appointment;
- (c). that the appointment of Mr. David Watson as the Authority's Independent Person as required by the procedures introduced by the Localism Act 2011, for a further twelve months until the Authority's Annual Meeting in 2018, be confirmed;
- (d). that appointments be made to Outside Bodies as shown for the forthcoming (2017-18) municipal year, the term of office to be until the Authority's Annual Meeting in 2018 unless otherwise indicated:

LOCAL GOVERNMENT ASSOCIATION (LGA)

(i) Fire Commission

Authority Chair and Councillor Ellery.

(ii) General Assembly

Authority Chair (exercising 2 Service and 1 Corporate votes);
Councillors Bown, Redman and Wheeler (each exercising 1 Service
vote).

SOUTH WEST COUNCILS

Authority Chair.

SOUTH WEST PROVINCIAL COUNCIL

Chair of the Human Resources Management and Development Committee
(once appointed).

- (e). that, subject to (d) above, the terms of reference for the Authority's
committees etc., as set out in Appendix B to the report, be approved.

DSFRA/6 Draft Calendar of Meetings 2017-18

The Authority considered a report of the Clerk (DSFRA/17/12) to which was
appended a draft Calendar of Meetings for the forthcoming (2017-18) municipal year.

RESOLVED that the draft Calendar be approved.

The Meeting started at 10.00 am and finished at 11.25 am

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12 June 2017

Present:-

Councillors Randall Johnson (Chair), Healey (Vice-Chair), Best, Biederman, Bown, Burridge-Clayton, Chugg, Coles, Colthorpe, Eastman, Ellery, Greenslade, Hannaford, Hendy, Hosking, Hunt, Leaves, Peart, Prowse, Redman, Riley, Saywell, Thomas, Trail, Wallace and Wheeler.

DSFRA/7 Authority Extraordinary Meeting 4 April 2017 - Summary of Proceedings during which the Press and Public were Excluded from the Meeting

The Authority received for information a report of the Director of Corporate Services (Clerk to the Authority) (DSFRA/17/13) prepared in accordance with Section 100C(2) of the Local Government Act 1972 and providing a fair and coherent summary, without disclosing exempt information, of the proceedings of the Extraordinary Authority meeting held on 4 April 2017 held in the absence of the press and public.

(SEE ALSO MINUTE DSFRA/19 BELOW).

DSFRA/8 Minutes of Committees

a General Purposes Committee

The Chair of the Committee, Councillor Greenslade, **MOVED** the Minutes of the meeting held on 9 March and 28 April 2017 which had considered matters relating to a staffing issue.

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

b Human Resources Management & Development Committee

The Chair of the Committee, Councillor Bown, **MOVED** the Minutes of the meeting held on 24 March 2017 which had considered, amongst other things:

- a report on absence management and the health of the organisation;
- a report on workforce culture, diversity and inclusion;
- a report on strategic workforce planning;
- requests for retirement and re-employment submitted in accordance with the approved Pay Policy Statement; and
- a report on the On-Call Availability Pilot.

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

c Community Safety & Corporate Planning Committee

The Chair of the Committee, Councillor Eastman, **MOVED** the Minutes of the meeting held on 21 April 2017 which had considered, amongst other things:

- a progress report on development of the Integrated Risk Management Plan;
- a report on fire safety initiatives for historic buildings; and
- a report on the use of “virtual reality” technology to promote community safety messages.

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

d **Audit & Performance Review Committee**

Councillor Randall Johnson **MOVED** the Minutes of the meeting held on 24 April 2017 which had considered, amongst other things:

- a report on progress with external audit work;
- a report on the proposed external audit plan for the financial year ending 31 March 2017;
- the external audit fee letter for 2017-18;
- the year-end report on internal audits conducted during 2016-17;
- the 2017-18 internal audit plan;
- a report on operation of the Fire & Rescue Indemnity Company (FRIC);
- a report on group accounts for the Devon & Somerset Fire & Rescue Authority and Red One Ltd.;
- a report on Service performance to the third quarter of 2016-17 against those indicators contained in the current Corporate Plan "Our Plan: 2015 to 2020".

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

DSFRA/9 **Provisional Financial Outturn 2016-17**

The Authority considered a report of the Treasurer (DSFRA/17/14) on the draft financial outturn position for 2016-17 against agreed financial targets.

For revenue, the report identified an underspend of £2.193m (2.96%) (net of transfers to earmarked reserves) against the approved revenue budget. This significant saving was largely attributable to continued implementation of the Corporate Plan changes agreed in 2013 together with a strategy for budget-holders to identify in-year savings wherever possible. The success of the latter initiative had enabled some £2.4m to be removed from the base revenue budget for the current (2017-18) financial year. Proposals for use of the net underspend were identified in the report.

For capital, the report identified an underspend of £3.665m against a finally approved programme of £6.423m. Of the underspend, £2.566m was accounted for by timing delays to be carried forward to 2017-18, with the remaining £1.109m being savings.

RESOLVED

- (a). that utilisation of the provisional underspend of £2.193 (net) against the 2016-17 revenue budget to fund the following transfers to Earmarked Reserves be approved:
 - i. the transfer of £1.780m to an Earmarked Reserve to be utilised to fund Essential Spending Pressures not included in the 2017-18 base budget; and
 - ii. the transfer of the remaining £0.413m to the Capital Funding Reserve
- (b). that it be noted that the underspend of £2.193 is net of the following transfers:
 - i. £0.281m to the Earmarked Reserve to fund the extension of the Home Fire Safety Pilot, as previously agreed by the Resources Committee at its meeting on 8 February 2017 (Minute RC/16 refers);
 - ii. a total of £0.904m comprising

- A. £0.884m to the Grants Unapplied Reserve;
 - B. £0.020m to the Direct Funding for Capital Reserve
- as required under International Financial Reporting Standards (IFRS) relating to grants received during the financial year in question (2016-17) but not utilised;
- iii. £0.288m to Earmarked Reserves for 2016-17 Budget Carry Forwards to fund planned projects not completed by 31 March 2017;
 - iv. £2.641m to the Reserve for Capital Funding; and
 - v. £0.064m to fund additional provisions relating to pension liabilities.
- (c). that, following a review of Earmarked Reserve requirements, an amount of £0.036m be transferred from Earmarked Reserves to the General Reserve;
- (d). that a total of £0.230m comprising:
- i. £0.200m from the existing Change and Improvement Ear Marked Reserve; and
 - ii. £0.030m from the existing Budget Carry Forwards Ear Marked Reserve
- be transferred to a new specific Ear Marked Reserve to fund replacement of the Performance Information Management System (PIMS);
- (e). That, as required by capital control legislation, the following use of capital finance be determined:
- i. £1.992m of external borrowing from previous years be utilised to fund the Capital Programme;
 - ii. £0.752m be capitalised and funded from revenue contributions to capital spending, either directly from the 2016-17 revenue budget or from balances in Earmarked Reserves; and
 - iii. £0.014m of capital receipts received in-year be used to contribute towards funding the 2016-17 Capital Programme;
- (f). That, subject to (a) to (e) above, the draft outturn position in respect of the 2016-17 Revenue and Capital budgets, as detailed in report DSFRA/17/14, be noted.

DSFRA/10 Annual Treasury Management Report 2016-17

The Authority received for information a report of the Treasurer (DSFRA/17/15), together with a presentation from Adam Burleton (Capita - the Authority's Treasury Management Advisor), reviewing the treasury management activities and operation of prudential and treasury indicators for the previous (2016-17) financial year.

The report, which satisfied the reporting requirements both of the CIPFA Code of Practice on Treasury Management and the CIPFA Prudential Code for Capital Finance in Local Authorities, concluded that no prudential indicator had been breached and that a prudent approach to investment decisions had been adopted during the year, with priority being given to liquidity and security over yield.

DSFRA/11 Policing and Crime Act - Appointment of Police and Crime Commissioners to the Authority

The Authority considered a report of the Director of Corporate Services (Clerk to the Authority) (DSFRA/17/16) on a request from the Police & Crime Commissioners for both Devon & Cornwall and Avon & Somerset for membership of the Authority. While the relevant provisions in the Policing and Crime Act to allow had been enacted, revisions were also required to the existing Combination Scheme Order and consultation on Regulations to provide for this had been deferred pending the General Election.

RESOLVED that the appointment to the Authority of the Police & Crime Commissioners for both Devon & Cornwall and Avon & Somerset be approved, to take effect immediately upon the relevant amending Regulations coming into force.

DSFRA/12 Appointment of Authority Treasurer

The Authority considered a report of the Director of Corporate Services (Clerk to the Authority) (DSFRA/17/17) outlining options for the appointment of a Treasurer (proper financial officer) for the Authority upon retirement of the existing post-holder in October.

The Authority was required by statute to have a proper financial officer and recent changes to taxation legislation meant that this could no longer be delivered on a contracted out basis. The report therefore identified the following three options for consideration:

- a. seek to recruit an in-house Treasurer on terms equivalent to the current contractual arrangement (i.e. on a 0.4 full-time equivalent basis);
- b. seek to recruit an in-house Treasurer on a full-time basis; or
- c. effect a temporary promotion from within existing staff for a period of twelve months and on a 0.8 full-time equivalent basis.

The report outlined the issues, including costs, associated with each of these options.

RESOLVED

- (a). that, upon retirement of the current Treasurer, the post of Treasurer be filled by temporary promotion of the current Service Head of Finance, for a period of twelve months and on a 0.8 full-time equivalent basis (i.e. four days a week); and
- (b). that this post be designated the proper financial officer for the Authority in accordance with the requirements of Section 112 of the Local Government Finance Act 1988;
- (c). that the Chief Fire Officer be delegated authority to effect this appointment at the relevant time.

DSFRA/13 Department for International Trade - Fire & Resilience "Export" Offer

The Authority received for information a report of the Chief Fire Officer (DSFRA/17/18) on work undertaken by the Chief Fire Officer, with the support of the Authority and on behalf of the National Fire Chiefs Council, with the Department for International Trade to develop a fire and resilience "export" offer.

DSFRA/14 Emergency Services Collaboration

The Authority considered a report of the Chief Fire Officer (DSFRA/17/18) on collaboration efforts between the emergency services in the South West.

Prior to enactment of the Policing and Crime Act (which introduced the new, statutory duty to collaborate), this Authority had been instrumental in establishing a forum bringing together the leading political and operational figures for the emergency services in the region to identify and progress areas of collaboration. This Emergency Services Forum was supported by a Programme Board which in turn had established seven workstreams looking at areas such as strategic planning and governance, demand management, community risk and early intervention and community resilience. Successful initiatives delivered to date included the “collapsed behind closed doors/concerns for welfare” initiative and work currently in train included development of a shared community risk index, informed by public health as well as national health risk profiles.

RESOLVED that the work being undertaken on emergency services collaboration, as outlined in report DSFRA/17/18, be noted and that continued political and professional support be given to making greater progress in terms of collaboration in the months and years ahead.

DSFRA/15 Chairman's Announcements

The Authority received, for information, a list of activities undertaken by the outgoing Chair and Vice-Chair (Councillors Healey and Greenslade respectively) on behalf of the Authority since its last meeting.

DSFRA/16 Chief Fire Officer's Announcements

The Chief Fire Officer reported, for information, on:

- An invitation from the National Employers for Chairs and Chief Fire Officers to attend an initial meeting to discuss preliminary views to any potential firefighters pay claim;
- The intention to write, following the General Election, to South West Members of Parliament to invite them to a briefing at Service Headquarters;
- Establishment of a local Marauding Terrorist Firearms Attack (MTFA) capability;
- The forthcoming Service Awards Ceremony to be held at Service Headquarters on Thursday 14 September 2017.

DSFRA/17 Establishment of a Community Interest Company (CIC) - Progress Report

The Authority received, for information, a report of the Director of Corporate Services (DSFRA/17/20) on progress in establishing a Community Interest Company limited by guarantee following the decision to do so taken at the Extraordinary General Meeting of Red One Ltd. held on 4 April 2017.

Appended to the report were the Certificate of Incorporation for the new company, its Articles of Association and the Community Interest Statement. The company was only a “shell” company at present and was not actively trading. Further work was required including amendment to the Articles to provide for the Authority to appoint “members” (equivalent to shareholders) to the new company and in terms of developing the contractual trading agreement for the provision of goods and services from the Authority to the new company. It was intended to submit a further progress report to the next Authority meeting.

DSFRA/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 involve the likely disclosure of exempt information as defined in the following Paragraphs of Part 1 of Schedule 12A (as amended) to the Act:

- for Minute DSFRA/19, Paragraph 2 (information likely to reveal the identity of an individual), Paragraph 3 (information relating to the financial and business affairs of any particular person – including the authority holding that information) and Paragraph 5 (information in respect of which a claim to legal professional privilege could be maintained in legal proceedings); and
- for Minute DSFRA/20, Paragraph 3 (information relating to the financial and business affairs of any particular person – including the authority holding that information).

DSFRA/19 **Minutes of the Authority Extraordinary Meeting held on 4 April 2017**

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

RESOLVED that the Minutes of the Extraordinary Authority meeting held on 4 April 2017 be signed as a correct record.

DSFRA/20 **Red One Ltd. Financial Matters**

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

(Councillors Healey and Thomas each declared a personal, non-pecuniary interest, in this matter by virtue of their being Authority-appointed non-executive directors on the Board of Red One Ltd. and abstained from voting on this matter).

The Authority considered a report of the Treasurer (DSFRA/17/21) on a proposal relating to the working capital required by Red One Ltd. in support of its approved Business Plan for 2017-18.

RESOLVED that the proposal as set out in report DSFRA/17/21 be approved.

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

The Meeting started at 11.35 am and finished at 2.00 pm

GENERAL PURPOSES COMMITTEE

(Devon & Somerset Fire & Rescue Authority)

6 June 2017

Present:-

Councillors Greenslade (Chair), Eastman and Randall Johnson.

Apologies:-

Councillors Bown

* **GPC/12** Minutes

RESOLVED that the Minutes of the meeting held on 28 April 2017 be signed as a correct record.

* **GPC/13** 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 the following Paragraph(s) of Part 1 of Schedule 12A (as amended) to the Act:

- Paragraph 1 (information relating to an individual);
- Paragraph 2 (information likely to reveal the identity of an individual); and
- Paragraph 5 (information in respect of which a claim to legal professional privilege could be maintained in legal proceedings).

* **GPC/14** Staffing Issue - Further Considerations

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

The Director of Corporate Services and legal advisers (via telephone conference) advised the Committee of the latest developments in relation to this issue.

RESOLVED that the Director of Corporate Services be authorised to resolve the matter on the basis as agreed at the meeting.

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

The Meeting started at 2.00 pm and finished at 4.45 pm

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

23 June 2017

Present:-

Councillors Bown (Chair), Best, Burridge-Clayton, Chugg (Vice-Chair), Hannaford, Peart and Thomas

* HRMDC/1

Election of Chair

RESOLVED that Councillor Bown be elected Chair of the Committee until the Annual General Meeting of the Authority in 2018.

* HRMDC/2

Minutes

RESOLVED that the Minutes of the meeting held on 24 March 2017 be signed as a correct record.

* HRMDC/3

Election of Vice Chair

RESOLVED that Councillor Chugg be elected Vice Chair of the Committee until the Annual General Meeting of the Authority in 2018.

* HRMDC/4

Retirement & Re-employment

The Committee considered a report of the Assistant Chief Fire Officer – Service Improvement (HRMDC/17/6) that set out details of two applications that had been received for retirement and/or re-employment for approval in accordance with the Authority's Pay Policy Statement in 2017/18.

The Human Resources Manager also reported receipt of a further request for retirement and re-employment from a uniformed staff member of staff and approval was sought for this additional application.

Councillor Burridge-Clayton **MOVED** (seconded by Councillor Thomas):

“that the additional application for retirement and re-employment for a uniformed member of staff as reported at the meeting be approved for an initial period of one year”.

This was **CARRIED** unanimously.

RESOLVED

- (a) that the requests for retirement & re-employment as identified in paragraph 2.5 of report HRMDC/17/6 be approved: and,
- (b) that the additional application for retirement & re-employment as reported at the meeting be approved for an initial period of one year.

* **HRMDC/5** **Appointments to the Internal Disputes Resolution Procedure Panel (IDRP)**

The Committee considered a report of the Assistant |Chief Fire Officer – Service Improvement (HRMDC/17/7) that set out the set out the requirement for the Committee to appoint a Panel of three of its members with delegated authority to consider and determine complaints made by individuals under stage 2 of the Firefighters’ Pension Scheme Internal Disputes Resolution Procedure.

It was noted that the previous representation had been Councillors Bown, Burridge-Clayton and Knight, however, Councillor Knight was no longer a member of the Authority.

RESOLVED that Councillors Bown, Burridge Clayton and Hannaford be appointed to service as members of the Internal Disputes resolution Procedure (IDRP) Panel until the first meeting after the Annual Meeting of the Authority in May 2017.

* **HRMDC/6** **Absence Management & Health of the Organisation**

The Committee considered a report of the Assistant Chief Fire Officer – Service Improvement (HRMDC/17/8) that set out the performance in respect of absence management within the organisation for the year ending 31 March 2017.

The key point highlighted was that sickness absence in 2016/17 was 8.66 days per person as opposed to 9.23 days in 2015/16. This was a 6.2% improvement on the previous year but the Service was not complacent. The next report to the Committee would include further information in respect of the measures being taken by the Service to improve wellbeing.

Attention was drawn to the following points:

- that the data set out within paragraph 2.5 of the report in respect of the average number of days lost due to sickness on a rolling 12 month basis was difficult to interpret and the data needed to be presented in a clearer way, such as a line chart;
- that a presentation be organised for the benefit of new members on the sickness absence dashboard at the next meeting so that the Committee could see the sickness absence position in real time as well as the historic data;
- the benchmarking information that provided comparisons between 36 fire services that had contributed to the national Fire & Rescue Service Occupational Health Performance Report was reproduced in Part 2 of the agenda for this meeting;
- there was a need to differentiate in future reports between operational staff injuries and sickness absence for non-operational staff in future;
- it had been recognised that sickness absence amongst fire control staff seemed to be higher and that work was being focussed in this area to address this.

RESOLVED

- (a) That the Service continues to progress with developing a working environment that is conducive to a high-performing, motivated and healthy workforce;

- (b) That the Service completes the new absence management policy and introduces the policy and guidance with a communications and training plan; and
- (c) Subject to (a) and (b) above, the report be noted.

* **HRMDC/7** **Exclusion of the Press and Public**

RESOLVED that, in accordance with Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting for the following item of business on the grounds that it may involve the likely disclosure of exempt information as defined in Paragraph 1 (information likely to reveal the identity of an individual) of Part 1 of Schedule 12A (as amended) of the Act.

* **HRMDC/8** **National Fire & Rescue Service Occupational Health Performance Report April 2016 to March 2017**

(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 the National Fire & Rescue Occupational Health Performance Report for April 2016 to March 2017.

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

The Meeting started at 10.00 am and finished at 11.15 am

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AUDIT & PERFORMANCE REVIEW COMMITTEE

(Devon & Somerset Fire & Rescue Authority)

28 June 2017

Present:-

Councillors Burridge-Clayton (Vice-Chair), Healey, Hunt, Saywell, Trail, Wallace and Wheeler (Chairman)

* **APRC/1**

Election of Chair

RESOLVED that Councillor Wheeler be elected Chair of the Committee until the Annual General Meeting of the Authority in June 2018.

* **APRC/2**

Minutes

RESOLVED that the Minutes of meeting held on 24 April 2017 be signed as a correct record subject to an amendment under Minute *APRC/27 to change £33820k to £33820 in the final sentence of the first paragraph.

* **APRC/3**

Election of Vice Chair

RESOLVED that Councillor Burridge-Clayton be elected Vice Chair of the Committee until the Annual General Meeting of the Authority in June 2018.

* **APRC/4**

Grant Thornton updates

The Committee received for information a report submitted by the Authority's external auditor, Grant Thornton, setting out the progress made in delivery of its audit responsibilities to the Devon & Somerset Fire & Rescue Authority up to the beginning of June 2017. The report also covered:

- some technical issues related to closure of the 2016/17 accounts and the Code of Practice on Local Authority Accounting in the United Kingdom 2017/18;
- sector issues and developments, including information on protecting information across government and planning for 100% local retention of business rates;
- reports issued, including "The Board: creating and protecting value" and
- various publications. :

* **APRC/5**

Draft Statement of Accounts 2016-2017

The Committee considered a report of the Treasurer (APRC/17/11) to which was appended, in the format required by the International Financial Reporting Standards (IFRS), the Authority's Statement of Accounts for 2016-17.

The Treasurer drew particular attention as part of a presentation at the meeting to the following four key statements within the accounts, each of which was expanded on in the report, namely:

- the Comprehensive Income and Expenditure Statement (CIES);
- the Movement in Reserves Statement (MIRS);
- the Balance Sheet; and
- the Cash Flow Statement.

The Accounts and Audit Regulations 2011 had previously required the draft Statement of Accounts to be prepared and certified by the Chief Finance Officer as a true and fair record by 30 June each year; and formally be approved by the Authority, following audit, by 30 September each year. The Treasurer drew attention to the point that the Accounts and Audit Regulations 2015 now require the draft Statement of Accounts for 2016-17 to be published alongside the draft Annual Statement of Assurance by 30 June 2017. Furthermore and looking ahead, the new Regulations require the draft Statement of Accounts for 2017-18 to be published by 31 May 2018 and the audited accounts by 31 July 2018. He indicated that he was confident that this earlier deadline for preparation of the accounts would be achieved.

The 2016-17 accounts were presented to the Committee at this stage as a matter of good practice and would be submitted for formal approval, following audit, at the meeting scheduled for 12 September 2017.

The Chairman expressed thanks on behalf of the Committee for the significant amount of work undertaken by the Finance Team in the preparation of the draft accounts.

RESOLVED that the Committee notes the draft 2016 -2017 Statement of Accounts.

* **APRC/6** **Draft Statement of Assurance 2016-17**

The Committee considered a report of the Assistant Chief Fire Officer – Service Improvement (APRC/17/12) to which was appended the draft 2016-17 Annual Statement of Assurance. The document had been prepared to satisfy the requirements of the Accounts and Audit (England) Regulations 2015 and the current iteration of the Fire and Rescue National Framework for England. It set out the measures taken by this Authority to ensure appropriate business practice, high standards of conduct and sound governance and was both backward and forwards looking, identifying issues from the 2016-17 financial year that needed to be addressed.

The document also reflected guidance issued by the Chartered Institute of Public Finance Accountancy (CIPFA) and the Society for Local Authority Chief Executives (SOLACE) on effective corporate governance.

Reference was made to the Corporate Governance Group which met to review the corporate governance arrangements on behalf of the Authority and which contributed to the production of the Annual Statement of Assurance.

The Area Manager (Organisational Assurance) drew attention to the Action Plan which was appended to the Statement of Assurance and advised the Committee that the target implementation dates would be finalised and incorporated within the document prior to the final version being submitted for approval by the Committee in September 2017.

RESOLVED

- (a) that the Authority's draft Annual Statement of Assurance 2016-17, prepared to satisfy the requirements of the Accounts and Audit (England) Regulations and the Fire & Rescue Service National Framework and as appended to report (APRC/17/12), be approved in principle;
- (b) that the Statement be submitted as part of the audit process for the 2016-17 Statement of Accounts and a further report submitted to the September 2017 meeting seeking approval to the final Statement, subject to incorporation of any issues identified during the audit process.

*

APRC/7

Publication of the Financial Statements 2017-18

The Committee considered a report of the Treasurer to the Authority (APRC/17/13) that provided the Committee with updated timescales for the closure of the accounts and subsequent publication of the final financial statements as per the Accounts and Audit Regulations 2015.

RESOLVED

- (a) That the draft accounts for 2017-18 onwards be signed off for publication to the Authority website by the Treasurer to the Authority without any prior consideration by the Audit & Performance Review Committee; and
- (b) That the draft Annual Statement of Assurance will continue to be considered and monitored ahead of publication by the Audit & Performance Review Committee.

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

The meeting started at 10.00 am and finished at 11.07 am

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COMMUNITY SAFETY & CORPORATE PLANNING COMMITTEE (Devon & Somerset Fire & Rescue Authority)

11 July 2017

Present:-

Councillors Eastman, Bown, Colthorpe, Ellery, Healey (sub Leaves), Prowse and Redman (Chair)

* **CSCPC/1** **Election of Chair**

RESOLVED that Councillor Redman be elected Chair of the Committee until the Annual General Meeting of the Authority in 2018.

* **CSCPC/2** **Minutes**

RESOLVED that the Minutes of the meeting held on 21 April 2017 be signed as a correct record.

* **CSCPC/3** **Election of Vice Chair**

RESOLVED that Councillor Eastman be elected Vice Chair of the Committee until the Annual General Meeting of the Authority in 2018

* **CSCPC/4** **Devon & Somerset Fire & Rescue Service Performance Report: April 2016 to March 2017**

The Committee received for information a report of the Chief Fire Officer (CSCPC/17/6) that set out the performance of the Devon & Somerset Fire & Rescue Authority for the period April 2016 to March 2017 (with a focus on Quarter 4 of 2016/17) as measured against the indicators in the current Strategic Plan "Our Plan: 2015 to 2020).

The Assistant Chief Fire Officer (Service Improvement) advised the Committee that this report would normally have been considered by the Audit & Performance review Committee but due to timescales and the additional workload for the Data Hub emanating from the Grenfell Towers fire, this had not been possible.

The key measures set out within the report were given a green, amber or red rating according to whether performance was normal, needed monitoring or required investigation. A more rounded analysis of data was carried out to assess performance which included looking at the latest 3 months of the reporting period, the latest 12 months of the reporting period, trend analysis and performance against calculated thresholds.

The performance against the measures was:

Measure 1 – fire related deaths where people lived - there had been 6 fire related deaths where people live in 2016/17 which was a reduction on the number in 2015/16 when there had been 8 fire deaths. The Service was not complacent, however, and a lot of work was being undertaken to mitigate against the risks, particularly with the age 85 plus group where there was a lot of work being carried out with partners to address this vulnerable group of people;

Measure 2 – injuries as a result of fires where people lived – there had been 64 injuries in 2016/17 as compared with 83 in 2015/16, although the figure had risen slightly in the last quarter pushing the figure up. This was on amber rating presently and was being monitored. It was noted that most of the fires were kitchen and/or cooking related so more work was being undertaken on education;

Measure 3 – fire where people lived – there had been 1004 fires in the 12 months from April 2016 to March 2017 as compared with 966 in the previous year. The long term trend was downwards, however;

Measure 4 – fire related deaths where people worked, visited and in vehicles – there had been 5 deaths in 2016/17 as compared with 4 in 2015/16. 3 of these were as a result of road traffic collisions, 1 due to a suicide and 1 at a hospice;

Measure 5 – injuries as a result of fires where people worked, visited and in vehicles – there had been an improvement in this measure with 21 fire related injuries in 2016/17 as opposed to 36 in 2015/16;

Measure 6 – fires where people worked, visited or in vehicles – there had been a total of 1321 fires in 2016/17 as compared to 1251 in 2015/16;

Measures 7 & 8 – Emergency Response Standards (ERS) for attendance at fires where people lived and at road traffic collisions – there had been a slight decrease in performance against the ERS for both attendance at fires and road traffic collisions. It was proposed to change this measure in future to the expected travel time and did the Service meet this following research undertaken in respect of the new Integrated Risk Management Plan (IRMP);

Sickness absence – there had been 8.66 days lost due to sickness absence in 2016/17 as compared to 9.23 days in 2015/16. The position was monitored by the Human Resources Management & Development Committee. The Head of Central Operations elaborated upon the work that was being undertaken within the Community Safety department in respect of prevention activities and in particular, the new approach to Home Fire Safety Visits. The Committee noted that this new approach involved a smaller, dedicated team of staff which was targeting visits towards the most vulnerable groups in the community.

The question was asked as to whether the Service would routinely visit a block of flats to check issues such as blocked escape routes as part of its home fire safety visits and were calls other than 999 calls recorded. The Head of Central Operations replied that the Service did not routinely visit blocks of flats as it did not have the legislative power to do this which was a matter for the local authorities who had the appropriate powers under the Housing Act. The Service did encourage its staff to engage with the public and advised that a community safety communication could be issued in terms of people ensuring that escape routes were not blocked, particularly in flats. In terms of the recording of calls other than 999 calls, it was noted that these were not recorded routinely although there were calls coming in to the switchboard at Service Headquarters and in Groups. The Area Manager (Strategy & Business Change) indicated that the Service did not report on this presently but could look at doing this in the future.

The Committee suggested that it may be useful for the Service to have a whistleblowing telephone number that could be called when the public spotted issues of concern that they could report to rather than calling 999. Attention was drawn to the “see & sort” number in place at Paddington Station now.

The Chairman enquired as to whether it was possible to report on existing issues and work that had already been instigated and new matters that were under consideration and officers undertook to adapt the report in this way. The Area Manager (Strategy & Business Change) made reference to the impending change in the way that performance was measured and this would be reported to the Audit & Performance Review Committee shortly. He added that the changes suggested during this meeting would be reflected in the new reporting style.

* **CSCPC/5** **Draft Integrated Risk Management Plan**

The Committee received for information a report (CSCPC/17/7) that set out an overview of the progress made to date with the new Integrated Risk Management Plan (IRMP).

The Area Manager (Strategy & Business Change) gave a presentation at the meeting in respect of the work that had been undertaken to date on the 6 key risks that had been identified and reported to this Committee previously. There had been a lot of consultation undertaken with staff, the business community and partners and a document was circulated at the meeting setting out the progress made with the identification of key areas of work to be undertaken emanating from the risks that had been set out.

Reference was made in particular to the roadshow that had been undertaken already in Torbay with the business community to raise awareness of heritage buildings and fire safety issues. This had been a very successful initiative and it was suggested that this should be rolled out to other areas.

Attention was also drawn to the fishing industry and the need for fire protection to be considered in this context. The Area Manager (Strategy & Business Change) indicated that he would recognise this as a risk for consideration and inclusion within the Local Plans.

The Assistant Chief Fire Officer (Service Improvement) advised that there was still more work to be undertaken on the draft Integrated Risk Management Plan but a revised document would be submitted to the Committee prior to approval by the Fire & Rescue Authority. The Chairman requested that a specific meeting be set up to enable the Committee to engage with and consider the proposed Integrated Risk Management Plan in depth.

Councillor Ellery **MOVED** (seconded by Councillor Eastman):

“that an additional meeting of the Committee be set up on a date to be agreed in September 2017 to consider the draft Integrated Risk Management Plan in detail prior to its submission to the Devon & Somerset Fire & Rescue Authority”.

Upon a vote, this was **CARRIED** unanimously.

RESOLVED

- (a) that an additional meeting of the Committee be set up on a date to be agreed in September 2017 to consider the draft Integrated Risk Management Plan in detail prior to its submission to the Devon & Somerset Fire & Rescue Authority; and
- (b) Subject to (a) above, the report be noted.

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

The Meeting started at 10.00 am and finished at 11.50 am

Agenda Item 8

REPORT REFERENCE NO.	DSFRA/17/22
MEETING	DEVON & SOMERSET FIRE & RESCUE AUTHORITY
DATE OF MEETING	26 JULY 2017
SUBJECT OF REPORT	RED ONE LTD. – APPOINTMENT OF DIRECTORS
LEAD OFFICER	Director of Corporate Services
RECOMMENDATIONS	<p>(a). That the recommendation report from First Flight Non-Executive Directors, as appended to this report, be considered and following this:</p> <ul style="list-style-type: none"> (i). the Authority (as sole shareholder in Red One Ltd. [“the Company”] appoints, in accordance with Article 19 of the Company’s Articles of Association, a third, Authority Member to serve as a non-executive director on the Board of Red One Ltd. (“the Company”); and (ii). authorises the Clerk to the Authority to serve, in accordance with Article 19 of the Company’s Articles of Association, notice in writing on the Company of this appointment; <p>(b). That the proposed process for appointment of an independent, non-executive director to serve as the Chair on the Board of the Company, as set out in paragraph 2.4 of this report, be approved;</p> <p>(c). That, in relation to the appointment of an independent non-executive director:</p> <ul style="list-style-type: none"> (i). the Authority, as sole shareholder in the Company and in accordance with Article 4, passes a special resolution to direct the Company that the independent non-executive director, once appointed, shall serve as the Chair of the Board; and (ii). authorises the Clerk to serve written notice on the Company of this special resolution.
EXECUTIVE SUMMARY	This report advises the Authority on the position in relation to the appointment of the third, Authority Member non-executive director on the Board of Red One Ltd. (“the Company”) and on proposals to seek appointment to the currently vacant position of independent non-executive Director/Chair of the Board.
RESOURCE IMPLICATIONS	There are no resource implications associated with this report.

EQUALITY RISKS AND BENEFITS ANALYSIS (ERBA)	The contents of this report are considered compatible with existing equalities and human rights legislation.
APPENDICES	A. Recommendation report from First Flight Non-Executive Directors on appointment of an Authority Member to serve as non-executive director on the Board of Red One Ltd.
LIST OF BACKGROUND PAPERS	A. Minute DSFRA/5 of the Authority Annual Meeting held on 12 June 2017. B. Report DSFRA/15/17 to the Authority meeting held on 29 July 2015 (and Minute DSFRA/19 of that meeting). C. Report DSFRA/15/28 to the Authority meeting held on 14 December 2015 (and Minute DSFRA/40 of that meeting).

1. APPOINTMENT OF AUTHORITY NON-EXECUTIVE DIRECTOR

- 1.1. At its Annual Meeting on 12 June 2017, the Authority considered, amongst other things, the appointment of Authority non-executive directors to serve on the Board of Red One Ltd. (“the Company”) and resolved (Minute DSFRA/5 refers):
- “that Councillors Healey and Thomas be confirmed as Authority-appointed Non-Executive Directors on the Board of Red One Ltd. but that the Clerk be requested to arrange an appropriate selection process to determine the third appointment”.
- 1.2. At the Annual Meeting, Councillors Ellery, Hannaford, Hendy and Saywell each expressed interest in taking up the role.
- 1.3. In line with the Authority decision and following discussion with the Chairman, First Flight Non-Executive Directors (a company specialising in the selection of company non-executive directors and chairs) was appointed to undertake an appropriate process involving telephone interviews with the Members expressing an interest in undertaking the role.
- 1.4. The resultant recommendation report from First Flight Non-Executive Directors is now attached. The Authority is invited to consider this with a view to determining:
- as sole shareholder in the Company and in accordance with Article 19 of the Company’s Articles of Association, the appointment of a third Authority Member to serve as a non-executive director on the Board of Red One Ltd.; and
 - authorising the Clerk to serve, in accordance with Article 19 of the Company’s Articles of Association, notice in writing on the Company of this appointment.

2. APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTOR/CHAIR OF THE BOARD

- 2.1. The objective of good Corporate Governance is to facilitate, effective, entrepreneurial and prudent management that can deliver the long-term success of the company. An effective Board should debate and agree the best strategy for the company and set itself regular performance objectives and regularly review its achievement against the objectives it sets.
- 2.2. The ideal Board should be both entrepreneurial and deliver robust and effective risk management. It should possess a diversity of skills, personalities, and knowledge to ensure it can debate healthily and deliver against future strategies. Appointing non-executive directors is an effective way to address skills, diversity and independence issues that the Board may not currently have.
- 2.3. In 2015 the Authority approved a number of changes in the governance structure for the Board of Red One Ltd., including the appointment of Authority Members as non-executive directors and the appointment of an independent non-executive director to serve as the Chair of the Board. While an appointment of independent non-executive director and Chair of the Board was initially made, as a result of subsequent changes this post has now been vacant for a number of months.

- 2.4. The Authority may now wish to consider making an appointment to this post. Should the Authority be minded to do so, then the suggested process for doing so is:
- in the first instance, to use a company specialising in the selection of company non-executive directors and raising the standards and effectiveness of company boards to conduct a 'Board Skills Composition Analysis' to assess how the Board is performing and identify any skills, knowledge or experience gaps that will inform the selection of an independent non-executive director.
 - to use the same specialist non-executive directors search company to search for and recommend an appropriate candidate;
 - to delegate authority to a small group of Authority Members (the Appointment Panel) to consider any recommendation made by the same specialist non-executive directors search company and, in accordance with Article 19 of the Company's Articles of Association, approve the final appointment; and
 - authorises the Clerk to the Authority to serve, in accordance with Article 19 of the Company's Articles of Association, notice in writing on the Company of this appointment.
- 2.5. When the Authority initially appointed to the post of independent non-executive director to serve as Chair of the Board, it noted a proposal (in relation to appointment of a successor - should this be required) that this should feature a search exercise followed by review of candidates by a small group of Authority Members, with a recommendation then being made to the full Authority.
- 2.6. The process outlined in paragraph 2.4 above accords largely with this with the exception that it is proposed that determining the final appointment be delegated in full to the Appointment Panel. This would enable the process for appointment of an independent non-executive director to serve as Chair of the Board to be determined at the earliest opportunity.
- 2.7. Linked to this appointment, the Authority is reminded that the Articles for the Company provide, in the first instance, for directors to appoint from amongst themselves a Chair for Board meetings (Article 12 refers). Article 4, however, sets out a reserve power for the Authority (as sole shareholder in the company) to direct, by special resolution, the company to take, or refrain from taking, any specified action.
- 2.8. Given the above and on the basis that the Authority is minded to seek the appointment of an independent, non-executive director to serve as the Chair of the Board then, in addition to approving a process to identify an appropriate candidate (paragraph 2.4 above refers), the Authority is recommended:
- to pass, as sole shareholder in the Company and in accordance with Article 4, a special resolution directing the Company that the independent non-executive director (once appointed) will serve as the Chair of the Board; and
 - authorising the Clerk to the Authority to serve this special resolution in writing to the Company.

MIKE PEARSON
Director of Corporate Services



NON-EXECUTIVE DIRECTOR RECOMMENDATION REPORT

Candidate Evaluation Process:

First Flight were tasked to provide an outside and independent review of the Devon & Somerset Fire & Rescue Service's approach to the appointment of one of their members as a Non-Executive Director Board member for their commercial fire safety business Red One.

First Flight has worked on the project and have pleasure in providing this Summary Report to the Fire Authority.

Our process had been as follows:

- We reviewed and assisted the Fire Authority to produce a Non Exec Role Specification;
- We received an expression of interest from four Fire Authority Members who have put their names forward for a Non Exec role at Red One;
- We conducted an interview with each of the candidates and scored them based on the criteria agreed with the Fire Authority included in the Non-Executive role description: The assessment was based on: their experience & abilities ("hard skills"), their time availability and their "soft skills" including: mindset and personal characteristics;
- Our process included asking each candidate to score themselves on their suitability for this Non Exec role;
- We carefully considered each of the four candidates for this "non-independent" Non Exec role at Red One and finally we assessed how each candidate is likely to contribute as a Non-Exec Director on the Red One Board.
- The results of this process has resulted in our recommendation below.

Recommended Candidate: Councilor Andrew Saywell

Rationale: Of the four candidates we interviewed, we believe Cllr Andrew Saywell has the most rounded experience and best credentials for the Non Exec role at Red One and will be a positive addition to the Red One Board.

July 17th 2017

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Agenda Item 9

REPORT REFERENCE NO.	DSFRA/17/23
MEETING	DEVON & SOMERSET FIRE & RESCUE AUTHORITY
DATE OF MEETING	26 JULY 2017
SUBJECT OF REPORT	COMPANY TRADING MODELS – FURTHER DEVELOPMENTS
LEAD OFFICER	Director of Corporate Services
RECOMMENDATIONS	<p>(a) <i>That, given further legal advice recently obtained, the decision of Board of Directors of Red One Ltd. not to pursue establishment and operation of a community interest company be noted;</i></p> <p>(b) <i>That, in noting the decision at (a) above, the Authority, for the purposes of certainty and clarity resolves:</i></p> <ul style="list-style-type: none"> <i>i. to pass (as sole shareholder in Red One Ltd.) a special resolution in accordance with Article 4 of the Company’s Articles of Association directing the Company not to transfer any Red One Ltd. contracts, liabilities, assets or resources (including staff) from the Company to any new company; and</i> <i>ii. to authorise the Clerk to the Authority to formally notify the Company in writing of this special resolution.</i> <p>(c) <i>That, subject to (a) and (b) above, the report be noted.</i></p>
EXECUTIVE SUMMARY	This report advises the Authority on the current position in relation to commercial trading by the Authority including the mechanism for delivering such activities.
RESOURCE IMPLICATIONS	Nil.
EQUALITY RISKS AND BENEFITS ANALYSIS (ERBA)	The contents of this report are considered compatible with existing equalities and human rights legislation.
APPENDICES	Nil.
LIST OF BACKGROUND PAPERS	Report DSFRA/20 (Establishment of a Community Interest Company – Progress Report) to the Authority Ordinary Meeting held on 12 June 2017.

1. INTRODUCTION

- 1.1. On 4 April 2017 an Authority Extraordinary Meeting together with an Extraordinary General Meeting of Red One Ltd. (“the Company”), attended by the Authority in its capacity as sole shareholder in the Company were held.
- 1.2. The purpose of these meetings was to consider a range of issues relating to the operation of the Company.
- 1.3. Arising from these discussions, the Authority (as sole shareholder) passed resolutions at the Extraordinary General Meeting of the Company:
 - to establish a community interest company limited by guarantee; and
 - that, once the community interest company had been established:
 - all current contracts, liabilities, assets and resources (including staff) of the current Red One Ltd. be transferred to the new company; and
 - that, upon completion of the above transfer, the Board of Red One Ltd. be granted permission at the appropriate time to formally wind up the former Red One Ltd.
- 1.4. At its Ordinary Meeting on 12 June 2017, the Authority received an update report (DSFRA/17/20) which identified, amongst other things:
 - that the Board of Directors of Red One Ltd. had established and incorporated a community interest company (CIC) limited by guarantee – Red 1 Devon & Somerset Community Interest Company (the Certificate of Incorporation for the company, including its Articles and Community Interest Statement, were attached to the report);
 - that, on the basis of the Articles for the CIC as currently drafted, the “members” (equivalent to the shareholder in a company for profit) were Mark Healey, David Thomas and Mr. John Woodman in a personal capacity (i.e. not as Members of this Authority);
 - that the intention behind establishing the CIC in this way was to afford greater flexibilities in trading;
 - that the CIC was at present only a “shell” company and was not trading or operating actively.
- 1.5. Report DSFRA/17/20 also identified that work was ongoing with a view to revising the Articles of the CIC to provide, amongst other things for the Authority to appoint “members” on the CIC (or become a “member” in its own right).

2. CURRENT POSITION

- 2.1 As part of the ongoing work on establishing the new CIC, further legal and tax advice has clarified that the new CIC as currently established does not, as previously believed, provide greater freedom to trade or a more tax efficient trading model.
- 2.2 Specifically, by virtue of Section 95(4) of the Local Government Act 2003 and Part V of the Local Government and Housing Act 1989 (“the 1989 Act”), local authorities (including combined fire and rescue authorities such as the Devon & Somerset Fire & Rescue Authority) may only exercise trading functions through a company in which the Authority has an interest, including companies subject to the influence of the local authority in question.

- 2.3 The new CIC is caught by virtue of Section 69 of the 1989 Act, which provides that a company is “subject to the influence” of a local authority where there is a “business relationship” between the local authority and the company and where:
- at least 20% of the voting rights of all members having the right to vote at general meeting of the company are held by “persons associated with the company”; or
 - at least 20% of the directors of the company are “persons associated with the company”; or
 - at least 20% of the total voting rights at a directors meeting of the company are held by “persons associated with the company”
- 2.4 “Persons associated with the company” is defined as either:
- a Member of the local authority concerned; or
 - an officer of the local authority concerned; or
 - an employee of the local authority who is also a director, manager, secretary or other similar officer of the company concerned; or
 - an individual who was, within the preceding four years, a Member of the local authority concerned.
- 2.5 Additionally, the legal and tax advice has also confirmed that:
- by virtue of The Local Government (Best Value Authorities) (Power to Trade) (England) Order 2009 and Section 5A of the Fire and Rescue Services Act 2004, inserted by the Localism Act 2011, companies which are either controlled by or under the influence of local authorities are subject to all applicable statutory restrictions applying to local authority trading. In the case of a combined fire and rescue authority, this restricts trading to activities connected to any of its functions;
 - Community Interest Companies are liable to corporation tax in the same way (and at the same rate) as private limited companies. Corporation tax is chargeable on any trading profits and on any investment income or gains. A CIC is eligible for the normal corporation reliefs but there are no CIC specific exemptions or reliefs available. As such, the corporation tax position should be the same for the new CIC as it is currently for Red One Ltd.
- 2.6 This position has been discussed with the Board of Directors of Red One Ltd. which has agreed that, in light of above and there being no significant advantages to doing so, it will not be seeking to progress establishment and operation of the community interest company. The Authority is invited to note this position and in so doing, for the purposes of certainty and clarity:
- to pass (as sole shareholder in Red One Ltd.) a special resolution in accordance with Article 4 of the Company’s Articles of Association directing the Company not to transfer any Red One Ltd. contracts, liabilities, assets or resources (including staff) from the Company to any new company; and
 - to authorise the Clerk to the Authority to formally notify the Company in writing of this special resolution.

3. MOVING FORWARDS

- 3.1. When Red One was first established, the operating principle that shaped the early days of the Company was to sell to others any spare training capacity that the Service had as this improved cost effectiveness (Red One paid the Service for use of this capacity). However, as a result of reductions in operating budget as well as the establishment of a new training delivery model (which is less centralised and more localised), any spare training capacity within the Service has either been removed as part of the savings strategy or used to deliver the localised training delivery model, which is designed to improve firefighter safety.
- 3.2. Whilst these changes have resulted in a reduction in the availability of Service training staff to support Red One, the move to a more localised training delivery model will continue to free up central training venue capacity (e.g. buildings, vehicles and equipment) that is available for Red One to use. As such, and following discussions between the Service and Red One Ltd, Red One will continue to make a contribution to the Service for its use of physical assets and it will, at the same time, increase the number of staff it directly employs to deliver training in order that the Company becomes self-sufficient in terms of the services it provides to its customers.
- 3.3. Consequently, in light of actual trading experience over the past few years, it is also felt that it would now be timely to revisit the Trading Company Contract between the Authority and Red One Ltd. to ensure that – as far as is practicable – it reflects appropriately the requirements associated with commercial trading in areas such as use of Service resources, including staff etc.
- 3.4. Additionally, in light of experience to date and the governance/legal review work recently undertaken, it has been identified that there would be merit in reviewing the Articles of Red One Ltd. to ensure that they appropriately reflect the requirements of the Authority, e.g. in areas such as appointment and removal of directors, directors remuneration, appointment of chairman of the board of directors etc.
- 3.5. It is intended to take these matters forward and to submit a report on progress report, with recommendations as necessary, to the next meeting of the Authority.

MIKE PEARSON
Director of Corporate Services
(Clerk to the Authority)

REPORT REFERENCE NO.	DSFRA/17/24
MEETING	DEVON & SOMERSET FIRE & RESCUE AUTHORITY
DATE OF MEETING	26 JULY 2017
SUBJECT OF REPORT	STRUCTURE OF THE SERVICE EXECUTIVE BOARD
LEAD OFFICER	Chief Fire Officer
RECOMMENDATIONS	<p>(a) <i>the Service Executive Board structure presented at Appendix A, together with the process outlined in paragraph 1.9 where changes in responsibilities require a review of job descriptions and/or job evaluation is necessary, be approved;</i></p> <p>(b) <i>that, subject to approval of (a) above, the Authority determines whether to run an internal or external process for appointment of the second Assistant Chief Fire Officer and appoints an Appointment Panel with delegated authority to determine the appointment;</i></p> <p>(c) <i>that, subject to (a) and (b) above, the Chief Fire Officer be delegated authority to determine, in consultation with the members of the Appointment Panel, the detail of the process determined in (b) above.</i></p>
EXECUTIVE SUMMARY	<p>At its meeting on meeting on 27 July 2016, the Fire Authority asked the Chief Fire Officer to review the top two levels of management structure in the Service with two main areas of focus, efficiency and effectiveness (Minute DSFRA/22 refers).</p> <p>In coming to a view, the Chief Fire Officer has consulted with current members of the Executive Board as well as with other colleagues.</p> <p>In recent months, there has been an increase in demand for operational response capability, including that at strategic (Gold Command) level and this is anticipated to continue. In addition, Cornwall Fire & Rescue Service determined that it would revert to a self-sufficient model for Principal Officer cover so the shared Principal Officer arrangement with Cornwall has come to an end.</p> <p>Consequently, it is proposed that the number of Executive Board members remains the same as is currently the case but that an additional Assistant Chief Fire Officer (Operational) post is established in place of the vacant Director of People and Commercial Services position. This change will significantly improve Principal Officer resilience within the Service.</p> <p>The alternative option of retaining the current structure which includes the vacant post of Director of HR/Training, operating with one Assistant Chief Fire Officer can be considered but is not the preferred option for the reasons set out within this report.</p>

RESOURCE IMPLICATIONS	Savings of circa £40,000
EQUALITY RISKS AND BENEFITS ANALYSIS (ERBA)	The contents of this report are considered compatible with existing equalities and human rights legislation.
APPENDICES	A. Structure Chart 2009, 2016 and 2017.
LIST OF BACKGROUND PAPERS	Minute DSFRA/22 of the meeting of the Authority held on 27 July 2017.

1. **BACKGROUND**

- 1.1. The request for a top team structural review comes at a time of significant change for the Service where financial pressures continue to require the management team to bear down on costs and at the same time ensure that there is sufficient resilience in the operational structure to meet current and forecasted operational requirements. In progressing this review, a number of operating principles were used to drive thinking:
- Our focus will continue to be on improving community outcomes and performance management will be at the heart of all that we do at all levels.
 - We aim to become an even more agile, responsive organisation and will 'buy in' capacity from others as and when needed rather than always resource 'in-house' in a traditional manner
 - We will not be able to progress our appetite for change and improvement and take out significant savings at the same time. Note: We plan to use the £5m Comprehensive Spending Review (CSR) reserve to fund change and improvement over the next three/five years.
 - In terms of the operational and strategic rota, our experience has shown we need to be more resilient given demands on the Service.
 - We plan to compress a number of roles in time and further savings may be presented even after taking into account any regrading issue linked to job size – within existing budgets.
 - Structure changes and changes to ways of working (meetings) will free up opportunity costs which will improve efficiency and a greater emphasis on empowerment.
- 1.2. In recent months, there has been an increase in demand for operational response capability, including that at strategic (Gold Command) level. This is anticipated to continue and it will be important that that the organisation is able to meet both current and forecasted demands on the Service.
- 1.3. At the same time, tragic events elsewhere within the Country as well as within Devon and Somerset have meant significant additional workload, not just dealing with the incidents themselves but also in the management of the consequences, be it investigation, training or operational assurance.
- 1.4. In addition, Cornwall Fire & Rescue Service determined that it would prefer to revert to a self-sufficient model for senior operational cover arrangements and as such the shared Principal Officer cover arrangement with Cornwall has come to an end.
- 1.5. As well as providing an additional Principal Officer on the strategic operational rota on a temporary basis (Assistant Chief Fire Officer), the opportunity has been taken to train the Director of Corporate Services to be able to attend the Strategic Coordinating Group (Multi Agency Gold) to represent the organisation on occasions (not to direct operational tactics). Whilst this will be in a supporting role initially, over time this may be a role that can be effectively discharged and this in itself will provide additional resilience for the organisation.

- 1.6. By way of further information, during major incidents there are two main roles for strategic commanders. The first is to take command of the operational incident itself which will take place at the scene. The second is to work with multi agency partners to ensure a joined up approach is provided to the operational response and recovery phase of the incident. The latter function takes place at Police Headquarters.
- 1.7. In terms of organisational effectiveness, the temporary structure that has been in place for a number of months now has been proven to be effective. We have absolute clarity as to roles and responsibility and where these best sit at Director level. The two Assistant Chief Fire Officers in particular have clear separation between actions which deliver the Service today and those which are focused on improving the Service for tomorrow. When benchmarked against other Combined Fire Authorities, this Service has a low level of Principal Officers as illustrated in Figure 1 (**Note:** 'Brigade Managers' refers to Assistant/Deputy Chief Fire Officers and Chief Fire Officers).

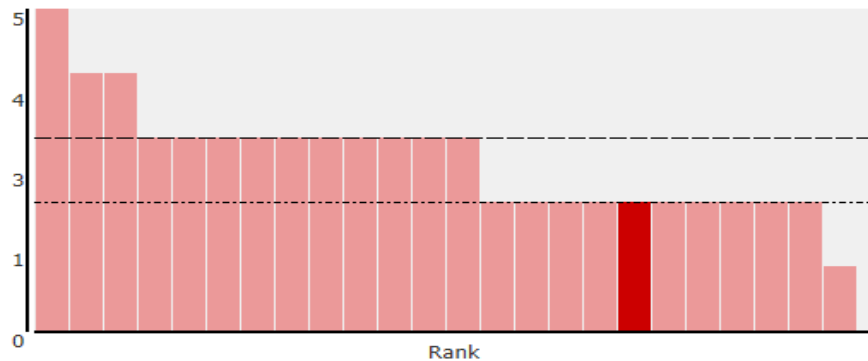
Figure 1 Benchmarking information

This statistical report displays figures for Devon and Somerset Fire and Rescue Service compared against the following comparator class(es):

- Combined Fire Authorities: England

Wholetime Firefighters at 31.03.2016 - Brigade Managers (FTE) (FTE)

■ Devon and Somerset Fire and Rescue Service ■ Selected Authorities



Rank	Local Authority	FTE
1	Hampshire Combined Fire Authority	5
2	Avon Combined Fire Authority	4
3	Kent Combined Fire Authority	4
4	Hereford and Worcester Combined Fire Authority	3
5	Lancashire Combined Fire Authority	3
6	Leicestershire Combined Fire Authority	3
Upper Quartile		
7	Nottinghamshire Combined Fire Authority	3
8	Shropshire Combined Fire Authority	3
9	Cambridgeshire Combined Fire Authority	3
10	Derbyshire Combined Fire Authority	3
11	Dorset Combined Fire Authority	3
12	Essex Combined Fire Authority	3
Median		
13	Berkshire Combined Fire Authority	3
14	Buckinghamshire Combined Fire Authority	2
15	Bedfordshire Combined Fire Authority	2
16	Durham Combined Fire Authority	2
17	East Sussex Combined Fire Authority	2
18	Devon and Somerset Fire and Rescue Service	2

- 1.8. There are a number of immediate changes that will offset the costs of the proposed changes to the Executive Board structure. Savings will be generated as a result of not replacing the Director of Human Resources and Commercial Services (responsibilities for this post have been realigned within the new Executive Board structure) and one Area Manager post can be removed.
- 1.9. Where changes in responsibilities require a review of job descriptions and/or job evaluation, this will be undertaken in accordance with the established procedures agreed with representative bodies and with any changes applied against existing pay and grading structures. In terms of any changes at Executive Board level that may arise from this process, it is proposed that the Chief Fire Officer be authorised to implement the changes in consultation with the Chairman of the Authority.
- 1.10. The net impact is that these proposed changes will result in a saving of circa £40,000. This figure includes provision for any changes resulting from job evaluation.
- 1.11. We have also a range of established contracts with other potential providers (e.g. legal services, human resources, occupational health) and we will consider greater use of these to meet peaks in demand. Historically, we would have automatically recruited staff to meet additional demands but moving forward, we will look to 'buy in' additional capacity when needed to assist manage specific projects where others have greater expertise.
- 1.12. It is noteworthy that the cost of the top team in 2009 was 1.35% of the net budget. If the additional Assistant Chief Officer post is approved by the Fire Authority, the Executive Board will cost 0.97% of the net budget - a reduction in cost of 38% and from nine to five posts.
- 1.13. If the Authority is minded to approve the top team structure as outlined, a decision as to whether to progress an internal or external process for appointment of the second Assistant Chief Fire Officer post will be needed.
- 1.14. The benefit of an internal process would be reduced time and cost as we can bring through the two 'appointable' candidates from the Assistant Chief Fire Officer interview post held nine months ago. A simple interview process, chaired by the Authority Chairman and a small group of members, with professional advice from the Chief Fire Officer might seem appropriate. This would also mean the savings from reducing an Area Manager position would drop out straight away as the successful candidate would be an existing member of staff.
- 1.15. The benefit of an external process would be to 'test the market' to ensure that any appointment was the best possible candidate. An external process would take some effort to set up and would incur costs in terms of command assessments, psychometric testing and interviewing, but could be facilitated if this was to be the desired approach. External candidates, if appointed, may need to give three months notice.
- 1.16. Once the Authority has determined the Executive Board structure, the Chief Fire Officer will be able to complete his review of the second tier of the Service management structure. The Chief Fire Officer has delegated authority within the Authority's Scheme of Delegations (4.17) to:

- (a) effect minor variations in the establishment between uniformed and non-uniformed posts where this is in the best interests of the Service and subject to consultation with representative bodies and to there being no additional resource implications associated with the variation;
- (b) to effect changes in the establishment structure subject to any financial implications being contained from within existing resources and to compliance with the virement thresholds as contained in the Authority's Financial Regulations

1.17. Accordingly, it is proposed that any changes to the second tier of the Service management that may result from the Chief Fire Officer's review, and do not constitute a 'major restructuring' (Scheme of Delegations 4.18 (ii)) may be implemented by the Chief Fire Officer. A report detailing any such changes should be submitted to the first meeting of the Human Resources and Development Committee following implementation of the changes, for noting.

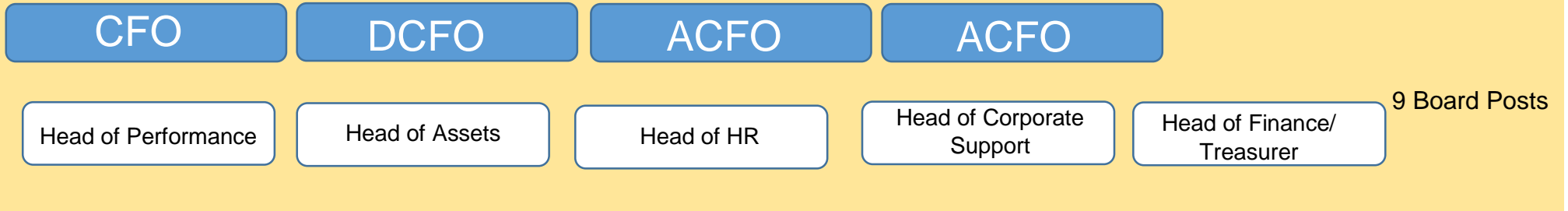
1.18. Should any changes to the second tier of the Service management that may result from the Chief Fire Officer's review constitute a 'major restructuring', e.g. proposed changes to the existing pay a grading structure, but where the costs can be met from within existing budget provision, then a full report detailing the proposals must be submitted to the Human Resources and Development Committee for consideration and determination. Where the costs cannot be met from within existing budget provision, then a full report detailing the proposals must be submitted, in the first instance, to the Human Resources and Development Committee for consideration of a recommendation to be made by the Committee to the full Authority for determination.

2. CONCLUSION

2.1. The proposed structure has been operated on a temporary basis for some time now and during this period, the Chief Fire Officer has seen improvements in performance due to greater clarity of roles, greater accountability and this has also provided much needed additional operational resilience at strategic level. It has also seen improvement in employee relations with an operational officer (Assistant Chief Fire Officer) overseeing engagement and consultation with trade unions. The revised structure is therefore recommended to the Authority for approval.

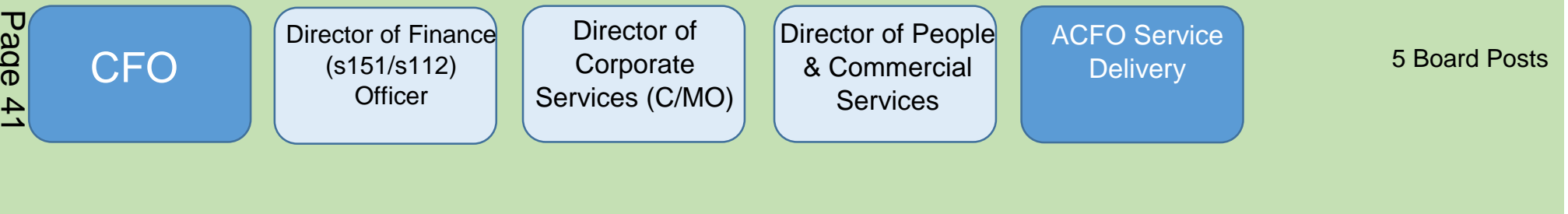
LEE HOWELL
Chief Fire Officer

As at 2009

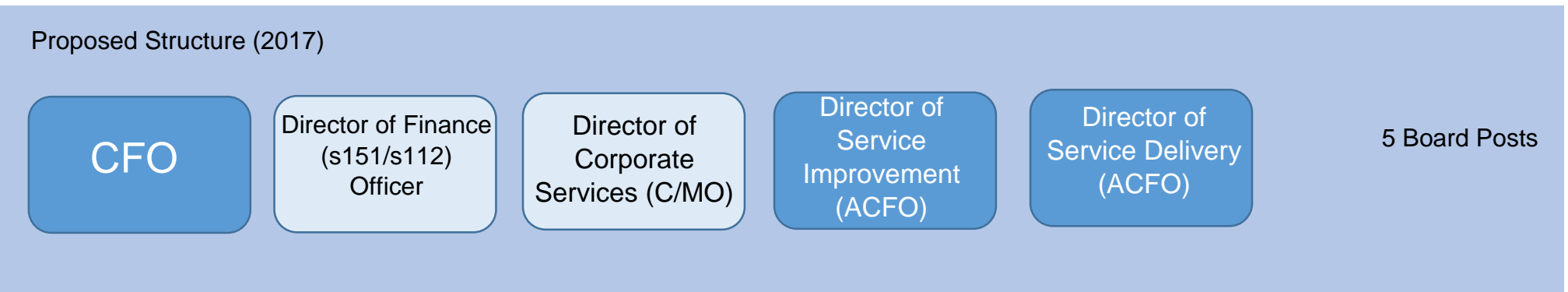


Budgeted Posts (2016)

Page 41



Proposed Structure (2017)



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