



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
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DEVON & SOMERSET FIRE & RESCUE AUTHORITY **(Budget Meeting)**

Friday, 16th February, 2018

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 - 6)

of the previous meeting held on 18 December 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 Tuesday 13 February 2018**.

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 Audit & Performance Review Committee (Pages 7 - 10)

The Chair of the Committee, Councillor Wheeler, to **MOVE** the Minutes of the meeting held on 17 January 2018.

RECOMMENDATIONS

- (i) that the recommendation at Minute APRC/17 (“Additional Meeting Date 2018”) be approved; and
- (ii) that, subject to (i) above, the Minutes be adopted in accordance with Standing Orders.

b Community Safety & Corporate Planning Committee (Pages 11 - 12)

The Chair of the Committee, Councillor Redman, to **MOVE** the Minutes of the meeting held on 1 February 2018.

RECOMMENDATION

- (i) that the recommendation at Minute CSCPC/9 (“Draft Integrated Risk Management Plan 2018 – 2022 Consultation Results”) be considered in conjunction with agenda item 9 (“Integrated Risk Management Plan 2018 – 2022”) below;
- (ii) that the recommendation at Minute CSCPC/10 (“New Planning Framework”) be approved;

(NOTE: For ease of reference, a copy of report CSCPC/18/2 – New Planning Framework – as considered by the Committee is reproduced as agenda item 7(c) below

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

c New Planning Framework (Pages 13 - 18)

Report of the Assistant Chief Fire Officer (Service Delivery) (CSCPC/18/2), as considered at the Community Safety & Corporate Planning Committee meeting on 1 February 2018, attached.

d **Resources Committee**

The Chair of the Committee, Councillor Coles, to **MOVE** the Minutes of the Budget Meeting held on 8 February 2018 (**TO FOLLOW**).

RECOMMENDATIONS

- (i) that the recommendation at Minutes RC/12 (“Financial Performance Report 2017-18: Quarter 3) relating to budget transfers in excess of £150,000, as shown in the Appendix to the Minutes, be approved;
- (ii) that the recommendations at RC/13 (“2018-19 Revenue Budget and Council Tax Levels”), RC/14 (“Capital Programme 2018-19 to 2020-21”) and RC/15 (“Treasury Management Strategy [including Prudential and Treasury Indicators Report 2018-19 to 2020-21]”) be considered in conjunction with agenda items 8(a) (2018-19 Revenue Budget and Council Tax Levels), 8(b) (Capital Programme 2018-19 to 2020-21) and 8(c) (Treasury Management Strategy [including Prudential and Treasury Indicators Report 2018-19 to 2020-21]), respectively, below; and
- (iii) that, subject to (i) and (ii) above, the Minutes be adopted in accordance with Standing Orders.

8 **Revenue and Capital Budgets**

a **2018-19 Revenue Budget and Council Tax Levels** (Pages 19 - 76)

Joint report of the Director of Finance (Treasurer) and Chief Fire Officer (DSFRA/18/1) attached.

b **Capital Programme 2018-19 to 2020-21** (Pages 77 - 86)

Joint report of the Chief Fire Officer and the Director of Finance (Treasurer) (DSFRA/18/2) attached.

c **Treasury Management Strategy (including Prudential and Treasury Indicators) Report 2018-19 to 2020-21** (Pages 87 - 108)

Report of the Director of Finance (Treasurer) (DSFRA/18/3) attached.

9 **Integrated Risk Management Plan 2018 - 2022 (Pages 109 - 150)**

Report of the Chief Fire Officer (DSFRA/18/4) attached.

10 **Consultations - Fire & Rescue Service National Framework for England and Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) Inspection Programme and Framework 2018-19 (Pages 151 - 222)**

Report of the Chief Fire Officer (DSFRA/18/5) attached.

11 **Chair's Announcements**

12 **Chief Fire Officer's Announcements**

MEMBERS ARE REQUESTED TO SIGN THE ATTENDANCE REGISTER

Membership:-

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

NOTES

1.	<u>Access to Information</u> 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.
2.	<u>Reporting of Meetings</u> 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.
3.	<u>Declarations of Interests (Authority Members only)</u>
	(a). <u>Disclosable Pecuniary Interests</u> 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: <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. 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.
	(b). <u>Other (Personal) Interests</u> 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. 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.
4.	<u>Part 2 Reports</u> 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.
5.	<u>Substitute Members (Committee Meetings only)</u> 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.

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DEVON & SOMERSET FIRE & RESCUE AUTHORITY

18 December 2017

Present:-

Councillors Randall Johnson (Chair), Best, Chugg, Coles, Colthorpe, Eastman, Ellery, Greenslade, Hannaford, Healey MBE (Vice-Chair), Hendy, Hosking, Peart, Prowse, Redman, Riley, Saywell, Thomas, Vijeh and Wheeler.

Apologies:-

Councillors Biederman, Bown, Burridge-Clayton, Leaves, Napper and Trail BEM.

DSFRA/47 **Minutes**

RESOLVED that the Minutes of the meeting held on 20 October 2017 be signed as a correct record.

DSFRA/48 **Address by Retained Firefighters Union**

The Authority received an address from the Retained Firefighters Union (RFU) setting out its position statement on the draft Integrated Risk Management Plan (IRMP) currently being consulted on.

The RFU accepted that the make-up of communities and risks posed had changed over time but sought assurance that any detailed proposals stemming from the IRMP would also be subject to appropriate consultation. In making provision to address risks, the RFU also highlighted the need to ensure a healthy, appropriately trained workforce.

DSFRA/49 **Minutes of Committees**

a **Resources Committee**

The Chair of the Committee, Councillor Coles, **MOVED** the Minutes of the meeting held on 15 November 2017 which had considered, amongst other things:

- a report on treasury management performance as at the second quarter of the current (2017-18) financial year;
- a report on treasury management strategy;
- a report on the acquisition of water misting systems for appliances; and
- a report on financial performance as at the second quarter of the current financial year.

RESOLVED

- (i). that the recommendation at Minute RC/8 (Treasury Management Strategy) to amend the Terms of Reference for the Resources Committee by adding the following, advisory, role be approved:

“to give preliminary consideration to and recommend to the Authority a provisional budget and Council Tax requirement **and the Treasury Management and Investment Strategy and Minimum Revenue Provision (MRP) Statement** for the forthcoming year.”
- (ii). that, subject to (i) above, the Minutes be adopted in accordance with Standing Orders.

b Red One. Ltd. Non-Executive Directors Appointments Panel

The Chair of the Panel, Councillor Randall Johnson, **MOVED** the Minutes of the meetings of the Panel held on 4 and 14 December 2018 which had shortlisted, interviewed for and appointed to:

- a non-executive director to Chair the Board of Red One Ltd. (“the Company”); and
- a non-executive finance director for the Company.

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

(SEE ALSO MINUTE DSFRA/50 BELOW)

c Human Resources Management & Development Committee

The Vice-Chair of the Committee, Councillor Chugg, **MOVED** the Minutes of the meeting held on 12 December 2017 which had considered, amongst other things:

- a report on absence management and the health of the organisation;
- a report on requests for retirement and re-employment made in accordance with the Authority’s current Pay Policy Statement;
- a report on the Authority’s Pay Policy Statement proposed for the forthcoming (2018-19) financial year; and
- updates on workforce culture, diversity and inclusion.

RESOLVED

- (i). that the recommendation at Minute HRMDC/18 (Localism Act 2011 – Pay Policy Statement 2018-19) be considered in conjunction with the item elsewhere on the agenda for this meeting;
- (ii). that, subject to (i) above, the Minutes be adopted in accordance with Standing Orders.

(SEE ALSO MINUTE DSFRA/53 BELOW)

DSFRA/50 Commercial Governance - Developments

(Councillors Healey, Saywell and Thomas each declared personal, non-pecuniary interests in this item by virtue of being Authority-appointed non-executive directors on the Board of Red One Ltd.)

At the commencement of this item, the Authority considered whether, in light of the interests declared, Councillors Healey, Saywell and Thomas should participate in consideration of the matter and

RESOLVED that Councillors Healey, Saywell and Thomas be allowed to speak but not to propose Motions or vote on the issue.

The Authority considered a report of the Director of Corporate Services (Clerk to the Authority) (DSFRA/17/34) on progress to date in establishing enhanced, robust and proportionate governance arrangements for Red One Ltd. (“the Company”)

Reviews over the past 18 months or so had identified a range of areas where improvements might be secured and more recently Elemental CoSec, a firm specialising in commercial governance, had been commissioned to work with the Company, on behalf of the Authority as sole shareholder (member), in addressing these issues. This involved the development of a good governance manual and the drafting of new Articles of Association for the Company.

The Clerk to the Authority meeting advised further that, at a meeting held on 15 December 2017, the Board of Red One Ltd. had resolved to propose to the Authority (as sole shareholder [member] in the Company) a Special, Written Resolution to adopt in their entirety the new Articles of Association for the Company as drafted.

RESOLVED

- (a). that the Authority (as sole shareholder [member] for Red One Ltd. – “the Company”) approves the Written Special Resolution proposed by the Board of the Company that the existing Articles of Association be removed in their entirety and substituted by the new Articles of Association as attached to the Written Special Resolution;
- (b). that the Clerk to the meeting be authorised to authenticate and signify consent to the Written Special Resolution for and on behalf of the Authority;
- (c). that, subject to (a) and (b) above, the report be noted.

(SEE ALSO MINUTE DSFRA/52 BELOW).

DSFRA/51 Chief Fire Officer Appraisal Process

The Authority considered a report of the Director of Corporate Services (Clerk to the Authority) (DSFRA/17/35) on a proposal to establish small Panel to undertake a more formalised process for appraisal of the Chief Fire Officer. It was proposed that the Panel should have delegated authority to approve any developmental action (including associated costs) as may be identified from the appraisal process.

RESOLVED that a Chief Fire Officer’s Appraisal Panel be established, comprising the Authority Chair, one Member from each of the other two main political parties (for the current [2017-18] municipal year Councillor Best [for the Liberal Democrats]; Labour nomination to be confirmed) and a fourth Member to be determined by the Authority (Authority Vice-Chair, Councillor Healey for the current municipal year) with Terms of Reference as identified in paragraph 2.3 of report DSFRA/17/35.

DSFRA/52 Confirmation of Scheme of Members’ Allowances 2018-19

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

The Authority considered a report of the Director of Corporate Services (Clerk to the Authority) (DSFRA/17/36) on the proposed Scheme of Members’ Allowances to operate for the forthcoming (2018-19) financial year. The relevant Regulations required the Scheme to be approved and published by the Authority prior to the commencement of the financial year in question.

RESOLVED

- (a). that, given the changes in governance to the operation of Red One Ltd. (“the Company”), as referred to earlier on the agenda for this meeting, the special responsibility allowance (SRA) currently payable to Authority Members appointed as non-executive directors on the Company Board be discontinued with effect from 1 April 2018 on the basis that, going forwards, all director remuneration would be paid directly by the Company;
- (b). that, subject to (a) above, the Scheme of Allowances to operate for the 2018-19 financial year, as set out in paragraphs 2.2 and 2.3 of report DSFRA/17/36, be approved; and

- (c). that the Clerk to the Authority be authorised to publicise details of the Scheme so confirmed in one or more local newspapers circulating in the area served by the Authority.

(SEE ALSO MINUTE DSFRA/50 ABOVE).

DSFRA/53 Localism Act 2011 - Pay Policy Statement 2018-19

The Authority considered a report of the Director of Corporate Services (Clerk to the Authority) (DSFRA/17/36) to which was attached the proposed Pay Policy Statement to operate for the Authority for the forthcoming (2018-19) financial year. The Localism Act required such a statement, setting out the Authority's policy towards a range of issues relating to the pay of its workforce (particularly senior staff and the lowest paid employees), to be approved prior to the commencement of each financial year and published, as a minimum, on the Authority's website.

The report identified that the main difference between the proposed version and previous versions related to the salaries of senior officers on the Service Executive Board and to changes in the structure of that Board. Salaries of other staff had been reviewed to reflect nationally agreed pay increases.

The proposed Pay Policy Statement for 2018-19 had been considered by the Human Resources Management & Development Committee meeting on 12 December 2017 which had resolved to recommend its approval to the Authority (Minute HRMDC/18 refers).

RESOLVED that, in accordance with the recommendation of the Human Resources Management & Development Committee, the Pay Policy Statement to operate for the 2018-19 financial year, as appended to report DSFRA/17/36, be approved.

(SEE ALSO ITEM DSFRA/49(c) ABOVE).

DSFRA/54 Authority Budget Meeting 2018 - Proposed Change of Date

The Authority considered a report of the Director of Corporate Services (Clerk to the Authority) (DSFRA/17/38) on a proposed change of date for the Authority's budget setting meeting in 2018.

RESOLVED that the Authority budget meeting in 2018 be held on Friday 16 February 2018, commencing at 10.00hours at Service Headquarters.

DSFRA/55 Appointment of Police & Crime Commissioners to the Authority - Consultation on Enabling Regulations

The Authority considered a report of the Director of Corporate Services (Clerk to the Authority) on a Home Office consultation seeking views on the proposed enabling legislation to enable Police & Crime Commissioners to become, on request, members (with speaking and voting rights) of combined fire and rescue authorities ("the representation model"), as introduced by the Policing & Crime Act 2017.

Responses to the consultation were required by 15 January 2018. The report identified that while the consultation was largely as anticipated in terms of Police & Crime Commissioners becoming members of combined fire and rescue authorities, the proposals also envisaged that Police and Crime Commissioners unable to attend fire and rescue authority meetings should instead be able to send a representative to speak but not vote.

In debating a possible response to the consultation, Members expressed the following views:

- that, while there was no objection to Police & Crime Commissioners becoming members of combined fire and rescue authorities, the ability to send a representative to speak but not vote would create an inequitable position by giving Police & Crime Commissioners a right that would not exist for any other Member; and
- that, if the government was nonetheless minded to allow for such representation, it should be on the basis of a designated, named individual able to speak but not vote.

RESOLVED that the Chief Fire Officer be authorised to respond to the consultation, following consultation with the Chair, on behalf of the Authority and along the lines as indicated above.

DSFRA/56 Chair's Announcements

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

DSFRA/57 Chief Fire Officer's Announcements

The Chief Fire Officer reported for information on:

- the Coroner's narrative verdict following the inquest into the death at the fire that occurred at Sussex Road, Plymouth, on 19 October 2016;
- confirmation that the Devon & Somerset Fire & Rescue Service ("the Service") would be in the third tranche of the newly-instigated inspection regime for fire and rescue services to be undertaken by Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS). The third tranche of inspections was anticipated to commence in the Spring of 2019;
- preliminary feedback from the recently-undertaken peer assessment of the Service undertaken under the auspices of the Local Government Association;
- a visit to the Service on 15 December from the Home Office Government Strategy and Transformation Team. A fire-specific team from the Home Office were scheduled to visit the Service on 19 December;
- success by the Service in securing two awards:
 - a silver in the Learning Technologies Team category of the international Learning Technologies Awards 2017; and
 - winner of the Emergency Services Partnership of the Year category of the Fire Magazine Excellence in Fire & Emergency Awards 2017;
- progress with testing the Rapid Intervention Vehicles (RIVs) planned for implementation into the Service as part of the "tiered response" concept.

DSFRA/58 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 Paragraphs 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 3 (information relating to the financial and business affairs of any particular person – including the authority holding that information).

DSFRA/59 Restricted Minutes

(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).

RESOLVED that the restricted Minutes of the Authority meeting held on 20 October 2017 be signed as a correct record.

The Meeting started at 10.00 am and finished at 11.35 am

AUDIT & PERFORMANCE REVIEW COMMITTEE

(Devon & Somerset Fire & Rescue Authority)

17 January 2018

Present:-

Councillors Wheeler (Chair), Burrige-Clayton (Vice-Chair), Healey MBE, Saywell, Trail BEM and Vijeh

Apologies:-

Councillor Napper

* **APRC/16** Minutes

RESOLVED that the Minutes of the meeting held on 12 September 2017 be signed as a correct record.

APRC/17 Additional Meeting Date 2018

The Committee considered a report of the Director of Corporate Services (APRC/18/1) that set out a proposal to schedule an additional meeting of the Committee in the light of changes to the Accounts & Audit Regulations 2015 and the new requirement to approve the Authority's financial statements by the end of July 2018.

The Director of Corporate Services advised the Committee that the Authority was responsible for setting the Calendar of Meetings and thus, he indicated that the date suggested should be recommended to the Authority for approval rather than the Committee setting the date.

Councillor Saywell **MOVED** this amendment to the recommendation (seconded by Councillor Healey MBE) and upon a vote, the motion was **CARRIED** unanimously.

RESOLVED that the Devon & Somerset Fire & Rescue Authority be recommended to schedule a meeting of the Audit & Performance Review Committee on Friday 27 July 2018 at 10:00hours for the purposes of approving the Authority's Financial Statements for 2017/18.

* **APRC/18** Grant Thornton Update

The Committee received for information a report submitted by the Authority's external auditors, Grant Thornton, setting out the progress made in delivery of its audit responsibilities to the Devon & Somerset Fire & Rescue Authority (up to January 2018). The report covered the following matters, amongst others:

- The progress made to date with the financial statements audit, the value for money conclusion and the Annual Audit Letter (Minute *APRC/4 below refers);
- A fire sector update including an up to date summary of emerging national issues together with insights from the local authority sector and reports of interests;

- The National Fire Chiefs Council (NFCC) response to the Hackitt Review into the Grenfell Tower fire;
- a number of recent CIPFA publications including “the guide to local government finance” 2017 edition;
- a Department for Communities and Local Government (DCLG) consultation on proposed changes to the prudential framework of capital finance.

* **APRC/19** **Annual Audit Letter**

The Committee received for information the Authority’s Annual Audit Letter for the year ended 31 March 2017 as submitted by the Authority’s external auditor, Grant Thornton.

Mark Bartlett, representing Grant Thornton, 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.

* **APRC/20** **Group Accounts for Devon & Somerset Fire & Rescue Authority and Red One Ltd.**

The Committee considered a report of the Treasurer (APRC/18/2) that set out the position in respect of the provision of group accounts for the Authority’s trading company, Red One Limited. Under the Chartered Institute for Public Financial Accountants Code of Practice, the Authority was able to take a view on materiality when presenting group accounts. Following discussion with the external auditor, Grant Thornton, it was the Treasurer’s view that the activities of Red One Limited were not material to the Authority’s Statement of Accounts and therefore, it was recommended that the accounts were not consolidated.

RESOLVED that the accounts of Red One Limited be not consolidated into group accounts for the 2017/18 financial year.

NB. Councillors Healey MBE and Saywell declared an interest in this item in view of their position as Non-Executive Directors of Red One Limited.

* **APRC/21** **Audit & Review Progress Report 2017/18: Quarter 2**

The Committee received for information a report of the Head of Assurance and Planning (APRC/18/3) that set out the progress made to date against the approved 2017-18 Internal Audit Plan and which also updated the Committee on any additional audit and review work that had been undertaken.

The Head of Assurance and Planning reported that there may be some improvements that could be made to the audit process and the assurance tracker and this was being mapped out already in the context of the forthcoming inspection by Her Majesty’s Inspector of Constabulary and Fire & Rescue Services (HMICFRS). It was noted that the audit strategy was also being aligned to the new performance measures (Minute *APRC/8 below also refers).

* **APRC/22 Corporate Risk Register Update**

The Committee received for information a report of the Head of Assurance and Planning (APRC/18/4) that set out the Service's approach to the management of risks within the organisation and details of any new risks that had been included within the Authority's Corporate Risk Register recently.

It was noted that, whilst there had not been any new risks added to the Corporate Risk Register during quarter 2 of 2017-18, although the Service continued to monitor the position with existing risks identified, including, amongst others, community safety business safety processes, data sharing and a failure to manage staff competencies and their operational capability.

* **APRC/23 Devon & Somerset Fire & Rescue Authority Performance Report 2017/18: Quarter 2**

The Committee received for information a report of the Assistant Chief Fire Officer – Service Delivery (APRC/18/5) that set out the Service's performance for the period of October 2016 to September 2017 with a focus on quarter 2 of 2017-18. The report highlighted the new format for the performance information which set out a measure status of 'good performance', 'monitor performance' or 'negative exception'. This was established through an assessment of the different types of analysis, for example, performance versus the previous year, performance versus the previous quarter and trends and performance against normal variation to give a more rounded picture and which directed focus more effectively on emerging issues. Where a measure was reported as an exception, a separate report would be provided.

The main performance issues reported for quarter 2 were:

- Five of the eight measures were showing positive performance;
- Two of the measures were in monitor status (measures 2 and 5); and
- One measure was in negative exception – measure 3, fires where people live – and an exception report was enclosed within the report. This had been highlighted as a negative exception as the year to date increase (503 incidents) and the upward trend in the rolling 3 year data but no immediate action was required at this stage and the performance would be monitored over coming months.

* **APRC/24 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 involved the likely disclosure of exempt information as defined in the following paragraph of Part 1 of Schedule 12A (as amended) to the Act, namely:

- Paragraph 3 (information relating to the financial and business affairs of any particular person – including the authority holding that information).

* **APRC/25 Audit & Review IT Security Progress Report**

(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 Head of Assurance & Planning (APRC/18/6) that set out the progress made to date against the approved 2017-18 internal audit plan and which reported specifically on the ICT Technical audits that had been undertaken and the assurance statements thereon.

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

The Meeting started at 10.00 am and finished at 11.25 am

COMMUNITY SAFETY & CORPORATE PLANNING COMMITTEE

(Devon & Somerset Fire & Rescue Authority)

1 February 2018

Present:-

Councillors Redman (Chair), Eastman (Vice-Chair), Colthorpe, Coles (sub Ellery), Healey MBE (sub Bown) and Prowse.

Apologies:-

Councillor Leaves

* CSCPC/8 Minutes

RESOLVED that the Minutes of the meeting held on 29 September 2017 be signed as a correct record.

CSCPC/9 Draft Integrated Risk Management Plan 2018 to 2022 Consultation Results

The Committee considered a report of the Director of Service Improvement (CSCPC/18/1) that set out the results of the consultation exercise that had been carried out in respect of the Draft Integrated Risk Management Plan (IRMP) for 2018 to 2022.

The Committee considered the consultation responses and noted that the Service was only proposing one amendment to the draft IRMP as a result of the comments made. There had been a number of comments made specifically on the lack of detail in the Plan. The Director of Service Improvement advised the Committee that the IRMP was a strategic document and that more detailed options would be worked up which would then be subject to full consultation in due course. Reference was made to the forthcoming inspection by Her Majesty's Inspector of Constabulary and Fire & Rescue Services (HMICFRS) and the point that one of the key documents that would be subject to scrutiny would be the IRMP. The Director of Service Improvement responded that a programme of work was being established to take forward the detailed options over the next year and that this would be available for HMICFRS at the appropriate time.

Reference was made at this point to some risks that had not been included within the IRMP such as maritime, terrorism, heath fires and Hinkley Point. The Director of Service Improvement advised that the IRMP contained 6 key risks and that, whilst these were not mentioned as specific risks, these were recognised and would be included within the detailed action plan that was being drawn up.

The Chair thanked the Director of Service Improvement and his team for all of the work that had been undertaken in the formulation of the IRMP to date, whereupon Councillor Healey **MOVED** (seconded by Councillor Coles) the recommendation as set out within the report.

Upon a vote (five for, none against and one abstention) the motion was **CARRIED**.

RESOLVED that the Devon & Somerset Fire & Rescue Authority be recommended to approve the Integrated Risk Management Plan for 2018-2022 subject to the amendment as set out within paragraph 8.1 of this report.

CSCPC/10 New Planning Framework

The Committee considered a report of the Director of Service Improvement (CSCPC/18/2) that set out the proposal to replace the existing Corporate Plan with a Fire and rescue Plan which would address the risks faced by the organisation and dovetail in with the Integrated Risk Management Plan (IRMP). The proposed Fire and Rescue Plan would also take account of the new National Framework document that had been issued for consultation recently by the Home Officer.

RESOLVED

- (a) That the Devon & Somerset Fire & Rescue Authority be recommended to approve the production of a Fire and Rescue Plan; and
- (b) Subject to (a) above, the new approach to planning be endorsed.

NB. Minute CSCPC/9 above also refers.

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

The meeting started at 2.00 pm and finished at 3.10 pm

REPORT REFERENCE NO.	CSCPC/18/2
MEETING	COMMUNITY SAFETY & CORPORATE PLANNING COMMITTEE
DATE OF MEETING	1 FEBRUARY 2018
SUBJECT OF REPORT	NEW PLANNING FRAMEWORK
LEAD OFFICER	Assistant Chief Fire Officer – Service Improvement
RECOMMENDATIONS	<p><i>(a) That the Devon & Somerset Fire & Rescue Authority be recommended to approve the production of a Fire and Rescue Plan; and</i></p> <p><i>(b) Subject to (a) above, the Committee endorses the new approach to planning.</i></p>
EXECUTIVE SUMMARY	<p>It was reported to the Community Safety and Corporate Planning Committee on 13 February 2017 that the Service's intention to produce a stand-alone Integrated Risk Management Plan (IRMP) during 2017. The Committee were also informed of the need to review our approach to planning.</p> <p>As the draft Integrated Risk Management Plan (IRMP) has now been consulted upon (and is the subject of a separate report on the agenda for this meeting) so it is considered timely to update the Committee on the new approach to planning within the Devon & Somerset Fire and Rescue Service.</p> <p>It is proposed to replace the existing Corporate Plan with a Fire and Rescue Plan which will address the risks facing this organisation. This will be complimentary to the IRMP which addresses the risks facing within our community. The Fire and Rescue Plan will be developed to take account of the draft 'Fire and Rescue National Framework' and the emerging inspection regime.</p> <p>The Service's three - four year Change and Improvement Programme will be derived from these two strategic documents.</p> <p>This report sets out how our plans relate to each other in our new approach to planning.</p>
RESOURCE IMPLICATIONS	The Fire and Rescue Plan, The IRMP and the Change and Improvement programme will have a clear focus on the delivery of the savings required to be made by the Service as well as adding value through improved ways of working.
EQUALITY RISKS AND BENEFITS ANALYSIS (ERBA)	The contents of this report are compatible with existing equality and human rights legislation. Additionally, the development of the Fire and Rescue Plan will include reference to the promotion of equality, diversity and inclusion.
APPENDICES	None

LIST OF BACKGROUND PAPERS

Draft Integrated Risk Management Plan 2018 – 2022
“Creating Safer Communities - Our Plan 2016 to 2021”
Community Services and Corporate Planning Committee, 13 February 2017

1. **BACKGROUND**

1.1 The Service has previously adopted the approach of embedding its Integrated Risk Management Plan (IRMP) within its Corporate Plan and the current iteration of the Corporate Plan continues this approach.

1.2 However, as reported to the meeting of the Community Safety and Corporate Planning Committee on 13 February 2017, a full review process has been initiated to propose a new planning framework for the Service and support the introduction of a separate Corporate Plan and IRMP.

1.3 The draft Integrated Risk Management Plan (IRMP) has now been consulted upon, the results of which are the subject of a separate report to this Committee. It is considered timely, therefore, to update the Committee on the proposed new approach to planning within the Devon & Somerset Fire and Rescue Service.

1.4 The proposed new approach to planning is set out within Fig 1. below (for the overall framework) and commentary in section 2 of this report.

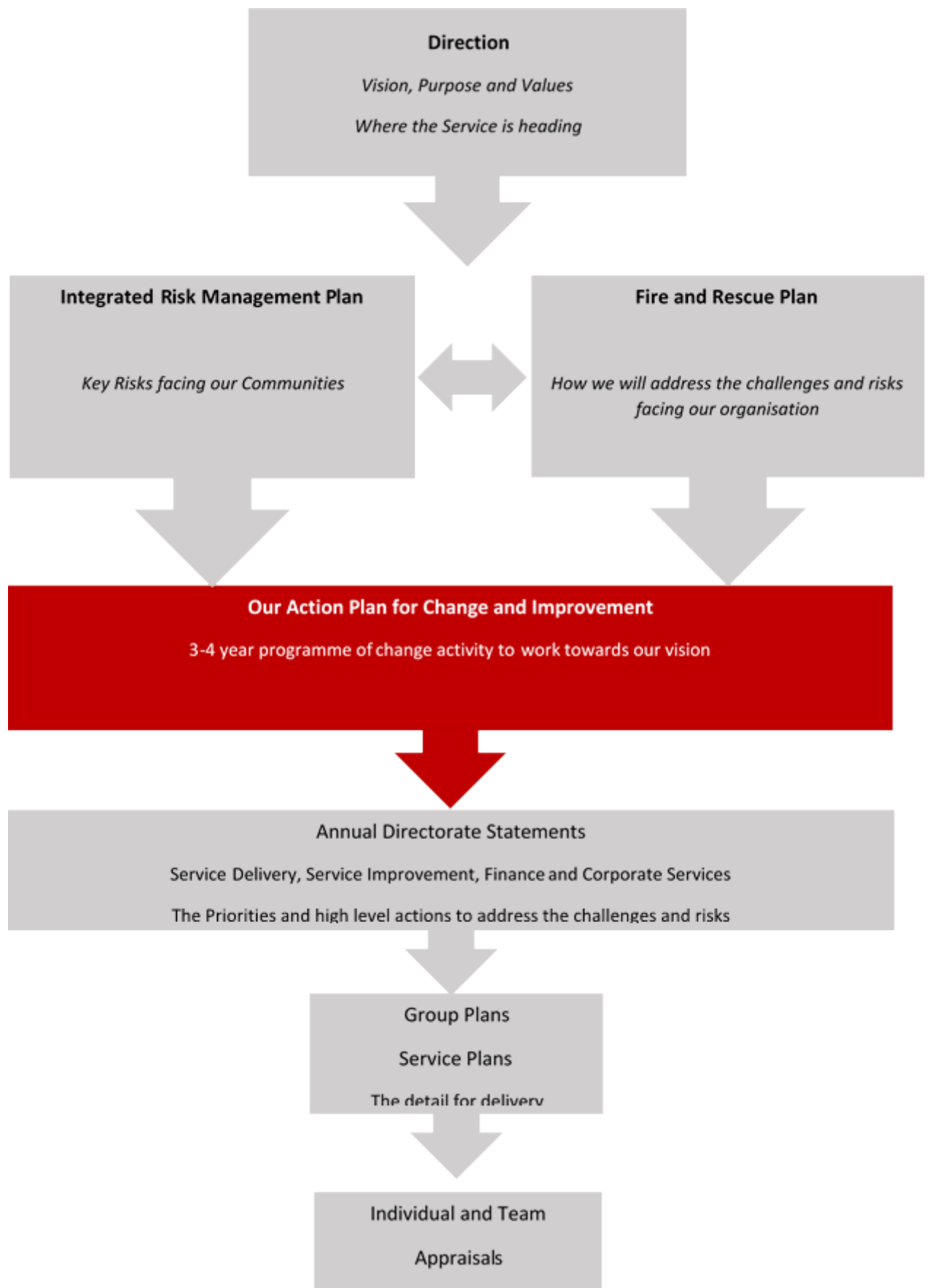
Fig 1. The Planning Framework



2. **THE NEW APPROACH TO PLANNING**

- 2.1 Fire and rescue authorities need to assess all foreseeable fire and rescue related risks that could affect their communities (from local fires to terrorist attacks) and put in place arrangements to mitigate these risks, either through adjusting existing provision, more effective collaboration and partnership working, or building new capability. They need to deliver effective and proportionate prevention and protection activities and be ready to respond to incidents within their areas and across the country to keep communities safe.
- 2.2 The Integrated Risk Management Plan is the means by which the Service assesses and analyses the risks faced by the communities served. The Plan presents an integrated approach to mitigating and reducing those risks through the Prevention, Protection and Response activities of the Service.
- 2.3 However, as there is now a separate IRMP to the existing Corporate Plan there is a need to consider how those issues that do not fall directly within the scope of the IRMP will be addressed and in particular, the risks and challenges that the organisation faces. It is proposed to do this through the production of a complimentary document called the “Fire and Rescue Plan”.
- 2.4 The Fire and Rescue Plan will set out the Service’s Vision, Purpose / Mission and Values. Work is currently ongoing to refresh our vision. It will describe the challenges faced as an organisation, for example, the financial challenge and how it is proposed to address those challenges. The Plan will contain strategy statements for the key areas of the organisation.
- 2.5 Having the two distinct documents will facilitate greater transparency and clarity for both, to better serve; the Chief Fire Officers priorities as set by the Fire Authority, the implementation of change and improvement within the Service and support the objectives of the 4 year efficiency plan.
- 2.6 A change and improvement programme will be derived from the IRMP and the Fire & Rescue Plan. The programme will contain the prioritised work streams for the next 3-4 years that as a Service we must deliver on if we are to deliver real improvements in the Service we provide to our communities whilst making the financial savings required.
- 2.7 The draft ‘Fire and Rescue National Framework’ (currently out for consultation) and the developing inspection framework have been taken into account in developing these strategic documents.
- 2.8 The relationships between the strategic plans, the change and improvement programme and the delivery plans are shown in Fig 2 overleaf.

Fig.2 Planning Framework – The Hierarchy of Plans



- 2.9 In addition to addressing the Draft National Framework and Inspection, the new approach will:
- Assist engagement with the Public, Members and Staff;
 - Embed risk and its mitigation;
 - Align and streamline the improvement process;
 - Improve the way we manage performance and assurance; and
 - Provide a focussed and consistent view of the organisation that is aligned to delivering the vision.

3. CONCLUSION

- 3.1 The existing approach to planning within the Service is not considered 'fit for purpose'. A new simplified approach is required that clearly articulates the direction the Service is going in. The proposed approach should provide a holistic view, demonstrating how activity is carried out within the Service, is aligned to the strategic direction and one that enables accountability for delivery.
- 3.2 The Committee is asked:
- (a) That the Devon & Somerset Fire & Rescue Authority be recommended to approve the production of a Fire and Rescue Plan; and
 - (b) Subject to (a) above, to endorse the new approach to planning.

PETE BOND
Assistant Chief Fire Officer – Service Improvement

REPORT REFERENCE NO.	DSFRA/18/1
MEETING	DEVON AND SOMERSET FIRE AND RESCUE AUTHORITY (BUDGET MEETING)
DATE OF MEETING	16 FEBRUARY 2018
SUBJECT OF REPORT	2018-19 REVENUE BUDGET AND COUNCIL TAX LEVELS
LEAD OFFICER	Director of Finance (Treasurer) and Chief Fire Officer
RECOMMENDATIONS	<p>(a) <i>that the Authority consider the contents of this report, together with any relevant recommendation made by the Resources Committee, with a view to determining either:</i></p> <p style="padding-left: 20px;">(i) <i>that the level of council tax in 2018-19 for a Band D property be set at £81.57, as outlined in Option A in this report, representing no increase over 2017-18, and that accordingly a Net Revenue Budget Requirement for 2018-19 of £72,409,000 be approved;</i></p> <p style="text-align: center;">OR</p> <p style="padding-left: 20px;">(ii) <i>that the level of council tax in 2018-19 for a Band D property be set at £84.01, as outlined in Option B in this report, representing a 2.99% increase over 2017-18, and that accordingly a Net Revenue Budget Requirement for 2018-19 of £73,870,800 be approved;</i></p> <p>(b) <i>that, as a consequence of the decisions at (a) above:</i></p> <p style="padding-left: 20px;">(i) <i>the tax base for payment purposes and the precept required from each billing authority for payment of total precept of £48,867,564 (Option A) OR £50,329,338 (Option B), as detailed on Page 2 of the respective budget booklet, be approved;</i></p> <p style="padding-left: 20px;">(ii) <i>the council tax for each property bands A to H associated with the total precept of £48,867,564 (Option A) OR 50,329,338 (Option B), as detailed on Page 2 of the respective budget booklet, be approved; and</i></p> <p style="padding-left: 20px;">(iii) <i>that the Treasurer’s ‘Statement of the Robustness of the Budget Estimates and the Adequacy of the Authority Reserve Balances’, as set out at Appendix B to this report, be endorsed.</i></p> <p>(c) <i>that any minor variation to central government funding, to be confirmed via the Final Settlement Agreement later in February, be adjusted for by the Director of Finance (Treasurer) using the National Non-Domestic Rates (NDR) Smoothing reserve as outlined in Paragraph 1.5 of this report.</i></p>

<p>EXECUTIVE SUMMARY</p>	<p>It is a legislative requirement that the Authority sets a level of revenue budget and Council Tax for the forthcoming financial year by the 1 March each year. The Secretary of State has announced that the Council Tax threshold to be applied in 2018-19 that would trigger a requirement to hold a Council Tax referendum is to be 3.0%. This report considers potential options A and B below for Council Tax in 2018-19:</p> <p>OPTION A – Freeze Council Tax at 2018-19 level (£81.57 for a Band D Property).</p> <p>OPTION B – Increase Council Tax by 2.99% above 2017-18 (increase of £2.44 pa to £84.01 for Band D Property).</p> <p>The Authority is asked to consider the contents of this report, and approve a council tax level for a Band D property and resultant revenue budget level for 2018-19.</p>
<p>RESOURCE IMPLICATIONS</p>	<p>As indicated in the report.</p>
<p>EQUALITY RISKS AND BENEFITS ANALYSIS (ERBA)</p>	<p>Not applicable.</p>
<p>APPENDICES</p>	<p>A. Core Net Revenue Budget Requirement 2018-19.</p> <p>B. Statement of the Robustness of the Budget Estimates and the Adequacy of the Authority Reserves and Balances.</p> <p>C. DSFRA response to the Department of Communities and Local Government consultation document “Local Government Finance Settlement – Technical Consultation Paper”.</p> <p>D. BMG Report on Precept Consultation for 2018-19 Revenue Budget</p> <p>E. Report on Precept Consultation via Social Media</p>
<p>LIST OF BACKGROUND PAPERS</p>	<p>Nil.</p>

1. INTRODUCTION

- 1.1 It is a legislative requirement that the Devon & Somerset Fire & Rescue Authority (the Authority) sets a level of revenue budget and Council Tax for the forthcoming financial year, before 1 March, in order that it can inform each of the fifteen Council Tax billing authorities within Devon and Somerset of the level of precept required from the Authority for 2018-19. The purpose of this report is to provide the necessary financial background for consideration to be given as to what would be appropriate levels for the Authority.
- 1.2 The Localism Act 2011 includes provisions which require a local authority to hold a Council Tax referendum where an authority's Council Tax increase exceeds the Council Tax "excessiveness principles" applied for that year.
- 1.3 On 19 December 2017, the Department for Communities and Local Government (DCLG) announced as part of the provisional Local Government Settlement the Council Tax limit to be applied in 2018-19. This is to be 3.0% which, if exceeded, would trigger the need to hold a referendum.
- 1.4 Given that the administration costs associated with holding a local referendum for the Service for one year are estimated to be in the region of £2.3m, this report does not include any proposals to go beyond the referendum limit. Instead, it considers two options, A and B below, of which the maximum proposed increase is 2.99%:
- **OPTION A** – Freeze Council Tax at 2017-18 level (£81.57 for a Band D Property).
 - **OPTION B** – Increase Council Tax by 2.99% above 2017-18 - an increase of £2.44 pa (20p a month) to £84.01 for Band D Property.
- 1.5 On the 25 January 2018 finance officers of the Authority were notified by DCLG that the Tariff and Top Up amounts used to calculate the National Non-Domestic Rates (NNDR) element of government funding issued in the Provisional Local Government Finance Settlement were subject to change due to updated information being made available by the Valuations Office. Any changes arising from the updated valuation information and in particular the multiplier used to reflect inflation would be adjusted for in the Final Settlement.
- 1.6 As this information is not yet available (due later in February 2018) it is proposed that any resulting adjustments to the net revenue budget requirement for 2018-19, up to £50,000, be offset against the NNDR smoothing reserve and that this is delegated to the Director of Finance (Treasurer) for action once the Final Settlement figures are published.
- 1.7 The Authority is asked to review the contents of this report along with recommendations from the Resources Committee of 8 February 2018 in determining the level of Council Tax precept and resulting net revenue budget for 2018-19.

2. LOCAL GOVERNMENT FINANCE SETTLEMENT 2018-19

- 2.1. The provisional Local Government Finance Settlement was announced on 19 December 2017, which provided local authorities with individual settlement funding assessment figures for 2018-19, and confirmed figures for 2019-20 as offered by the four-year settlement which has been accepted by the Authority.

- 2.2. Table 1 provides details of the Settlement Funding Assessment (SFA) for this Authority which results in a reduction in 2018-19 of 11.1% over 2017-18 and an overall reduction of 25.4% by 2019-20:

TABLE 1 – SETTLEMENT FUNDING ASSESSMENT (SFA)			
	SFA	SFA Reduction	
	£m	£m	%
2015-16	29.413		
2016-17	26.873	(2.540)	-8.6%
2017-18	23.883	(2.990)	-11.1%
2018-19	22.618	(1.265)	-5.3%
2019-20	21.950	(0.669)	-3.0%
Reduction over 2015-16		(7.463)	-25.4%

- 2.3. With regard to the accepted offer of a four-year settlement, the Government has made a clear commitment to provide central funding for the period of the Spending Review to those authorities that choose to accept the offer and have published an Efficiency Plan. A confirmation letter was received by the Authority on 14 December 2016 from the Minister of State for Policing and Fire Service confirming the settlements until 2019-20.
- 2.4. In practice, final figures for each year are subject to changes in the business rates multiplier which is based on the Retail Prices Index in September each year. However, barring exceptional circumstances, e.g. transfer of new responsibilities between authorities, and subject to the normal statutory consultation process for the local government finance settlement, the government expects the future year figures to be presented to Parliament each year.
- 2.5. In addition to the settlement figures reported in Table 1 above, the Authority has been awarded a share of a £65m Rural Services Delivery Grant which is only available to the most sparsely populated rural areas. The award is £340k for 2018-19. This grant will be paid as a Section 31 grant (which means it is not in base funding) and is therefore included as income within the draft budget proposed in this report.

3. REQUIREMENT TO HOLD A LOCAL REFERENDUM FOR EXCESSIVE COUNCIL TAX INCREASES

- 3.1 Since 2013-14 there has been a requirement for an authority to hold a local referendum should it propose to increase Council Tax beyond a government set limit (principles), which for this Authority results in estimated referendum costs of £2.3m. The Service has asked DCLG to consider an alternative set of principles for fire and rescue authorities (most recent letter to DCLG in October 2017 – copy included at Appendix C to this report) that would apply a cash amount, e.g. £5, rather than applying a percentage increase.
- 3.2 On 19 December 2017, DCLG announced the referendum threshold to be applied in 2018-19 is 3.0% for the next two years, an increase of 1.0% over the 2017-18 limit. Whilst this is disappointing given that Police and Crime Commissioner areas have been given the flexibility to adopt a £12 threshold in 2018-19, the increase to the referendum limit recognises that Fire and Rescue Authorities are facing increasing inflationary pressures.

3.3 Due to the high proportion of people costs, pay awards have a significantly higher impact on the Authority's revenue budget than the effect of price rises on goods and services. Whilst not explicitly stated in the provisional finance settlement, it is likely that the raising of the referendum threshold to 3% is in recognition of likely pay awards.

3.4 Each 1% pay award for staff costs the Authority £0.517m and this budget proposal contains provision for a 3% pay award for uniformed staff.

4. **COUNCIL TAX AND BUDGET REQUIREMENT 2018-19**

Council Tax

4.1. Unlike in the previous Spending Review period, the Government has not overtly laid out any expectation that local authorities should freeze Council Tax, and therefore, there is no offer of a Council Tax Freeze Reward Grant to those authorities that freeze or reduce Council Tax in 2018-19.

4.2. It is, of course, still an Authority decision to set a level of Council Tax that is appropriate to its funding position. For 2018-19, this report considers two options A and B as below:

- **OPTION A** – Freeze Council Tax at 2017-18 level (£81.57 for a Band D Property);
- **OPTION C** – Increase Council Tax by £2.99% above 2017-18 - an increase of £2.44 pa (20p a month) to £84.01 for Band D Property.

4.3. The Committee could decide to set any alternative level below 3%. Each 1% increase in Council Tax represents an 82p a year increase for a Band D property, and is equivalent to a £0.487m variation on the revenue budget. In relation to the referendum option, it is the Treasurer's view that given the costs of holding a referendum (circa £2.3m), it is not a viable option for the Authority to consider a Council Tax increase in excess of the 3% threshold.

4.4. As outlined in Table 2 below, Option A would result in a net funding reduction for the Authority whilst Option B would result in increased funding.

TABLE 2 – OPTIONS FOR COUNCIL TAX CHANGE – REDUCTION IN FUNDING 2018-19

	OPTION A	OPTION B
	Council Tax Freeze at £81.57	Council Tax Increase of 2.99% to £84.01
	£m	£m
TOTAL FUNDING 2017-18	72.596	72.596
Reduction in Formula Funding	(1.355)	(1.355)
Increase in Retained Business Rates from Business Rate Retention System.	0.675	0.675
<u>Changes in Council Tax Precept</u>		
- increase in Council Tax Base	0.721	0.721
- resulting from an increase in Band D Council Tax	-	1.462
- Decrease in Share of Billing Authorities Council Tax Collection Funds	(0.228)	(0.228)
Net Change in precept income	0.493	1.955
TOTAL FUNDING AVAILABLE 2018-19	72.409	73.871
NET CHANGE IN FUNDING	(0.187)	1.275

Council Tax Base

- 4.5. The total reduction in government funding of £1.355m was expected and planned for, the Service had also anticipated an increase in Council Tax receipts of 1.35% arising from house building in the area, although the actual increase has been even higher at 1.50%. This increase has been offset by a reduced amount of surplus available to the Authority of £0.228m which reflects a lower percentage of Council Tax collection by districts.

Net Budget Requirement

- 4.6. Table 3 below provides a summary of the Core Budget Requirement for 2018-19. A breakdown of the more detailed items included in this draft budget is included in Appendix A of this report.

TABLE 3 – SUMMARY OF CORE REVENUE BUDGET REQUIREMENT 2018-19

	£m	%
Approved Net Revenue Budget Requirement 2017-18	72.596	
PLUS Provision for pay and price increases (Pay award assumed 3.0% in 2018 for Firefighters)	1.572	2.17%
PLUS Removal of one off income in 2017-18	0.579	0.80%
PLUS Inescapable Commitments	0.338	0.47%
PLUS New Investment	1.184	1.63%
MINUS Changes to income targets	-0.398	-0.55%
CORE SPENDING REQUIREMENT 2018-19	75.871	
INCREASE IN BUDGET OVER 2017-18 (£m)	3.275	4.51%

- 4.7. At the time of writing this report, the Service is reviewing Station Manager roles which includes a job sizing exercise to ensure equitable pay. Any resultant increases to pay would put additional pressure on the wholtime pay bill going forward as well as potential back pay. The structure of management roles is being considered and future post reductions could be used to offset the additional cost. Given that neither review is complete provision has not been made for these changes within the 2018-19 revenue budget and will need to be reflected in year via the budget monitoring process.

Budget Savings

- 4.8. As is indicated in Table 3, the Core Budget Requirement for 2018-19 (which includes provision for pay and inflation, inescapable commitments and new investment) has been assessed as £75.871m. This is more than the amount of funding available under Options A or B and therefore budget savings need to be identified in order that a balanced budget can be set. Table 4 overleaf provides an analysis of on-going savings identified to be delivered in 2018-19.

TABLE 4 – BUDGET SAVINGS 2018-19

REVENUE BUDGET SAVINGS	£m
Authority Pensions – This budget line is subject to fluctuation in the number of Injury and Ill Health retirees anticipated during the year	(0.416)
Estates costs – Resulting from efficiencies in premises maintenance costs and rationalisation of the Estate by moving away from a leased property in Taunton	(0.206)
Debt Charges – As a result of the Authority Strategy to reduce reliance on borrowing, savings are being made on debt charges	(0.089)
BUDGET SAVINGS (£m)	(0.711)

- 4.9. Whilst the Service is confident that savings of £0.711m can be delivered, this still leaves the Authority with a budget shortfall in order that it can set a balanced budget for 2018/19. Based on Option B (increase of 2.99% of Council Tax) this shortfall is £1.3m. If Council Tax is frozen, the funding shortfall will increase to £2.8m. The shortfall is outlined in Table 5.

TABLE 5 – BUDGET SHORTFALL 2018-19

SUMMARY OF ADDITIONAL SAVINGS REQUIREMENT	OPTION A	OPTION B
Net change in funding over 2017-18	(0.187)	1.275
Increase in spending requirement since 2017-18	3.275	3.275
Savings requirement 2018-19	(3.462)	(2.000)
Less Budget savings already achieved	(0.711)	(0.711)
FUNDS REQUIRED TO BALANCE BUDGET	(2.751)	(1.289)

- 4.10. Funding pressures and the reduction in available budget has resulted in officers considering either a reduction in revenue contribution to capital budget or relying on earmarked reserves to meet the shortfall. Given the need to maintain the Comprehensive Spending Review (CSR) earmarked reserve to fund future change activity, the proposal is for the Authority to reduce its revenue contribution to Capital in 2018-19. The Authority has a published strategy to reduce reliance on borrowing to fund capital projects and has been successful in building a reserve for Capital funding over the last few years (forecast to be £17.6m at the end of 2017-18). Reducing the budget for Revenue contribution to capital is only a short term solution as this budget requirement will increase to circa £5m a year in the future if the Authority is to avoid further borrowing.
- 4.11. Given the healthy capital reserve, reducing the budget for revenue contribution to capital presents minimal short term risk but continuing this practice will result in pressure on capital budgets over a 5-10 year period. Borrowing to support capital increases the pressure on revenue budgets through interest charges and Minimum Revenue Provision (the amount which the Authority has a regulatory responsibility to set aside each year to repay debt). Supporting capital expenditure through revenue budgets represents a sound and prudent approach to long term financial planning. A Council Tax freeze would increase the likelihood of having to borrow to support Capital expenditure in the future, which is contrary to the financial strategy that the Authority has followed in recent years.
- 4.12. As outlined in Paragraphs 4.5 and 4.7 to 4.11 above, it is proposed as part of this draft budget that, in the event of a 2.99% increase to Council Tax (Option B) the revenue contribution to capital expenditure is reduced by £1.289m to £2.384m (of which an amount of £0.300m is earmarked from Red One contribution) in order to balance the budget for the 2018-19 financial year.
- 4.13. Each 1% increase in Council Tax income represents £0.487m of additional funding which could be used to support our future capital programme, some examples of what could be funded by maintaining a revenue contribution to capital as a result of a Council Tax increase of 2.99% are outlined below:

Item of Capital Expenditure	Illustrative quantity which could be funded under Option B (£2.384m of Capital Funding available)	Total cost
RDS Fire Station Rebuild	2	£1,800,000
Medium Rescue Pump	8	£2,320,000
Rapid Intervention Vehicle	21	£2,352,000

- 4.14. Should the Committee decide to recommend to the Authority Council Tax Option A (Council Tax Freeze), then the Revenue Contribution to fund Capital Expenditure would be reduced by a total of £2.8m to £0.922m.

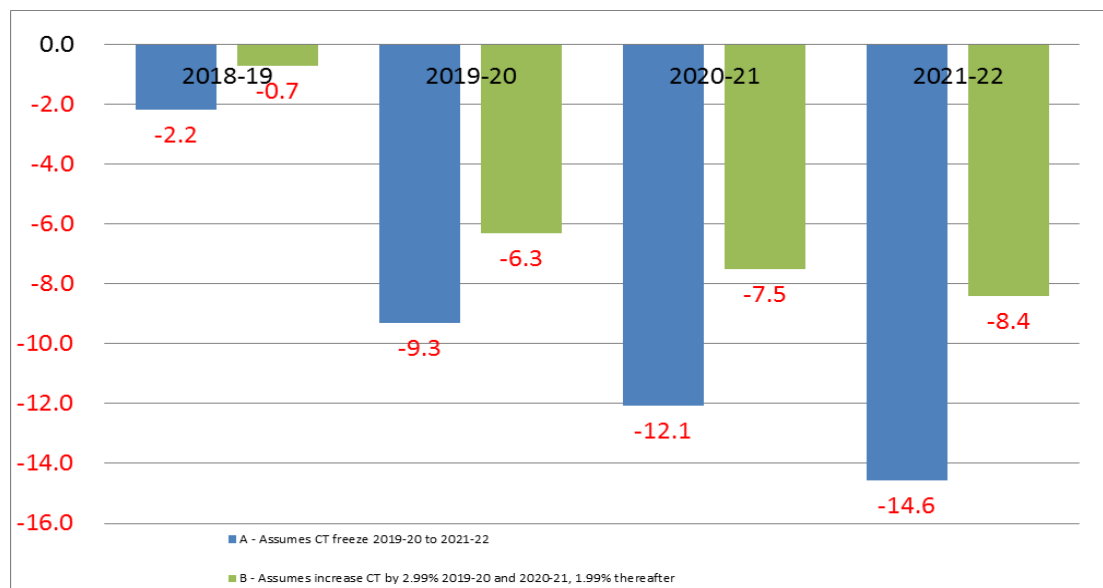
TABLE 6 – PROPOSALS TO BALANCE 2018-19

	OPTION A Council Tax Freeze at £81.57	OPTION B Council Tax Increase of 2.99% to £84.01
PROPOSALS TO BALANCE THE REVENUE BUDGET		
Revenue Contribution to Capital – Reducing the budget for Revenue contribution to capital is only a short term solution as this budget requirement will increase to circa £5m a year in the future if the Authority is to avoid further borrowing	(2.751)	(1.289)

5. MEDIUM TERM FINANCIAL PLAN

- 5.1 Given that indicative grant figures up to 2019-20 have been received, there is now greater certainty of the funding situation over the short term. This means that the Medium Term Financial Plan (MTFP) needs to be planning for further significant reductions beyond the saving of £0.711m achieved in 2018-19.
- 5.2 Clearly it is difficult to provide forecasts into future years with absolute certainty, particularly in relation to future pay awards (which are likely to see significant increase), inflationary increases and changes in pension costs. Key assumptions have therefore had to be made in our forecasts which will inevitably be subject to change. Prudent forecasts of future budgets can, however, be used to refresh the Authority’s MTFP to inform financial planning and provide updated forecasts of the levels of budget reductions required by 2021-22 to balance the budget.
- 5.3 The MTFP financial modelling tool has assessed a likely ‘base case’ scenario in terms of savings required over the period 2019-20 to 2021-22. Chart 1 provides an analysis of those forecast savings required in each year.

CHART 1 – FORECAST BUDGET SAVINGS REQUIREMENT (CUMULATIVE) 2018 TO 2022 (BASE CASE) - £MILLIONS



- 5.4 Chart 1 illustrates that further savings will be required beyond 2018-19 to plan for a balanced budget over the next three years to 2021-22. Should the Authority decide to freeze Council Tax in 2018-19 (Option A) and the following three years then the MTFP forecast that further savings of £14.6m need to be planned for.
- 5.5 As is stated earlier in this report each 1% increase in Council Tax results in additional precept of £0.487m. Should it be agreed to increase Council Tax by 2.99% in 2018-19 (Option B) and by the maximum increase (not subject to a decision at this meeting) in each year from 2019-20 to 2021-22 then the saving target by 2020-22 would be reduced from £14.6m to £8.4m.

6. PLANS TO DELIVER SAVINGS 2018-2022

Our Plan 2018 onwards

- 6.1 This budget report proposes a balanced budget for the next financial year 2018-19 including proposals as to how budget savings can be achieved.
- 6.2 Looking beyond 2018-19 it is clear that the Authority needs to plan for the delivery of further recurring savings to ensure that balanced budgets can be set in each year of the Spending Review period. The strategic approach to deliver the required savings is targeted against the three broad headings of:
- **Reducing our costs** (reductions against budget lines);
 - **Reduce Support Costs** (staffing budget lines);
 - **Reduce Operational Costs** (staffing budget lines).

- 6.3 On the 30 September 2016, the Authority approved the offer of a 4 year settlement proposed by the Home Office on the condition that it publishes a 4 year Efficiency Plan. This plan was submitted to and agreed by the Home Office and can be found at:

<https://fireauthority.dsfire.gov.uk/documents/g332/Public%20reports%20pack%2030th-Sep-2016%2014.00%20Devon%20Somerset%20Fire%20Rescue%20Authority.pdf?T=10>.

- 6.4 In the ensuing time period, a new Integrated Risk Management Plan (IRMP) is under development and change plans including financial implications will be brought to the Authority depending on the outcome of the IRMP consultation.

7. PRECEPT CONSULTATION 2018-19

Background

- 7.1 Section 65 of the Local Government Finance Act (1992) requires precepting authorities to consult non-domestic ratepayers on proposals for expenditure.
- 7.2 In addition to the statutory requirement, members of the public have in previous years also been consulted as it was deemed appropriate to include the public's views on the option of increasing Council Tax at a time of economic difficulty.
- 7.3 At its meeting on 20 October 2017 the Fire Authority considered the issue of Council Tax precept consultation and resolved (Minute DSFRA/41 refers):
- that, consultation in relation to the budget and precept for 2018-19 be conducted on the basis of:*
- *A telephone survey for both business and the public;*

- *A street survey for the public; and*
- *Use of social media*

with all associated costs not to exceed £13,500.

7.4 In line with the Authority decision, arrangements were made for a telephone survey to be undertaken with the business community and members of the public. The key specifications for the survey were:

- To ask four key questions on the precept, value for money and satisfaction
- To request demographic information
- To collect answers to both closed and open questions
- To provide a representative sample of 400 businesses by constituent authority area (Devon County Council; Plymouth City Council; Somerset County Council; and Torbay Council).

7.5 It was not possible to conduct a street survey of members of the public in addition to the telephone survey within the budget available. A decision was made by the Executive Board that resources should be focused on promotion of the consultation online and through social media.

7.6 The telephone survey was conducted by BMG Research, an external contractor, at a cost of £11,750.

7.7 An online survey was also created using the telephone survey script and a link provided on the Service's website. This was promoted through the Service's social media platforms Facebook and Twitter. In addition to the online survey and to make use of social media platforms, a Twitter poll was created asking Twitter users their opinions on the level of Council Tax increase they considered reasonable. The only costs incurred for the online and social media consultation were those of internal staff time.

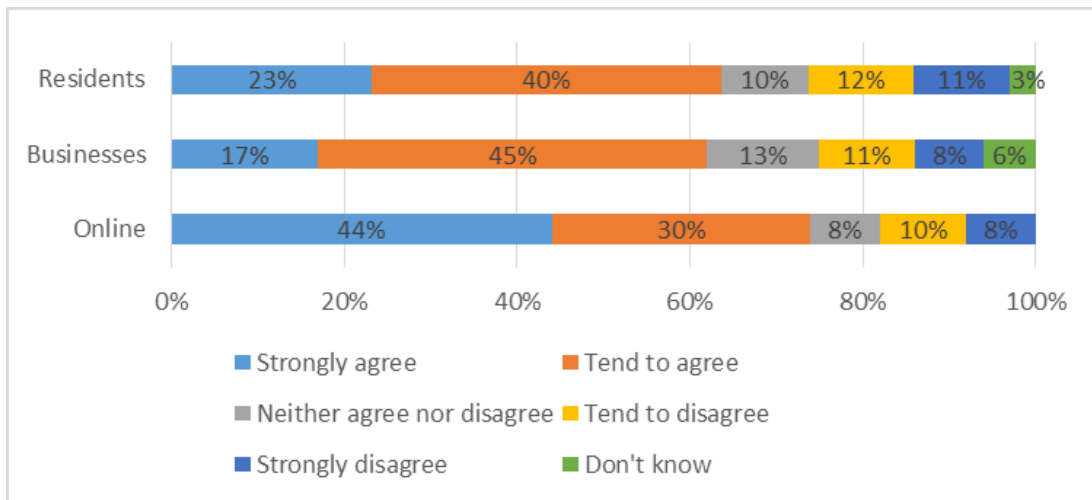
7.8 The consultation period ran from the week beginning Monday 13 November 2017 until Monday 18 December 2017. A summary of the results are displayed below, combining the telephone and online responses. It would not be appropriate to combine the Twitter responses as the context and methodology of the poll differed to that of the telephone and online surveys. Due to rounding the percentages in the graphs may equal 100% + or – 1%. The full results of the telephone survey, online survey and Twitter poll can be found in Appendices D and E.

Results

Question 1: How strongly do you agree or disagree that it is reasonable for the Authority to consider increasing its Council Tax charge for 2017/18 in order to lessen the impact of the funding cuts?

7.9 The results for Question one, shown in Chart 1 overleaf, illustrate that the majority of business respondents (62%) agreed that it would be reasonable for the Authority to consider increasing the precept to lessen the impact of funding cuts. Members of public were also positive with 63% in agreement that it was reasonable for the Authority to consider increasing Council Tax charges. Online responses were even more positive with 73% in support for increasing the precept.

Chart 1: Question 1 results of agreement to consider increasing the precept

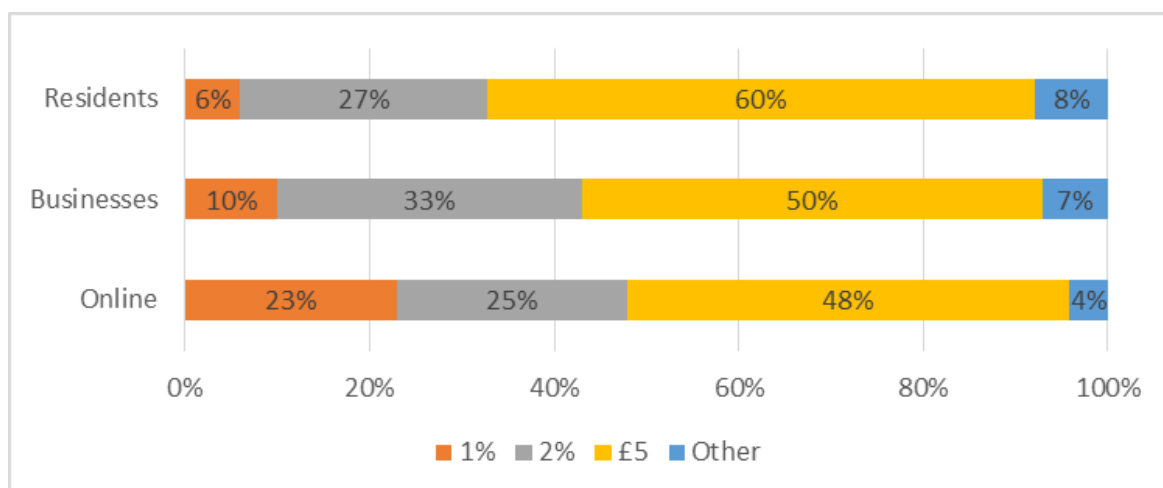


Unweighted sample base: 400 businesses, 400 residents, 50 online

N.B Online responses have not been separated into business and residents due to the low sample size.

- 7.10 The results of the telephone business survey have remained fairly consistent over the last three years: from 57% in 2015, 61% in 2016 and 64% in 2017. The results from the telephone survey with members of the public showed a decrease in agreement over previous years from 79% in 2015, 85% in 2016 and 71 % in 2017. The decrease could be attributed to the move away from face to face surveys to a telephone survey, where a less personal survey elicits a different response.
- 7.11 These results suggest strong support for the Authority to consider increasing the precept to minimise the impact of cuts to the government grant.
- 7.12 Those respondents who disagreed to Question 1 were asked why and their responses recorded. Typical comments received have been included in the full reports in Appendix D.
- 7.13 Respondents who agreed that the Authority should consider increasing the precept were asked:
Question 2: What level of increase would you consider is reasonable for the Authority to increase its element of the Council Tax charge by?
- 7.14 The majority of business respondents (50%) were in favour of a £5 increase to the precept as seen in Chart 2 overleaf. Similarly, the majority of public respondents (60%) were also in favour of a £5 increase. 48% of respondents to the online survey were also in support of a £5 increase.

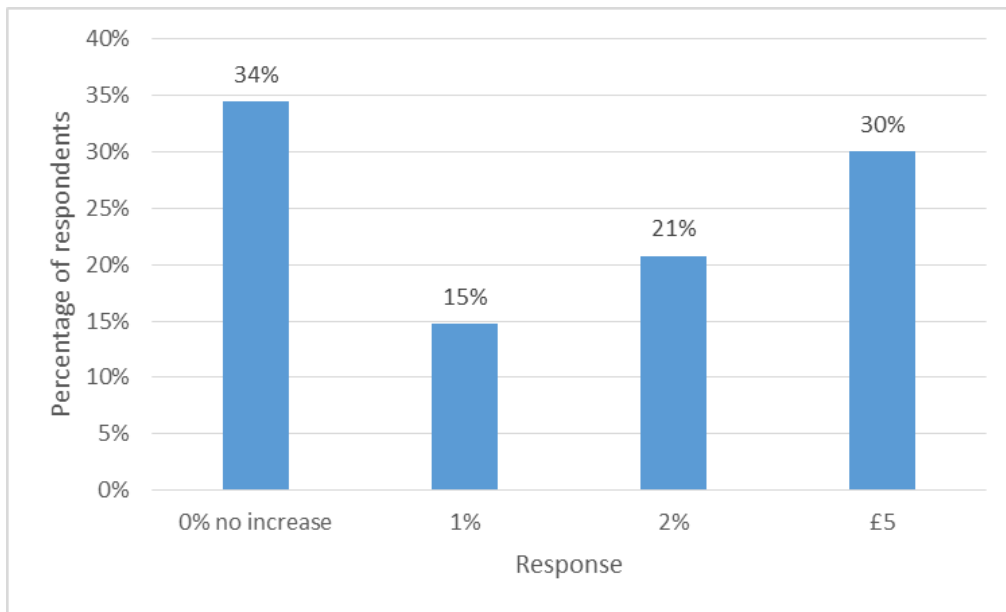
Chart 2: Question 2 results of options to increase the precept



Unweighted sample base: 252 businesses, 242 residents, 48 online

- 7.15 It is not possible to compare these results with previous years as the option of a £5 increase was not previously consulted upon. In 2017, a 2% increase was supported, with 74% from businesses and 60% from members of the public.
- 7.16 Conversely, the results of the Twitter poll indicate that most respondents did not consider an increase in Council Tax charges reasonable. The question posed on Twitter was as follows:
- Devon and Somerset Fire and Rescue Authority is considering its Council Tax charges for 2018/19. The current charge is £81.57 a year for a Band 'D' property. What level of increase would you consider reasonable? For more information visit our website dsfire.gov.uk/consultation.*
- 0% no increase
 - 1%
 - 2%
 - £5 for band D (pro rata)
- 7.17 The Service received a total of 178 responses to the Twitter poll.
- 7.18 The chart overleaf indicates that 34% of respondents to the Twitter poll voted for no increase, as opposed to 30% who voted for a £5 increase. This could be attributed to the different demographic of Twitter users, or to the difference in methodology.

Chart 3: responses to the Twitter poll

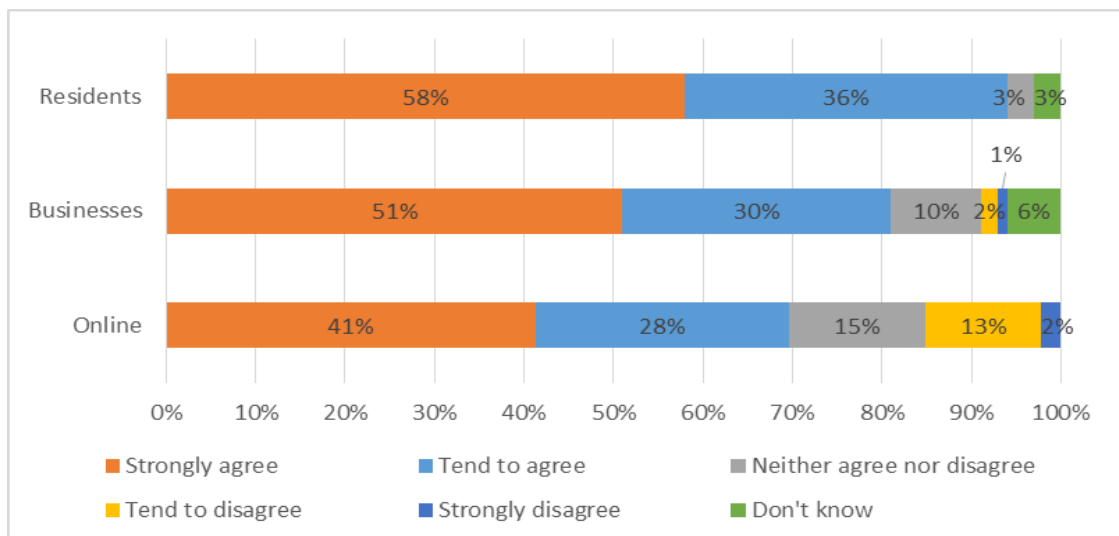


7.19 Although less so from Twitter users, the responses overall suggest support for the Authority to consider increasing the precept by £5 to minimise the impact of cuts to the government grant.

7.20 Question 3: How strongly do you agree or disagree that Devon and Somerset Fire and Rescue Service provides value for money?

7.21 For businesses, 81% agreed that the Service provides value for money. For members of the public 94% agreed that the Service provides values for money, with no respondent disagreeing to this. The online responses were slightly less positive than the telephone surveys, with 69% agreeing that the Service provides value for money.

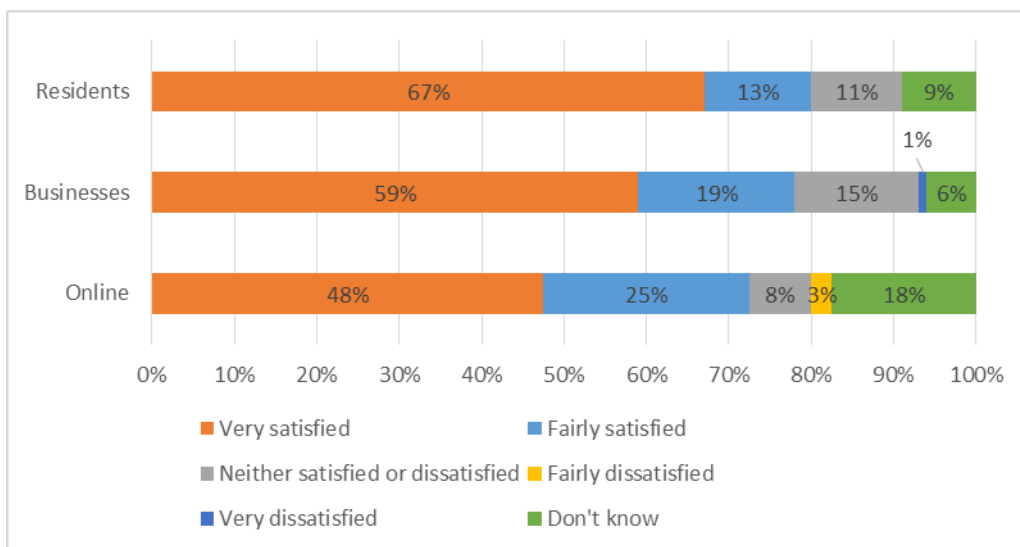
Chart 4 – Question 3 How strongly do you agree or disagree that the Service provides value for money?



Unweighted sample base: 400 businesses, 400 residents, 46 online

- 7.22 The level of agreement from businesses (81%) has been fairly consistent over the last three years, with 81% in 2015, 79% in 2016 and 83% in 2017. The trend for members of the public, although slightly more positive this year (94%) is fairly consistent; 99% in 2015, 93% in 2016 and 89% in 2017.
- 7.23 The results suggest that residents and businesses are satisfied that the Service provides value for money.
- 7.24 Question 4: How satisfied or dissatisfied are you with the service provided by Devon and Somerset Fire and Rescue Service?
- 7.25 Chart 5 below shows that the majority of respondents were satisfied with the service provided by the Service (78% from businesses and 80% from members of the public, 73% from the online survey).

Chart 5: Question 4 results of satisfaction with Service.



Unweighted sample base: 400 businesses, 400 residents, 40 online

- 7.26 Levels of satisfaction for businesses appear fairly consistent over the last three years with results of 77% satisfaction recorded in 2017, 76% in 2016 and 74% in 2014. Levels of satisfaction for members of the public show an increase on last year at 77% (prior to 2017, this question was not included in the face to face survey with members of the public in order to reduce the time taken to complete the survey; therefore no trend analysis is available.)
- 7.27 The results suggest that residents and businesses are satisfied with the service provided by the Service.
- Survey conclusion**
- 7.28 The results of the consultation indicate that a significant majority of respondents feel it would be reasonable for the Authority to consider increasing its precept for 2018/19. Those who agreed that it would be reasonable to consider an increase in the Council Tax precept were predominantly in favour of a £5 increase (50% of business respondents, 60% of public respondents, 48% of online respondents, but only 30% of Twitter respondents).

7.29 Since the survey was conducted, DCLG have confirmed that the maximum amount of Council Tax increase before a referendum is triggered is 3% and therefore a suggested Council Tax increase of 2.99%, equivalent to £2.44 for a Band D property is included within this report. The increase outlined in Option B of 2.99% represents a reduction against the maximum consultation figure of £5.00 or 6.13%.

7.30 Both business respondents and members of the public agreed that the Service provides value for money, at around £42 per head of the population per year, and were satisfied by the service provided by Devon and Somerset.

8. STATEMENT ON ROBUSTNESS OF BUDGET ESTIMATES AND THE ADEQUACY OF THE LEVELS OF RESERVES AND BALANCES

8.1. It is a legal requirement under Section 25 of the Local Government Act 2003 that the person appointed as the 'Chief Finance Officer' to the Authority reports on the robustness of the budget estimates and the adequacy of the level of reserves. The Act requires the Authority to have regard to the report in making its decisions. This statement is included as Appendix B to this report.

9. CONCLUSION

9.1 The Authority is required to set its level of revenue budget and Council Tax for 2018-19 by 1 March so that it can meet its statutory obligation to advise each of the fifteen billing authorities in Devon and Somerset of the required level of precept. This report provides Members with the necessary background information to assist them in making decisions as to the appropriate levels for the Authority.

9.2 The report considers two potential options A and B and asks the Authority to consider the financial implications associated with each option with a determining the level of Council Tax and Core Revenue Budget requirement for 2018-19.

AMY WEBB
Director of Finance (Treasurer)

GLENN ASKEW
Chief Fire Officer

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APPENDIX A TO REPORT DSFRA/18/1

DRAFT REVENUE BUDGET REQUIREMENT 2018-19 (BASED UPON OPTION B FOR ILLUSTRATIVE PURPOSES)

	£'000	2018/2019 £000	%
Approved Budget 2017-18		72,596	
<u>Provision for pay and prices increase</u>			
Uniformed Pay Award (assume 3.0% from July 2018)	932		
Non-uniformed Pay Award (assume 2% from April 2018)	205		
Prices increases (assumed 2.7% CPI from April 2018)	352		
Pensions inflationary increase (tracks CPI)	83		
		1,572	2.2%
<u>Funding Adjustments</u>			
Removal of Reserve funding of revenue budget 2017-18	579		
Removal of USAR grant income for 2018-19 as funds received in advance	945		
USAR income to be transferred in from Reserves	-945		
		579	
<u>Inescapable Commitments</u>			
Support Staff Increments	29		
Network Fire Services Partnership	103		
Retained pay - Fixed/variable/NI/Super all increased	145		
Cumulative minor budget variances	61		
		338	
<u>New Investment</u>			
Fleet equipment previously in capital programme	619		
Increase in Prevention Activity	404		
New apprentice posts	85		
ICT Service Development changes	44		
Fire Safety School training & seminars	32		
		1,184	
<u>Income</u>			
Increase Red One Contribution target	-223		
Increase Co-responder Activity	-61		
Sparsity and Section 31 grants	-114		
		-398	
<u>Anticipated savings</u>			
Pensions - anticipate reduced Ill Health/ Injury leavers	-416		
Chiltern House closure	-102		
Estates (Property Maintenance)	-104		
Revenue Contribution to Capital	-1,289		
Decrease in debt charges emanating from agreed capital programme	-89		
		-2,000	
Transfer from Reserves			
CORE BUDGET REQUIREMENT		73,871.0	

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STATEMENT OF THE ROBUSTNESS OF THE BUDGET ESTIMATES AND THE ADEQUACY OF THE DEVON AND SOMERSET FIRE AND RESCUE AUTHORITY LEVELS OF RESERVES

It is a legal requirement under Section 25 of the Local Government Act 2003 that the person appointed as the 'Chief Finance Officer' to the Authority reports on the robustness of the budget estimates and the adequacy of the level of reserves. The Act requires the Authority to have regard to the report in making its decisions.

THE ROBUSTNESS OF THE 2018-19 BUDGET

The net revenue budget requirement for 2018-19 has been assessed as £73.870m (Option B in report). In arriving at this figure a detailed assessment has been made of the risks associated with each of the budget headings and the adequacy in terms of supporting the goals and objectives of the authority as included in the Corporate Plan. It should be emphasised that these assessments are being made for a period up to the 31 March 2018, in which time external factors, which are outside of the control of the authority, may arise which will cause additional expenditure to be incurred. For example, the majority of retained pay costs are dependent on the number of call outs during the year, which can be subject to volatility dependent on spate weather conditions. Other budgets, such as fuel are affected by market forces that often lead to fluctuations in price that are difficult to predict. Details of those budget heads that are most at risk from these uncertainties are included in Table 1 overleaf, along with details of the action taken to mitigate each of these identified risks.

Whilst there is only a legal requirement to set a budget requirement for the forthcoming financial year, the Medium Term Financial Plan (MTFP) provides forecasts to be made of indicative budget requirements over a four year period covering the years 2019-20 to 2021-22. These forecasts include only prudent assumptions in relation future pay awards and prices increases, which will need to be reviewed in light of pay settlements and movement in the Consumer Prices Index.

TABLE 1 – BUDGET SETTING 2018-19 ASSESSMENT OF BUDGET HEADINGS MOST SUBJECT TO VOLATILE CHANGES

Budget Head	Budget Provision 2018-19 £m	RISK AND IMPACT	MITIGATION
Wholetime Pay Costs	28.7	Wholetime Pay represents nearly a third of Service costs. There is a high level of uncertainty around future pay increases, particularly whether pay awards will be linked to a change to the Firefighter role map to include emergency medical response. Each 1% pay award is equivalent to £xxx of additional pressure on the revenue budget. It is not anticipated that any additional funding will be allocated for pay and therefore large increases could mean the Authority needs to utilise reserves in order to balance its budget.	An unfunded pay award of 3% has been factored in to the budget for 2018-19 which represents a prudent approach.
Retained Pay Costs	12.8	A significant proportion of costs associated with retained pay is directly as a result of the number of calls responded to during the year. The level of calls from year to year can be volatile and difficult to predict e.g. spate weather conditions. Abnormally high or low levels of calls could result in significant variations against budget provision.	In establishing a General Reserve for 2018-19 an allowance has been made for a potential overspend on this budget
Fire-fighter's Pensions	2.7	Whilst net pension costs funded by the government through a top-up grant arrangement, the Authority is still required to fund the costs associated with ill-health retirements, and the potential costs of retained firefighters joining the scheme.	In establishing a General Reserve for 2018-19 an allowance has been made for a potential overspend on this budget
Insurance Costs	0.8	The Fire Authority's insurance arrangements require the authority to fund claims up to agreed insurance excesses. The costs of these claims are to be met from the revenue budget. The number of claims in any one-year can be very difficult to predict, and therefore there is a risk of the budget being insufficient. In addition some uninsured costs such as any compensation claims from Employment Tribunals carry a financial risk to the Authority.	In establishing a General Reserve for 2018-19 an allowance has been made for a potential overspend on this budget
Fuel Costs	0.7	As fuel prices are slowly starting to increase it is highly possible that inflationary increases could be in excess of the budget provided.	In establishing a General Reserve for 2018-19 an allowance has been made for a potential overspend on this budget
Treasury Management Income	(0.2)	As a result of the economic downturn in recent years, and the resultant low investment returns, the ability to achieve the same levels of income returns as in previous years is diminishing. The uncertainty over future market conditions means that target investment returns included in the base budget could be at risk.	The target income for 2018-19 has been set at a prudent level of achieving only a 0.6% return on investments. Budget monitoring processes will identify any potential shortfall and management informed so as any remedial action can be introduced as soon as possible.
Income	(0.7)	Whilst the authority has only limited ability to generate income, the budget has been set on the basis of delivering £0.7m of external income whilst setting the reliance on the Service budget for Red One Income at £0.3m. Due to economic uncertainty this budget line may be at risk.	Budget monitoring processes will identify any potential shortfall and management informed so as any remedial action can be introduced as soon as possible.
Capital Programme	10.3	Capital projects are subject to changes due to number of factors; these include unforeseen ground conditions, planning requirements, necessary but unforeseen changes in design, and market forces.	Capital projects are subject to risk management processes that quantify risks and identify appropriate management action. Any changes to the spending profile of any capital projects will be subject to Committee approval in line with the Authority Financial Regulations.
Business Rates	(0.9)	There is a high degree of uncertainty over levels of Retained Business rates income and the method of allocation between funding and revenue grants in future years.	There is a specific reserve of £0.6m set up for NNDR smoothing in future years which will be utilised to smooth in year changes.

THE ADEQUACY OF THE LEVEL OF RESERVES

Total Reserve balances for the Authority as at April 2017 is £35.3m made up of Earmarked Reserves (committed) of £30.0m, and General Reserve (uncommitted) of £5.3m. This will decrease by the end of the financial year as a result of planned expenditure against those reserves during the year. A General Reserve balance of £5.3m is equivalent to 7.3% of the total revenue budget, or 27 days of Authority spending, and places the Authority in the middle quartile when compared to other fire and rescue authorities.

The Authority has adopted an “in principle” strategy to maintain the level of reserves at a minimum of 5% of the revenue budget for any given year, with the absolute minimum level of reserves only being breached in exceptional circumstances, as determined by risk assessment. This does not mean that the Authority should not aspire to have more robust reserve balances based upon changing circumstances, but that if the balance drops below 5% (as a consequence of the need to utilise reserves) then it should immediately consider methods to replenish the balance back to a 5% level.

It is pleasing that the Authority has not experienced the need to call on general reserve balances in the last five years to fund emergency spending, which has enabled the balance, through budget underspends, to be increased to a level in excess of 5%. The importance of holding adequate levels of general reserves has been highlighted on a number of occasions in recent times, the impact of flooding and the problems experienced by the global financial markets are just two examples of external risks which local authorities may need to take into account in setting levels of reserves and wider financial planning.

CONCLUSION

It is considered that the budget proposed for 2018-19 represents a sound and achievable financial plan, and will not increase the Authority’s risk exposure to an unacceptable level. The estimated level of reserves is judged to be adequate to meet all reasonable forecasts of future liabilities.

AMY WEBB
Director of Finance (Treasurer)

GLENN ASKEW
Chief Fire Officer

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Date : 20th October 2017
Please ask for : Mr Woodward
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Dear Sir,

**LOCAL GOVERNMENT FINANCE SETTLEMENT 2018-19 – TECHNICAL
CONSULTATION PAPER**

I am writing to you on behalf of Devon and Somerset Fire and Rescue Authority (the Authority) in response to the above consultation.

The Authority welcomes the opportunity to provide a response to the consultation paper and provides at responses to those specific questions included in the document that have an impact to fire and rescue authorities.

Yours sincerely

Kevin Woodward
Treasurer to Devon and Somerset Fire and Rescue Authority

RESPONSE TO QUESTIONS

We provide below our responses to the specific questions raised in the consultation document. **Please note that we are not responding to all of the Consultation Questions, just those that we consider to be especially relevant to fire and rescue authorities.**

Section 2.1 – The multi-year settlement offer – certainty over funding.

Question 1: Do you agree that the government should continue to maintain the certainty provided by the 4-year offer as set out in 2016-17 and accepted by more than 97% of local authorities?

Response – We agree that the certainty over funding provided by the multi-year offer should continue, however in light of new financial pressures since acceptance of the offer, particularly new ways of working following the catastrophic fire at Grenfell Tower, and pay awards in excess of the 1% included in the 4-year offer, we would want the 2018-19 settlement to announce some additional government funding for fire and rescue authorities to fund these pressures.

Section 4.1 – Council Tax referendum principles for local authorities.

Question 9: Do you have views on Council Tax referendum principles for 2018-19 for principal local authorities?

Question 10: Do you have views on whether additional flexibilities are required for particular categories of authority? What evidence is available to support this specific flexibility?

Response – It is our view that because the cost of holding a referendum is prohibitive for fire and rescue authorities they should be removed from the Council Tax referendum principles altogether.

The relatively low Band D Council Tax figures for FRAs, typically only 4% of the total Council Tax bill for any area, means that the cost of holding the referendum would be totally disproportionate to the additional amount of precept that could possibly be achieved. For instance, for Devon and Somerset Fire and Rescue Authority, which has fifteen billing authorities across its two counties, the cost of holding a referendum has been estimated at £2.3m (equivalent to a 5.5% increase in Council Tax). We could not possibly justify this cost which would represent exceptionally bad value for money to our taxpayers.

If the referendum principles are to continue for fire and rescue authorities then it is our view that the proposed limit of “less than 2%” be revised to be “less than 2% or up to £5, whichever is the higher”. This would provide the same flexibility as offered to other local authority types i.e. all shire district councils and those police authorities with precepts in the lowest quartile. As is illustrated overleaf, the average precept for those groups is significantly higher than that of a fire and rescue authority.

Authority Type	Average Band D Council Tax 2016-17
Fire and rescue authorities	£71.50
Local precepting authorities (Band D >£75.46 and precept >£500k)	£134.28
Police authorities	£174.24
Shire district councils	£174.99

This request for an additional flexibility of a £5 limit was also included in our response to last year's settlement technical consultation and it was very disappointing that no flexibility was offered in the final settlement.

It is our view that the case for this additional flexibility is even more overwhelming this year in the light of new financial pressures on the Service and in the event that no additional government funding is made available to meet these pressures. Recent terrorist incidents and large scale fires such as the Grenfell fire demonstrate that authorities need to be able to respond to a range of incidents. During the current year the UK national threat level has been raised to critical on two occasions to date. It is also likely that a number of recommendations will come from the Grenfell enquiry that will place additional financial burdens on fire and rescue authorities.

Pay and inflation pressures will also have a significant impact to medium term financial plans. The most recent pay offer for firefighters of 2% from July 2017 (and possible further 3% from April 2018 subject to government funding) is more than had been planned during the four-year settlement period. A cost of 2% pay award is almost the same as the additional precept received from a 2% increase leaving no funding to cover inflationary increases and other pressures.

Our medium term financial plan has built in the impact of the £7.3m reductions in grant funding as included in the four-year settlement to 2019-20, and plans are in place to deliver the required efficiency savings to ensure that a balanced budget can be set in each of those years. However we are very concerned that in the event that no additional government funding is made available to meet new cost pressures during this period then the Service will be placed in the position of identifying further efficiency savings which will inevitably include reductions in the number of firefighters.

Our medium term financial plan has also assumed increases in Council Tax of 1.99% in each year. The additional flexibility provided by a £5 cash limit would provide the Authority with an option to mitigate some of the additional cost pressures through increased precept, subject to engagement with its local taxpayers as to how what the level of increase should be and how the additional precept will be utilised.

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Research Report



Council Tax Precept Survey 2018/19

Prepared for: Devon and Somerset Fire and Rescue Service

Council Tax Precept Survey 2018/19

Prepared for: Devon and Somerset Fire and Rescue Service

Prepared by: Sharon Gowland, Research Manager

Date: December 2017



Produced by BMG Research

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Project: 1423

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1 Introduction

1.1 Background and method

In November 2017, Devon and Somerset Fire and Rescue Service (DSFRS) commissioned BMG Research to undertake a survey amongst 400 businesses and 400 residents. The purpose of the surveys was to assess the opinions of business decision makers and residents on how DSFRS should approach setting its budget for 2018/19 and on whether the Service is currently deemed to be providing value for money.

The questionnaire for the survey was provided by DSFRS. The contacts for the survey were purchased by BMG Research from a commercial database provider. To ensure the survey was broadly representative, quotas were set by local authority district (LAD), number of employees and broad industry sector for the business survey and local authority district, age and gender for the resident survey. The data has been weighted (adjusted) by these characteristics to correct for any under or over-representation in the final data set.

In total, 400 interviews with businesses and 400 interviews with residents were completed during December 2017. Details of the profile of the sample can be found in Appendix 1.

On a sample of 400 the confidence interval at the 95% level is +/- 4.3%. This means that if a statistic of 50% was observed, we can be 95% confident that the true response among the total population lies between 45.7% and 54.3%.

This report summarises the main findings from both surveys.

2 Survey Findings

2.1 Whether it is reasonable for DSFRS to consider increasing its element of the Council Tax charge for 2018/19

Respondents were provided with the following contextual information regarding DSFRS:

“Devon and Somerset Fire and Rescue Authority is committed to maintaining a professional service across the two counties whilst addressing the funding cuts passed down by the Government. The Service provides 85 local fire stations across Devon and Somerset and employs approximately 2030 staff, helping to keep safe a population of 1.7 million. On average the Service attends around 17,500 incidents each year, which includes flooding, road traffic collisions, fires and other emergencies. The Authority is seeking feedback about its level of Council Tax precept for the coming year and how satisfied you are with the service it provides.”

They were then informed of the following:

“Devon & Somerset Fire & Rescue Authority is considering its Council Tax charges for 2018/19. The current charge is £81.57 a year for a Band ‘D’ property. Over the last few years the Government has been reducing the funding provided for the fire and rescue service and this means that by 1 April 2018 the funding for Devon & Somerset Fire & Rescue Service will have been reduced by approximately £11.4 million in the last five years. A further £1.7 million reduction will be made by 2019/20.

Respondents were asked how strongly they agree or disagree that it is reasonable for DSFRS to consider increasing its Council Tax charge for 2018/19 in order to lessen the impact of the funding cuts.

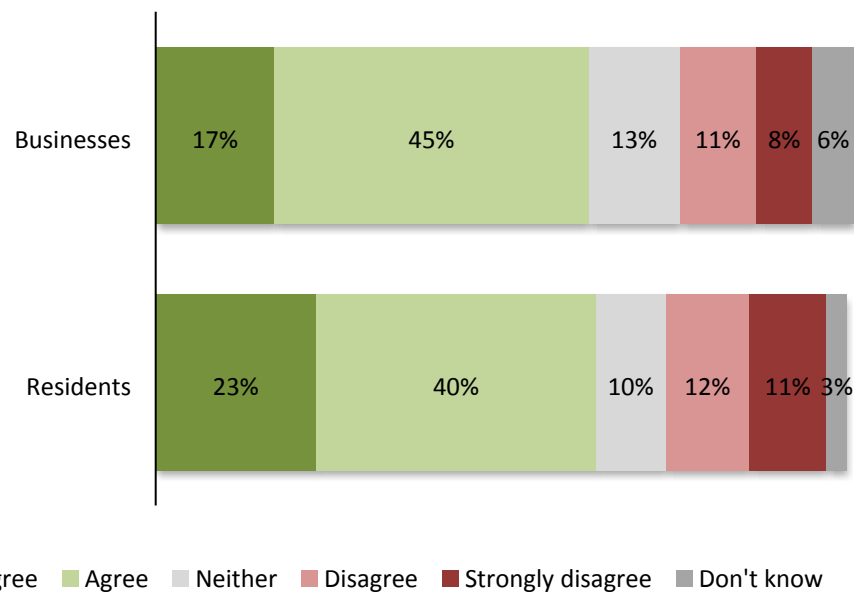
Over three in five (62%) of businesses agreed that it is reasonable for DSFRS to consider increasing its Council Tax charge for 2018/19, while a fifth (19%) disagreed that it is reasonable for them to do so, resulting in a net agreement¹ of +43%.

Agreement was consistent by industry sector, gender and age. Respondents in Torbay were somewhat more positive (71% agreed it is reasonable for DSFRS to consider increasing its Council Tax charge). Perhaps unsurprisingly those respondents who had used a DSFRS service were significantly more likely to agree (67% compared to 57% who have not used a DSFRS service).

Over three in five (63%) of residents agreed that it is reasonable for DSFRS to consider increasing its Council Tax charge for 2018/19, while close to a quarter (23%) disagreed, giving a net agreement of +40%.

Residents in Devon were significantly more likely to agree (70%) and those in Plymouth significantly less likely (46%). Levels of agreement also varied by age with those aged 16 to 34 most likely to agree (76%, compared to 56% aged 35 to 54 and 66% aged 55+). Those respondents who had used a DSFRS service were more likely to agree than those who had not (69% compared to 60%).

Figure 1: Agreement or disagreement that it is reasonable for DSFRS to consider increasing its Council Tax charge for 2018/19 (All respondents)



Unweighted sample base: 400 businesses, 400 residents

¹ Net agreement = the proportion who strongly agree/agree minus the proportion who disagree/strongly disagree.

2.2 Level of increase that would be reasonable

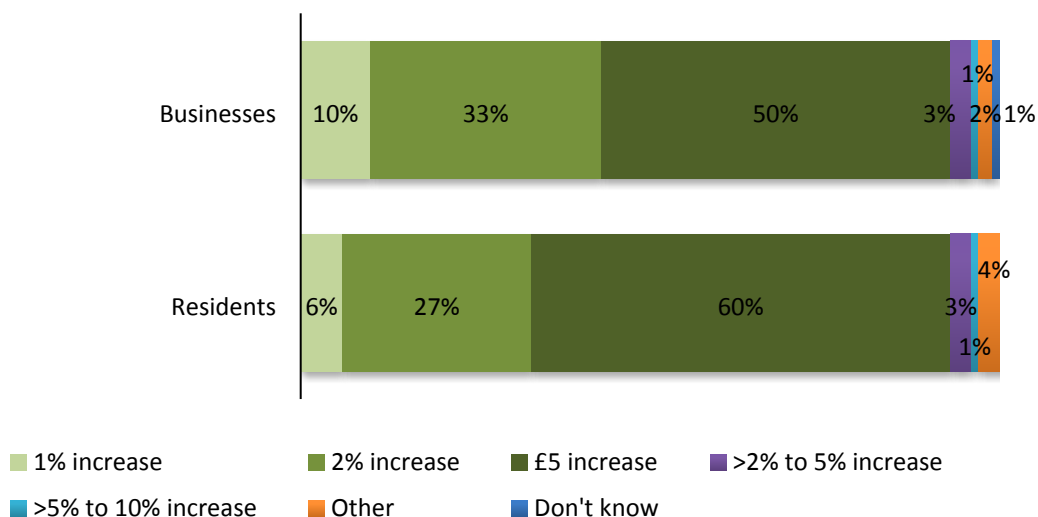
Those respondents who agreed that it is reasonable for DSFRS to consider increasing its Council Tax Charge for 2018/19 were asked at what level the increase should be;

- 1%, this would be an increase of 82 pence per year on a Band ‘D’ property
This will raise an additional £481,500 for the fire and rescue service
- 2%, this would be an increase of £1.63 per year on a Band ‘D’ property
This will raise an additional £962,900 for the fire and rescue service
- £5 increase per year on a Band ‘D’ property (pro rata for other bands)
This will raise an additional £2,951,200 for the fire and rescue service
- Some other level of increase

The largest proportion of businesses opted for a £5 increase (50%) followed by a 2% increase (33%) which was relatively consistent by LAD and industry sector, as well as gender and age.

Consistent with businesses the largest proportion of residents opted for a £5 increase (60%) followed by a 2% increase (27%) which was relatively consistent by LAD and gender. Those older respondents aged 55+ were less likely to opt for a £5 increase (50%, compared to 68% aged 16 to 34 and 69% aged 35 to 54) but more likely to opt for the 2% increase (35%, compared to 18% aged 16 to 34 and 20% aged 35 to 54).

Figure 2: Level of increase that would be reasonable (Those respondents agreeing that it is reasonable for DSFRS to consider increasing its Council Tax charge for 2018/19)



Unweighted sample base: 252 businesses, 242 residents

2.3 Reasons for disagreeing that it is reasonable for DSFRS to increase its element of the Council Tax charge for 2018/19

Those respondents who disagreed that it is reasonable for DSFRS to consider increasing its element of the Council Tax charge for 2018/19 (19% of businesses and 23% of residents) were asked why they disagreed. Typical comments made by respondents are highlighted below.

2.3.1 Businesses

'Being squeezed financially enough. Should be helping more rather than adding more charges.'

'Believe that there is still plenty of room for cuts - the number of fires falling anyway due to a greater effort being put into prevention. Furthermore, fire service pensions should be brought into line with private sector pensions.'

'Agree they need more investment I think they should take the money from other parts of the council rather than penalising households.'

'Can't take funding away and expect the same level of service as service needs to be increased because of the extra population in the area. 400 extra houses and services have to increase workload.'

'We as council tax payers pay far too much and the government should pay as they spend money on things that are not needed e.g. Devon bridge.'

'Wages aren't going up, they're not putting their prices up, so they don't have the money to pay higher taxes, plus service not improving.'

'They're cutting back on the services they provide, so why should the fee go up.'

'They should be funded appropriately but council tax shouldn't take the brunt. Central government should pay.'

'I don't think there are so many fires, as there's a lot more work on prevention these days.'

2.3.2 Residents

'Decrease their fees, they waste a lot of stuff and should share more with police and ambulance services.'

'Funding should be redirected into more important things like the fire and rescue service.'

'I already pay enough. The money should be obtained from somewhere else, not only from council tax.'

'They should be increasing the fire rescue services and decreasing the council tax.'

'We're all struggling as it is without having to pay more council tax.'

'They built a new fire call centre and they haven't used it, and it has caused the tax payers to pay millions upon millions of pounds. And they are still not using it.'

'They keep increasing council tax every year and they don't improve their services.'

'It's national health, it's people's lives we are talking about and they shouldn't increase the Council Tax charge.'

'I think the government should be paying for it not passing it on to the elector to pay for. The government make enough money to pay for it instead of spending their money on pointless things.'

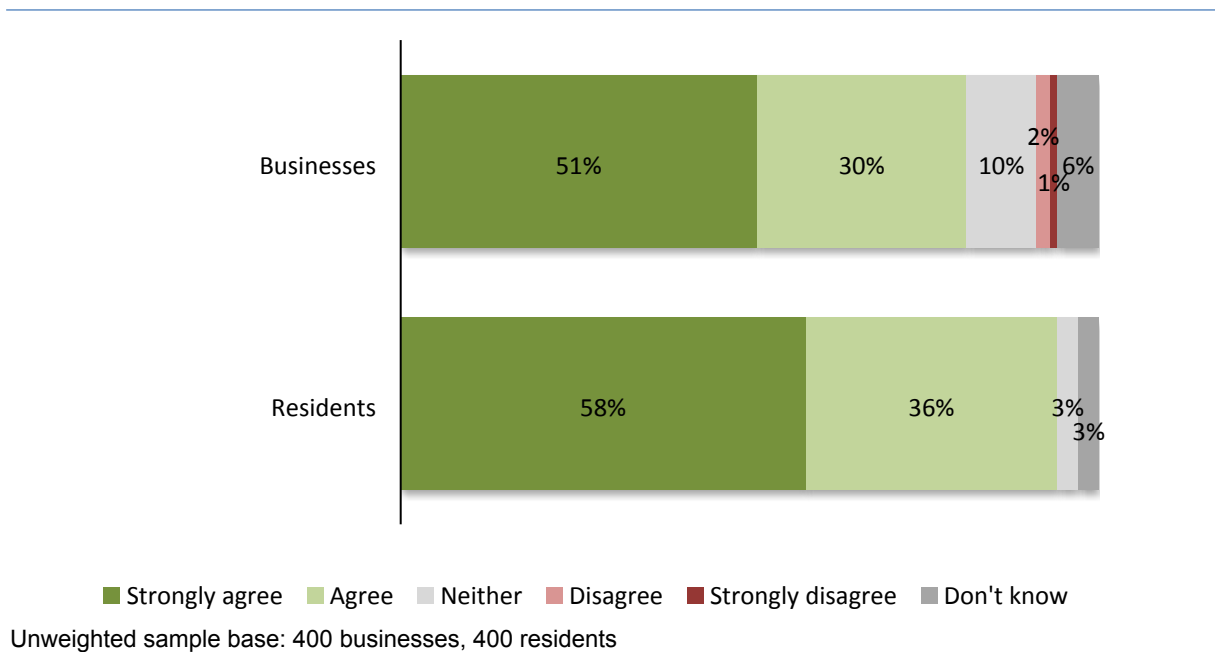
2.4 Agreement or disagreement that DSFRS provides value for money

All respondents were asked if they agree or disagree that DSFRS provides value for money.

Four in five (81%) businesses agreed that DSFRS does provide value for money, with only 3% disagreeing, resulting in a net agreement of +78%. Views were consistent by LAD, industry sector and age. Females were significantly more likely to agree DSFRS provides value for money (88% compared to 77% males) as were those that had used a DSFRS service (87% compared to 75% who had not used a DSFRS service).

Views were even more positive among residents, with 93% agreeing that DSFRS does provide value for money and less than 0.5% disagreeing, resulting in a net agreement of +93%. Residents in Torbay were less likely to agree that this is the case (88%, compared to 90% in Plymouth, 95% in Devon and 94% in Somerset).

Figure 3: Agreement or disagreement that DSFRS provides value for money (All respondents)



2.5 Reasons for disagreeing that DSFRS provides value for money

The 11 businesses and 4 residents who disagreed that DSFRS provides value for money were asked why they disagreed, and, where provided, their reasons for this are listed below.

2.5.1 Businesses

'Expensive for what they provide.'

'Had a fire on the commercial premises, firefighters were absolutely useless.'

'Highly inefficient and where has the money gone astray.'

'In some areas they are fantastic and efficient but experience of local business fires is not handled very well.'

'Might as well put sprinklers in, seems a lot of money, they could do something themselves for that amount of money.'

'Personal experience of how hard ambulance and police work, I feel that the fire service could take on more responsibilities and that currently they spend a lot of time just sitting around.'

'The distribution and network was not well organised we had many call outs but there was no co coordination with the team.'

'They do various things that I don't think should be done by the fire brigade; buying cars and motorbikes, going around telling people how wonderful they are. The fire brigade should stick to fighting fires.'

'Was it full time or part time fireman. Why are second time fireman got second jobs. Where I'm based if someone has accident as many as 10 brigades can go which is over the top. Person should pay as self-inflicted wounds.'

2.5.2 Residents

'Fire services are generally not efficient, they are rather traditional with their services and very top-heavy with senior people.'

'It's an issue.'

'People are putting their lives at risk. Why should you be targeted because you have a minimum wage?'

'They release a lot of their employees and then they employ them in different areas of the council.'

2.6 Services used

To contextualise the findings reported above, all respondents were asked if they had used any of ten specific services provided across Devon and Somerset.

Overall, over a half (51%) of businesses reported using at least one of the services, most commonly a fire safety audit (27%) at a business, and 39% of residents did so, most commonly via a community event (14%) or home fire safety visit (13%).

Businesses in Torbay were the most likely to report having used any of the services (62%, compared to 56% in Plymouth, 50% in Devon and 48% in Somerset).

Residents in Plymouth were the most likely to report having used any of the services (48%, compared to 46% in Somerset, 35% in Torbay and 32% in Devon). Younger residents were less likely to report having used any of the services (26% compared to 46% of those aged 35 to 54 and 37% of those aged 55+).

Table 1 Services used

	Businesses	Residents
Fire safety audit / check in a business	27%	6%
Other fire safety advice	13%	6%
Home fire safety visit / smoke alarm fitting	12%	13%
Community event	12%	14%
Youth education	9%	7%
Emergency response – house fire	7%	6%
Community use of fire stations	6%	7%
Emergency response – road traffic collision	5%	4%
Emergency response – other rescue	5%	2%
Emergency response – co-responder	4%	2%
Emergency response – flooding	2%	<0.5%
Other service	1%	2%
I have not used a DSFRS service	49%	61%
Unweighted sample base: 400 businesses, 400 residents		

2.7 Satisfaction with the service provided by DSFRS

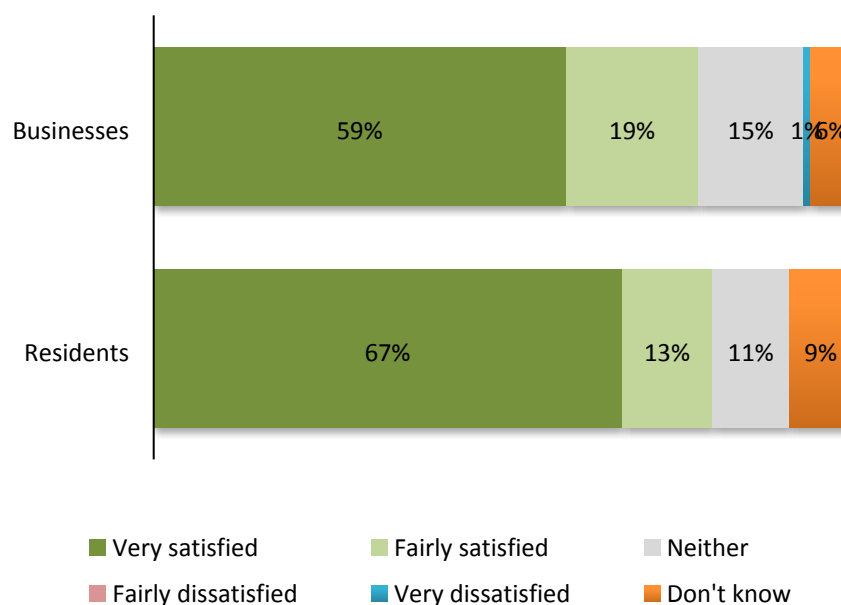
All respondents were asked how satisfied or dissatisfied they are with the service provided by DSFRS.

Four fifths (79%) of businesses were satisfied with the service provided, and only two respondents expressed dissatisfaction, yielding a net level of satisfaction of +78%. Views were consistent by LAD however, those in industry sector A to F had higher levels of satisfaction (100% compared to 67% for those in G to K and O). Levels of satisfaction significantly increased amongst those who had used a DSFRS service from 65% amongst those who have not used a service to 92%.

Four fifths (80%) of residents were satisfied with the service provided, and only one respondent expressed dissatisfaction, yielding a net level of satisfaction of +80%.

Levels of satisfaction significantly increased amongst those who had used a DSFRS service from 71% amongst those who have not used a service to 95%.

Figure 4: Satisfaction with the service provided by DSFRS (All respondents)



Unweighted sample base: 400 businesses, 400 residents

Only 2 businesses expressed dissatisfaction, and their reasons for doing so were as follows:

'Bad experiences - have had to call out the fire service for residential and commercial fires. The firefighters didn't do much at all to help but did some ridiculous things.'

'I think they have spent a tremendous amount of public money for no reason.'

Only 1 resident expressed dissatisfaction, and their reason for doing so were as follows:

'I think that the call operatives are too far away to deal with it and they don't know the local area.'

3 Appendix 1: Profile Information

3.1 Businesses

The following tables outline the unweighted and weighted demographic profiles of the sample.

Table 2 – Local authority district

Local authority district	Unweighted		Weighted	
	%	Number	%	Number
Torbay	12%	48	7%	26
Plymouth	13%	52	9%	35
Devon	45%	180	53%	211
Somerset	30%	120	32%	128

Table 3 – Industry sector

Industry Sector	Unweighted		Weighted	
	%	Number	%	Number
A to F	23%	92	24%	96
G to N, R + S	77%	308	76%	304

NB: **A to F** includes the following sectors: A: Agriculture, Forestry and Fishing; B Mining and Quarrying; C Manufacturing; D Electricity, gas, steam and air conditioning supply; E Water supply, sewerage, waste management and remediation activities; F Construction.

G to N, R and S includes the following sectors: G Wholesale and retail trade; repair of motor vehicles and motorcycles; H Transportation and storage; I Accommodation and food service activities; J Information and communication; K Financial and insurance activities; L Real estate activities; M Professional, scientific and technical activities; N Administrative and support service activities; R Arts, entertainment and recreation; S Other service activities

Table 4 – Job title

Industry Sector	Unweighted		Weighted	
	%	Number	%	Number
Owner/proprietor/managing director	40%	160	40%	161
Director	14%	54	13%	52
Manager/assistant manager	30%	121	30%	119
Partner	4%	15	4%	15
Company Secretary	2%	6	2%	6
Other	11%	42	11%	43

Table 5 – Gender

Gender	Unweighted		Weighted	
	%	Number	%	Number
Male	64%	254	64%	256
Female	37%	146	36%	144

Table 6 – Age

Age	Unweighted		Weighted	
	%	Number	%	Number
16 – 24 years	4%	14	4%	14
25 – 34 years	14%	54	13%	52
35 – 44 years	16%	64	16%	66
45 – 54 years	24%	94	23%	94
55– 64 years	30%	119	29%	118
65+	13%	53	14%	54
Prefer not to say	1%	2	<0.5%	2

Table 7 – Ethnic Origin

Ethnic Origin	Unweighted		Weighted	
	%	Number	%	Number
White	96%	385	97%	387
Black/Black British	1%	2	<0.5%	2
Asian/Asian British	1%	3	1%	3
Mixed/Other	1%	2	<0.5%	1
Prefer not to say	2%	6	1%	5

3.2 Residents

The following tables outline the unweighted demographic profile of the sample of residents.

Table 8 – Local authority district

Local authority district	Unweighted		Weighted	
	%	Number	%	Number
Torbay	25%	100	8%	32
Plymouth	25%	98	15%	61
Devon	25%	102	45%	181
Somerset	25%	100	32%	126

Table 9 – Age

Age	Unweighted		Weighted	
	%	Number	%	Number
16 – 24 years	2%	7	3%	13
25 – 34 years	7%	26	11%	45
35 – 44 years	18%	70	27%	109
45 – 54 years	15%	60	15%	58
55– 64 years	18%	70	18%	74
65+	42%	167	25%	101

Table 10 – Gender

Gender	Unweighted		Weighted	
	%	Number	%	Number
Male	50%	199	48%	193
Female	50%	201	52%	207

Table 11 – Ethnic Origin

Ethnic Origin	Unweighted		Weighted	
	%	Number	%	Number
White	97%	388	97%	388
Asian/Asian British	1%	2	<0.5%	2
Mixed	1%	2	<0.5%	2
Prefer not to say	2%	6	2%	7

4 Appendix 2: Call outcomes

The following tables show a breakdown of call outcomes.

4.1 Businesses

	Outcome	Contacts	% of total	% of in scope
In scope	Complete	400	10%	21%
	Refusal	712	17%	37%
	Respondent busy	796	19%	42%
	Sub-total	1,908	46%	100%
Out of scope	Unobtainable (modem, fax etc)	201	5%	9%
	Ineligible	183	4%	8%
	No contact made	1,817	44%	83%
	Sub-total	2,201	54%	100%
	Total	4,109		

4.2 Residents

	Outcome	Contacts	% of total	% of in scope
In scope	Complete	400	5%	24%
	Refusal	481	6%	29%
	Respondent busy	799	9%	48%
	Sub-total	1,680	20%	100%
Out of scope	Unobtainable (modem, fax etc)	1505	18%	22%
	Ineligible	368	4%	5%
	No contact made	4,997	58%	73%
	Sub-total	6,870	80%	100%
	Total	8,550		

Appendix: Statement of Terms

Compliance with International Standards

BMG complies with the International Standard for Quality Management Systems requirements (ISO 9001:2008) and the International Standard for Market, opinion and social research service requirements (ISO 20252:2012) and The International Standard for Information Security Management ISO 27001:2013.

Interpretation and publication of results

The interpretation of the results as reported in this document pertain to the research problem and are supported by the empirical findings of this research project and, where applicable, by other data. These interpretations and recommendations are based on empirical findings and are distinguishable from personal views and opinions.

BMG will not be publish any part of these results without the written and informed consent of the client.

Ethical practice

BMG promotes ethical practice in research: We conduct our work responsibly and in light of the legal and moral codes of society.

We have a responsibility to maintain high scientific standards in the methods employed in the collection and dissemination of data, in the impartial assessment and dissemination of findings and in the maintenance of standards commensurate with professional integrity.

We recognise we have a duty of care to all those undertaking and participating in research and strive to protect subjects from undue harm arising as a consequence of their participation in research. This requires that subjects' participation should be as fully informed as possible and no group should be disadvantaged by routinely being excluded from consideration. All adequate steps shall be taken by both agency and client to ensure that the identity of each respondent participating in the research is protected.

With more than 25 years' experience, BMG Research has established a strong reputation for delivering high quality research and consultancy.

BMG serves both the public and the private sector, providing market and customer insight which is vital in the development of plans, the support of campaigns and the evaluation of performance.

Innovation and development is very much at the heart of our business, and considerable attention is paid to the utilisation of the most up to date technologies and information systems to ensure that market and customer intelligence is widely shared.



2018/19 PRECEPT CONSULTATION ONLINE SURVEYS

1. ONLINE SURVEY

- 1.1. The online survey was available from 15 November – 18 December 2017. The consultation period was promoted through our website, Facebook and Twitter. An example of the advert can be found in Appendix A.
- 1.2. In that period a total of 51 responses were received. As only one of these responses represented the business sector, the results have not been separated. The results are as follows.

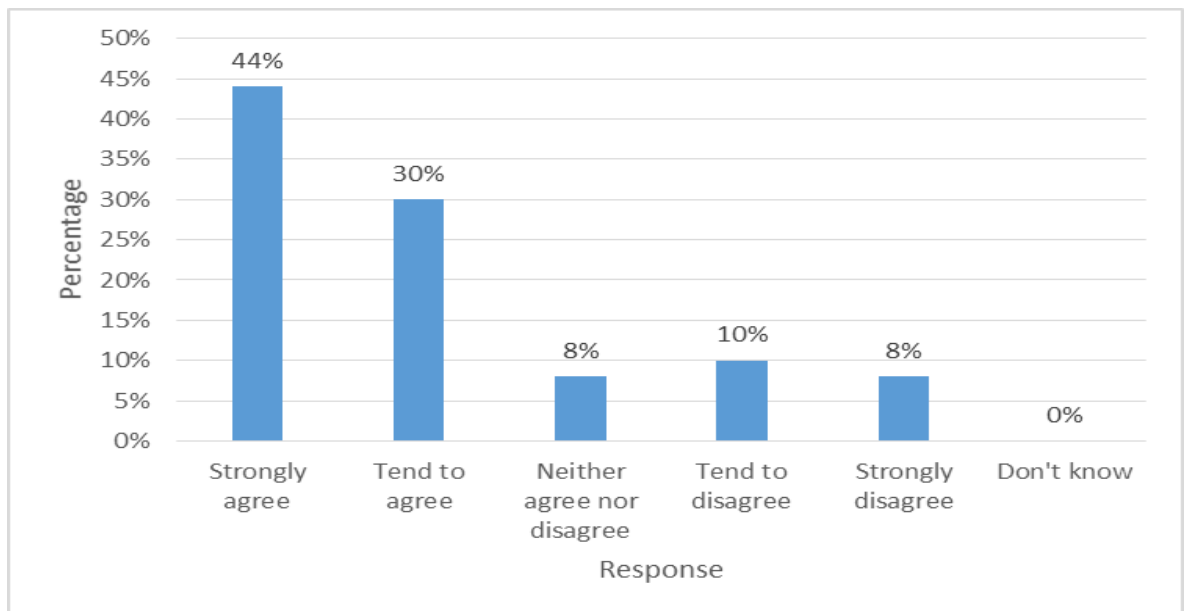
Results

Q1. How strongly do you agree or disagree that it is reasonable for the Authority to consider increasing its council tax charge for 2018/19 to lessen the impact of the funding cuts?

Table 1: Responses to Question 1

Answer Option	Response #	Response %
Strongly agree	22	44.00
Tend to agree	15	30.00
Neither agree nor disagree	4	8.00
Tend to disagree	5	10.00
Strongly disagree	4	8.00
Don't know	0	0.00
Total	50	

Chart 1: Results of agreement to consider increasing the precept



- 1.3. The results indicate that 74% of respondents agree that the Authority should consider increasing its charges.

Q2. Of the following options, what increase would you consider it reasonable for the Authority to make to its element of the council tax?

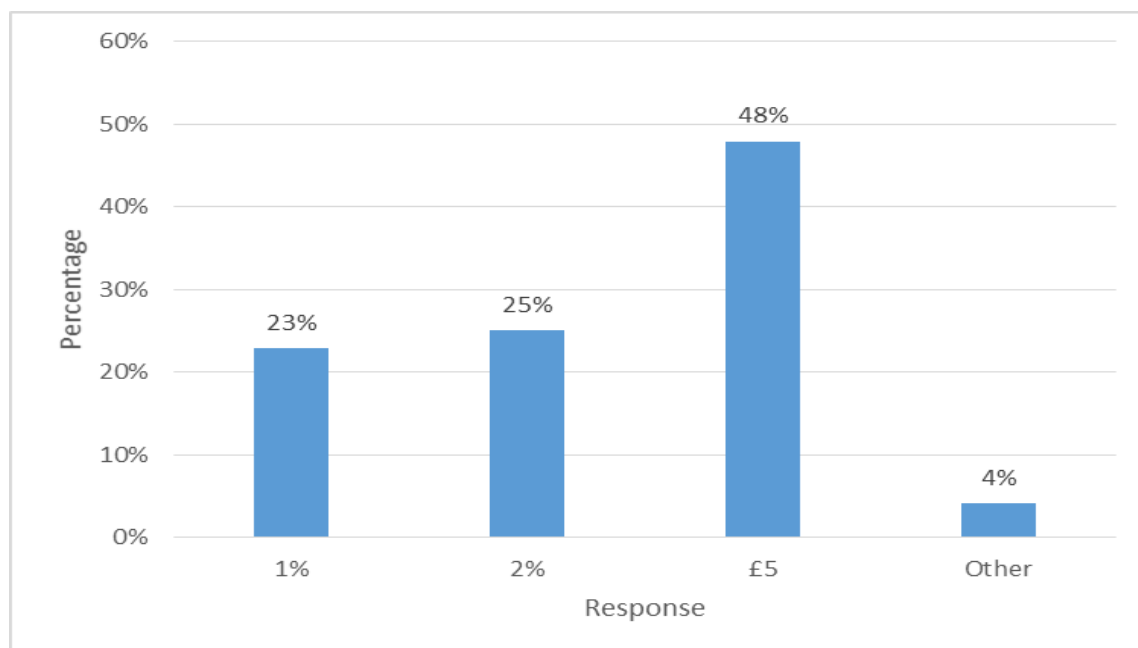
Table 2: Responses to Question 2

Answer Option	Response #	Response %
1% (An increase of 82p per year for a Band D property, increasing the total charge to £82.39)	11	22.92
2% (An increase of £1.63 per year for a Band D property, increasing the total charge to £83.22)	12	25.00
£5 (An increase of £5.00 per year for a Band D property (pro rata for other bands), increasing the total charge to £86.57)	23	47.92
Other	2	4.17
Total	48	

1.4. Those respondents who responded 'Other' were asked to provide comments. Comments made by respondents are below.

- should be across all property types in Devon and Somerset
- none

Chart 2: Results of options to increase the precept



1.5. The results indicate that 48% of respondents are in support of a £5 increase.

Q3 If you disagreed to Q1, why do you think it is not reasonable for the Authority to increase its element of the council tax charge?

1.6. Those respondents who disagreed that it is reasonable for DSFRS to consider increasing its element of the Council Tax charge for 2018/19 were asked why they disagreed. Comments made by respondents are below.

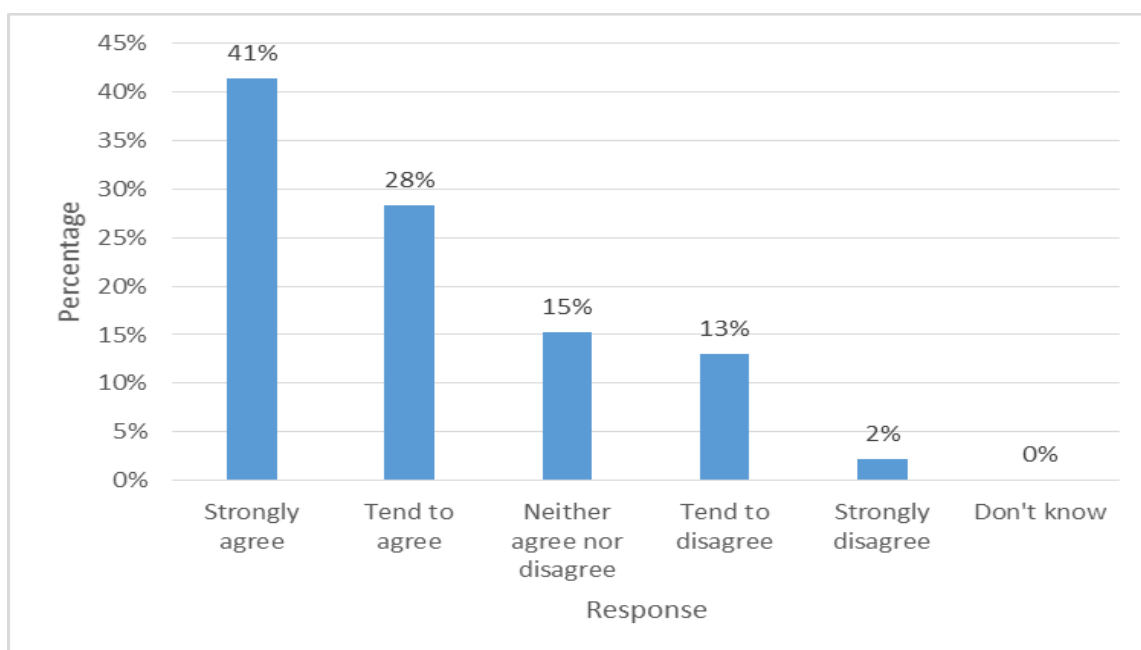
- The Service should make efficiencies to manage the impact of government reductions.
- I feel they should cut costs by reducing MP wages as they are overpaid.
- Any increase should be ring fenced to front line services only and not for increasing any backroom support services.
- Running costs should be lower with your intention to reduce the size of fire appliances and the number of crew on board. You seem to have money to spend on all the PC projects required by central government but cut front line appliances. Why should we pay more for less?
- Account should be taken of the Authorities reserves. With 1% public sector pay cap increase should be not more than 1%. All grades including executive officers pay should be capped at 1%. Ensure that no employees get pay rises above national rates.
- The local housing increases such as Cranbrook must be providing additional funding which will offset government cuts
- Savings should be made elsewhere.
- Our wages are not rising enough to cover our costs.
- All govt organisations need to cut waste and deliver services more efficiently. DSFRS should cope with less funding and explore options to overhaul their support services.

Q4. How strongly do you agree or disagree that the Service provides value for money?

Table 3: Response to Question 4

Answer Option	Response #	Response %
Strongly agree	19	41.30
Tend to agree	13	28.26
Neither agree nor disagree	7	15.22
Tend to disagree	6	13.04
Strongly disagree	1	2.17
Don't know	0	0
Total	46	

Chart 3: Results of value for money question



1.7. The results indicate that the majority of respondents (69%) agreed that the Service provides value for money at £42 per head.

Q5. If you disagreed to Q4, why do you think that the Service does not provide value for money?

1.8. Those who disagreed that DSFRS provides value for money were asked why they disagreed, and, where provided, their reasons for this are listed below.

- I think the Service could do with modernisation, I believe many out of date practices still operate such as firemen being paid to sleep and exercise.
- resources aren't being used to the best possible way
- Expenditure should only be on statutory duties and not things that are nice to do. E.g road safety and first responder unless fully funded outside FRA budget.
- How does this compare to other Fire and rescue services in other parts of the country.
- lack of wholtime stations and relying on retained crews who possibly could not be available witch impacts on the fire service turning up in a reasonable time
- The amount you can write in this box needs to be amended as it doesn't allow me to get my point across. Thank you.
- The amount of pumps of the run

Q6. Have you received any of the following Devon and Somerset Fire and Rescue Services?

1.9. To contextualise the findings reported above, all respondents were asked if they had used any of ten specific services provided across Devon and Somerset.

Table 4: Responses to Question 6

Answer Option	Response #	Response %
Emergency response – house fire	2	4.88
Emergency response – road traffic collision	0	0.00
Emergency response – flooding	0	0.00
Emergency response – co-responder	2	4.88
Emergency response – other rescue	1	2.44
Community use of fire stations	2	4.88
Home fire safety visit / smoke alarm fitting	1	2.44
Youth education	5	12.20
Fire safety audit / check in a business	1	2.44
Community event	4	9.76
Other fire safety advice	0	0.00
I have not used a DSFRS service	22	53.66
Other	1	2.44
Total	41	

1.10. Those responses to those who responded ‘Other’ are listed below.

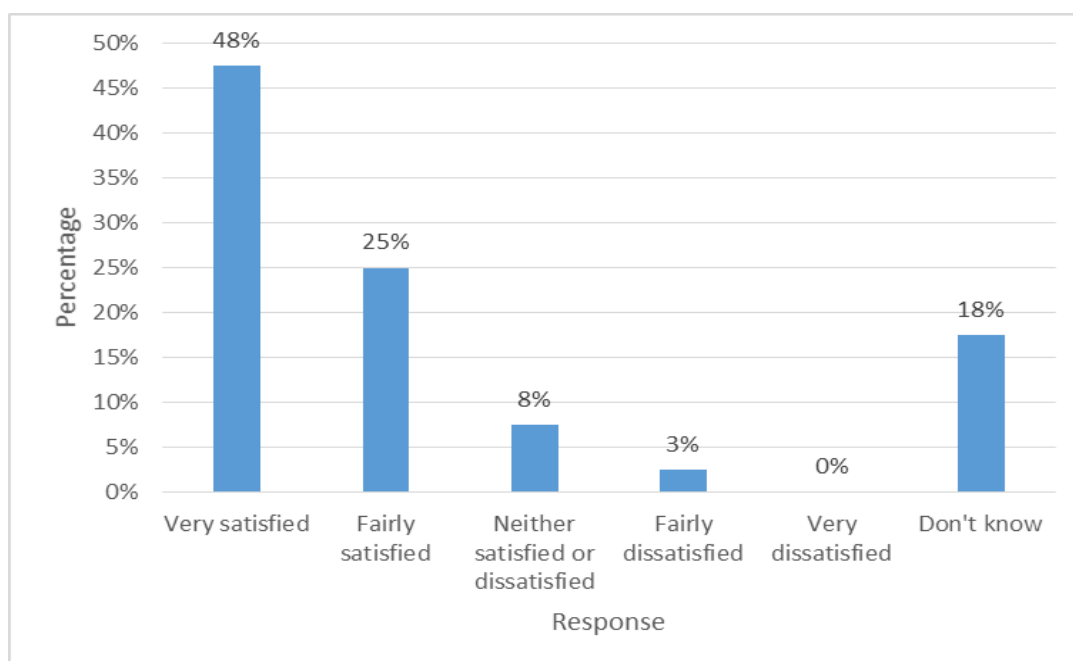
- I’m a firefighter

1.17 Q7. How satisfied or dissatisfied are you with the service provided by Devon and Somerset Fire and Rescue Service?

Table 5: Responses to Question 7

Answer Option	Response #	Response %
Very satisfied	19	47.50
Fairly satisfied	10	25.00
Neither satisfied or dissatisfied	3	7.50
Fairly dissatisfied	1	2.50
Very dissatisfied	0	0.00
Don't know	7	17.50
Total	40	

Chart 4: Results of levels of satisfaction with the service provided by DSFRS



1.11. The results indicate that the majority of respondents (73%) are satisfied with the level of service received by DSFRS.

Q8. Why are you dissatisfied with the service provided by Devon and Somerset Fire and Rescue Service?

1.12. Of the respondents who expressed dissatisfaction, their reasons for doing so were as follows:

- Fire cover in some towns served by on-call staff is being compromised by the relocation of special appliances. E.g. Totnes which at times has no fire crew because a special has been mobilised on a brigade basis out of station ground.
- Not used it.
- lack of wholetime firefighters

Breakdown of respondents

1.13. The following questions were asked to ensure that a cross section of people responded to the survey and to see if there were any trends by demographic groups. The sample size is too small to conduct any trend analysis or determine whether the sample is representative of Devon and Somerset.

Table 6: Responses to Question 9 – Are you...?

Answer Option	Response #	Response %
A member of the public	38	97.44
Representing a business	1	2.56
Total	39	

Table 7: Responses to Question 10 regarding age

Answer Option	Response #	Response %
16-24	4	10.26
25-34	10	25.64
35-44	8	20.51
45-54	7	17.95
55-64	6	15.38
65+	4	10.26
Prefer not to say	0	0.00
Total	39	

Chart 5: Results of question regarding age

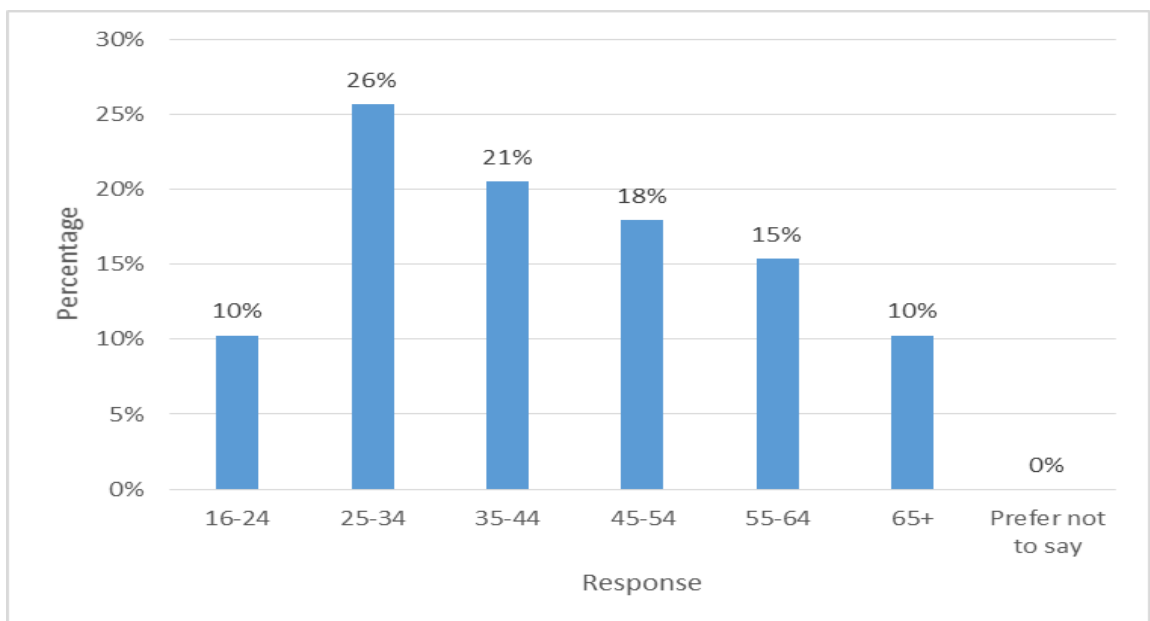


Table 8: Responses to Question 11 regarding gender

Answer Option	Response #	Response %
Male	27	69.23
Female	11	28.21
Transgender	0	0.00
Prefer not to say	1	2.56
Other	0	0.00
Total	39	

Chart 6: Results of question regarding gender

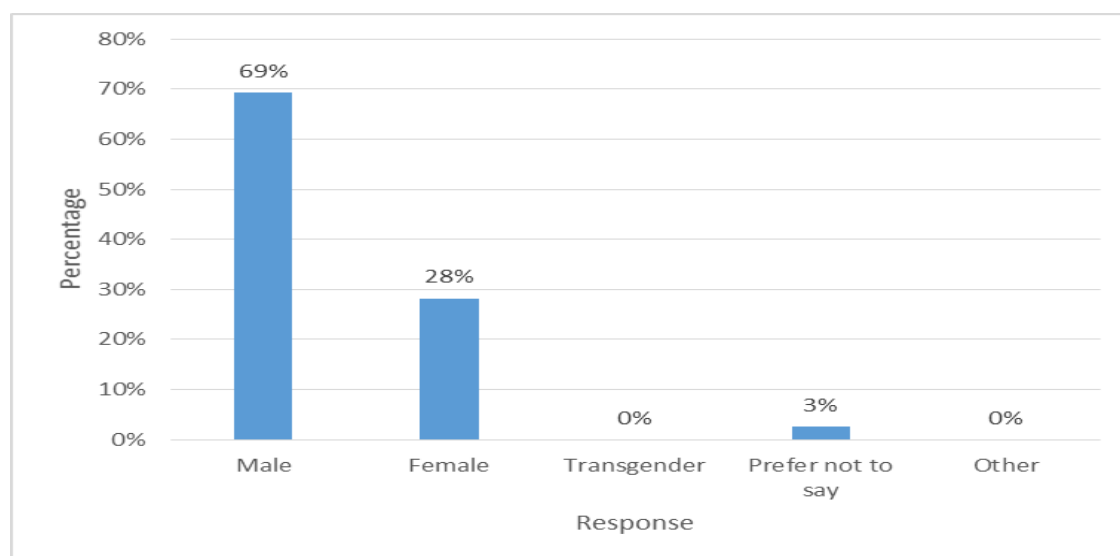


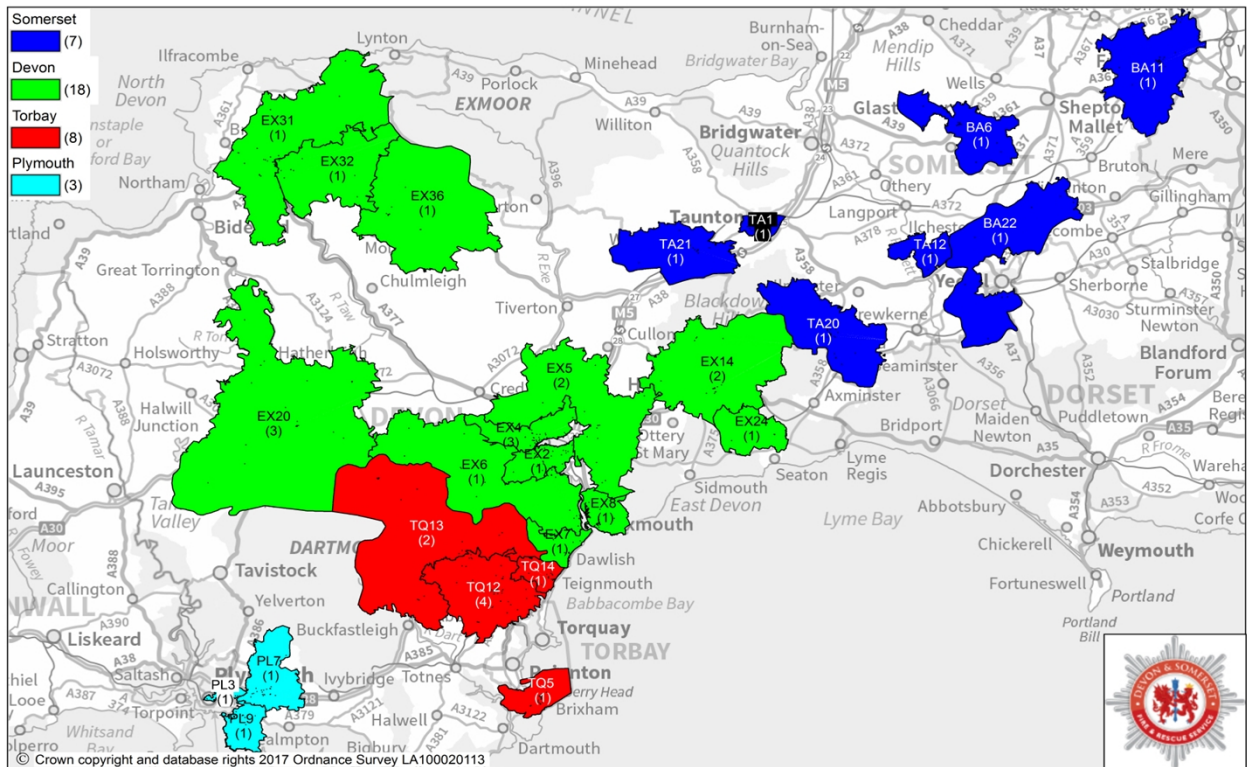
Table 9: Results of Question 12 regarding ethnic origin

Answer Option	Response #	Response %
White - English / Welsh / Scottish / Northern Irish / British	35	89.74
White - Irish	2	5.13
White - Gypsy or Irish Traveller	0	0.00
Black or Black British - African	0	0.00
Black or Black British - Caribbean	1	2.56
Asian or Asian British - Indian	0	0.00
Asian or Asian British - Pakistani	0	0.00
Asian or Asian British - Bangladeshi	0	0.00
Asian or Asian British - Chinese	0	0.00
Mixed or multiple ethnic groups - White and Black Caribbean	0	0.00
Mixed or multiple ethnic groups - White and Black African	0	0.00
Mixed or multiple ethnic groups - White and Asian	0	0.00
Other ethnic group - Arab	0	0.00
Prefer not to say	1	2.56
Other	0	0.00

1.14. Respondents were asked this question to ensure we had a cross section of responses from across Devon and Somerset. 36 respondents provided a postcode and these have been displayed on the map overleaf and grouped in the four constituent authorities.

Map displaying respondents' postcode areas

Postcode Areas responding to Precept Consultation (Online)



2. TWITTER POLL

- 2.1. The Fire Authority requested that social media be used as part of the consultation. Therefore it was agreed to undertake a Twitter poll – whilst there are some limitations to a Twitter poll, it has the advantage of being quick and easy to answer and may reach a different demographic group.
- 2.2. An example of the twitter poll has been provided in Appendix A. As with all Twitter posts the number of characters is limited, therefore the question and information provided was required to be shortened. Additionally, Twitter restricts the length of a poll to a week meaning a new poll had to be created to extend the response period. Once an individual has voted they are restricted on submitting another vote per poll – however unfortunately there is nothing to stop them voting again when a new poll is created.
- 2.3. The poll ran for two and a half weeks with three separate polls created. The Service received the following number of responses.

Table 10: Responses to Twitter poll

Week	# of responses	# of views	# of engagements*
Week 1	64	1945	99
Week 2	78	4245	104
Week 3	36	2,950	47
Total	178	9,140	47

*Twitter engagements include replies, retweets, mentions, likes etc.

2.4. The table above indicates that the Service received 178 responses, however it is not possible to determine whether any of the responses have been submitted by the same person.

Results

2.5. The question posed on Twitter:
Devon and Somerset Fire and Rescue Authority is considering its Council Tax charges for 2018/19. The current charge is £81.57 a year for a Band 'D' property. What level of increase would you consider reasonable? For more information visit our website dsfire.gov.uk/consultation.

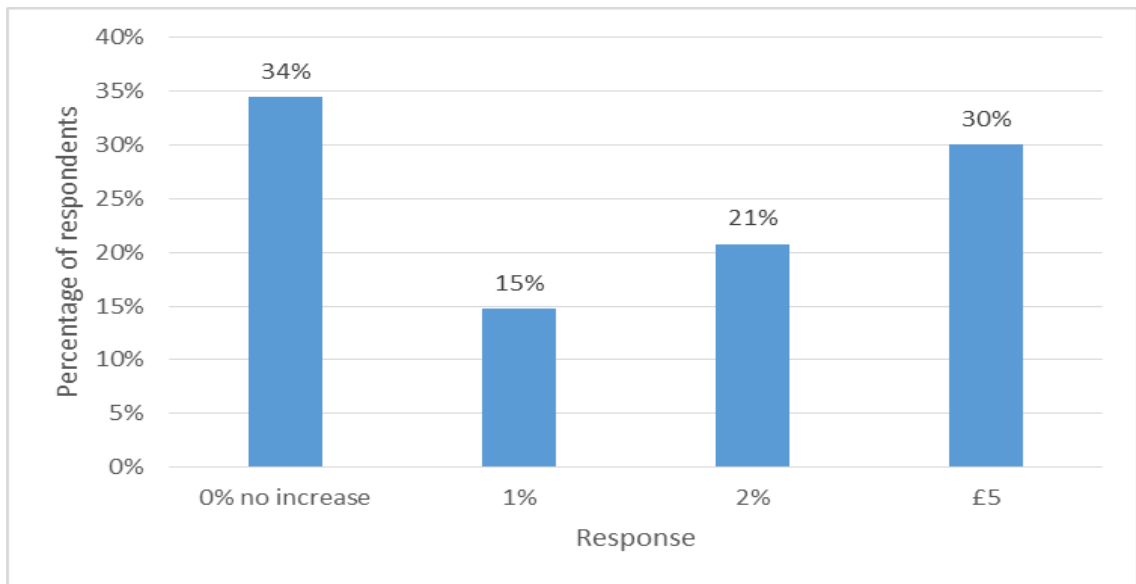
- 0% no increase
- 1%
- 2%
- £5 for band D (pro rata)

2.6. The results provided by Twitter include the total number of respondents and the percentage of responses per choice – therefore the number of per answer can be calculated to provide the total response rate.

Table 11: Responses to Twitter poll

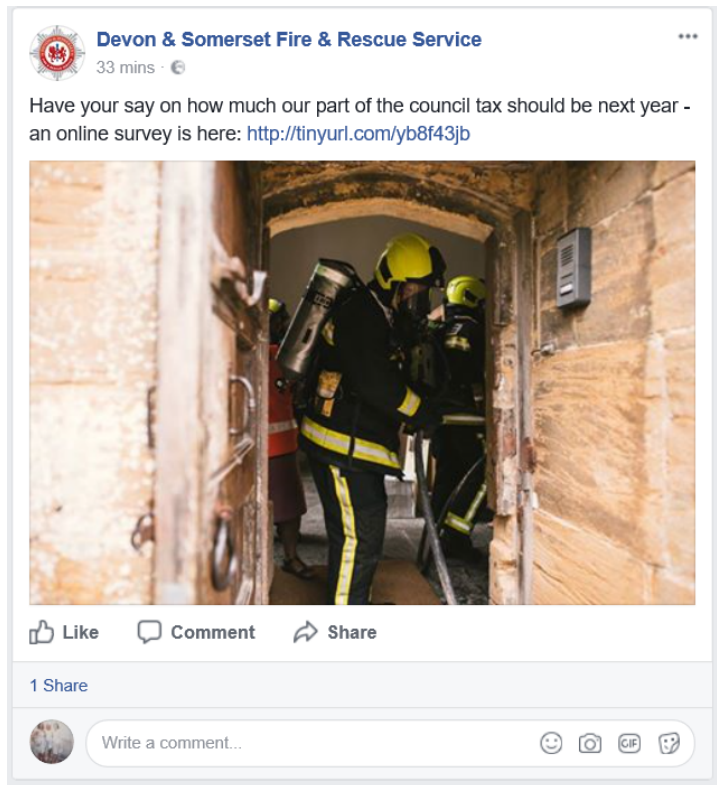
Twitter poll	Week 1	Week 2	Week 3	Totals
0% no increase	33%	35%	36%	34%
1%	16%	14%	14%	15%
2%	17%	27%	14%	21%
£5	34%	24%	36%	30%
Total (#)	64	78	36	178

Chart 7: Results of Twitter poll

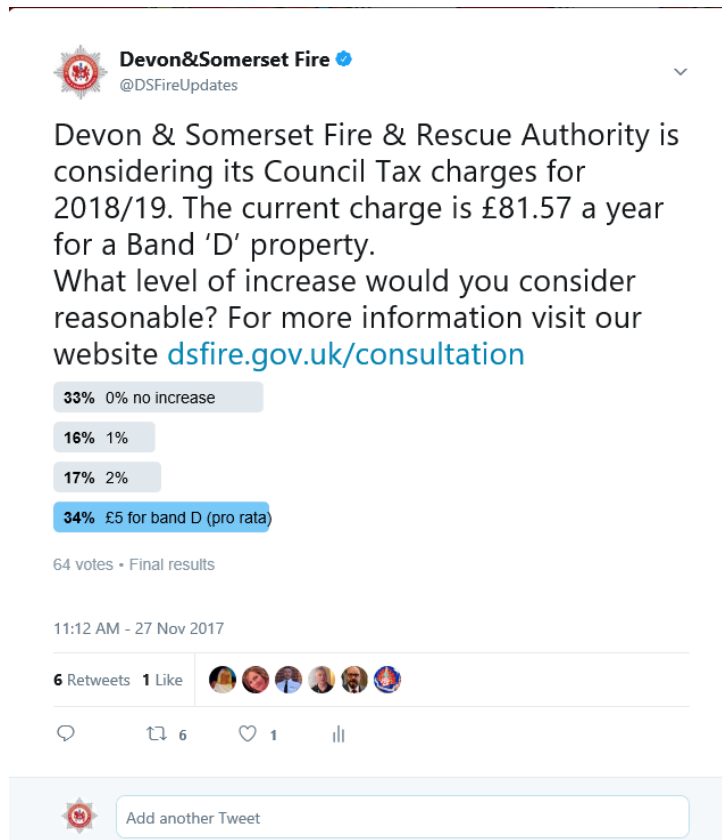


- 2.7. The chart above indicates that the highest number of responses received (34%) was for the option of no increase to the council tax charges.

Example of post shared on Facebook advertising the online survey.



Example of the Twitter poll.



REPORT REFERENCE NO.	DSFRA/18/2
MEETING	DEVON & SOMERSET FIRE & RESCUE AUTHORITY (BUDGET MEETING)
DATE OF MEETING	16 FEBRUARY 2018
SUBJECT OF REPORT	CAPITAL PROGRAMME 2018-19 TO 2020-21
LEAD OFFICER	Chief Fire Officer and Director of Finance (Treasurer)
RECOMMENDATIONS	<p><i>That, as recommended by the Resources Committee (Budget) meeting held on 8 February 2018 (Minute RC/17 refers)</i></p> <p><i>(a) the draft Capital Programme 2018-19 to 2020-21 and associated Prudential Indicators, as detailed in this report and summarised at Appendices A and B respectively, be approved; and</i></p> <p><i>(b) subject to (a) above, the forecast impact of the proposed Capital Programme (from 2021-22 onwards) on the 5% debt ratio Prudential Indicator as indicated in this report be noted.</i></p>
EXECUTIVE SUMMARY	<p>This report sets out the proposals for a three year Capital Programme covering the years 2018-19 to 2020-21 and also outlines the difficulties in meeting the full capital expenditure requirement for this Authority, given the number of fire stations, fire appliances and associated equipment required to be maintained and eventually replaced.</p> <p>All aspects of the capital requirement have been considered and the programme has been constructed based on the principle that debt charges emanating from external borrowing are kept within the 5% Prudential Indicator limit (debt charges as a percentage of the Revenue Budget) set by the Authority.</p> <p>The Committee has been advised over recent years of the difficulties in maintaining a programme that is affordable within the 5% Prudential Indicator against a reducing revenue budget and has supported the Treasurer's recommendation that the Authority should seek alternative sources of funding other than external borrowing to support future capital investment.</p> <p>To inform longer term planning the Prudential Indicator has been profiled for a further three years beyond 2020-21 based upon indicative capital programme levels for the years 2021-22 to 2023-24</p>
RESOURCE IMPLICATIONS	As indicated within the report.
EQUALITY IMPACT ASSESSMENT	An initial assessment has not identified any equality issues emanating from this report.

APPENDICES	<p>A. Summary of Proposed Capital Programme 2018-19 to 2020-21 (and indicative Capital Programme 2021-22 to 2023-24).</p> <p>B. Prudential Indicators 2018-19 to 2020-21 (and indicative Prudential Indicators 2021-22 to 2023-24).</p>
LIST OF BACKGROUND PAPERS	None

1. INTRODUCTION

- 1.1 Each year, the Capital Programme is reviewed and adjusted to include new projects and those carried forward, allowing the capital investment needs of the Service to be understood over a three year rolling programme. In constructing the programme, considerable effort is made to ensure that the impact of borrowing is maintained below the 5% ratio of financing costs to net revenue stream – one of several Prudential Indicators previously agreed by the Devon and Somerset Fire and Rescue Authority (hereinafter referred to as “the Authority”).
- 1.2 Up until 2015-16, the Authority was in receipt of some direct grant funding towards capital spending as a share of a government allocation of £70m per annum towards Fire Sector capital investment. In 2014-15, this allocation was £1.4m and in previous years, as much as £2m. However, as part of government austerity measures, this funding has now been withdrawn meaning that from 2015-16 onwards the Authority no longer receives any direct grant funding towards its capital investment plans.
- 1.3 To mitigate the impact of this withdrawal of funding to the 5% debt ratio, the Authority agreed as part of the previous year budget setting to replace this funding with a significant revenue base contribution to funding the capital programme and building a capital reserve for the medium term.
- 1.4 The Fleet replacement programme continues with the smaller type appliances into the Service with 25 Rapid Intervention Vehicle planned to be completed during 2018-19 as well as other appliance replacements.
- 1.5 The Estates programme has been prepared using information from the Estate Review after appropriate consultation to ensure the programme meets all operational and risk considerations.
- 1.6 The Authority has set a strategy to reduce reliance on external borrowing and therefore the proposed Capital Programme 2018-19 to 2020-21 and indicative Capital Programme 2021-22 to 2023-24 have been produced on the basis that no new borrowing will occur in the 6 year period.

2. FINANCING OF THE PROPOSED CAPITAL PROGRAMME

- 2.1. The tests of affordability of future capital spending are measured by compliance with the Chartered Institute of Public Financial Accountants (CIPFA) Prudential Code for Capital Financing for Local Authorities. Under this code, the Authority is required to set a suite of indicators to provide assurance that capital spending is prudent, affordable and sustainable. The indicators are reviewed annually, although set for the three year period. They also include setting maximum borrowing limits to provide assurance around prudence and the setting of maximum debt ratios to provide assurances in relation to affordability and sustainability.
- 2.2. The proposed programme and funding, as contained in this report, decreases the external borrowing requirement to £24.9m by 2020-21, and ensures that the debt ratio is maintained below 5% (forecast to be 4.97% or 4.16% if no council tax increase). This compares to a current external borrowing of £25.6m as at 31 March 2018. Looking further ahead the external borrowing requirement is forecast to reduce to £23.8m by 2023-24.

- 2.3. The focus of this Authority over many years has been to control spending within the 5% limit. To achieve this, the Service has utilised revenue funding wherever possible through allocation of budget or revenue underspends. This approach has been successful because neither the 5% prudential indicator has been breached nor has external borrowing increased.
- 2.4. With increasing pressure on revenue budgets, the revised programme has been prepared on the basis that a strategy of long term affordability will be followed, with the indicative programme showing that no new external borrowing will be required over the 6 year period to 2023-24.
- 2.5. Due to current interest rates, it is not economically viable for the Authority to repay loans early. This means that whilst no new borrowing will be required, existing loans will be applied to the current capital programme until repayment is made in order to avoid an over-borrowed situation. The debt portfolio and interest rates will be regularly reviewed with a view to early repayment if this option becomes more affordable.
- 2.6. Elsewhere on the agenda for this meeting is a separate report “2018-19 Revenue Budget and Council Tax Levels”. The draft 2018-19 revenue budget included in that report makes provision for a ‘one off’ reduced revenue contribution towards capital of £2.384m if Council Tax is increased by 2.99% or £0.922m if Council Tax is not increased. The Committee has been made aware that, in order that the capital programme can be achieved without the need to increase borrowing, then a revenue contribution to Capital will be required. This needs to be built into revenue base budget to replace the direct grant funding previously received from the government but withdrawn from 2015-16. This figure will need to be reviewed annually as part of the annual budget setting process.

3. **REVISED CAPITAL PROGRAMME FOR 2018-19 to 2020-21**

- 3.1. Appendix A to this report provides an analysis of the proposed programme for the three years 2018-19 to 2020-21 as contained in this report. This programme represents a net decrease in overall spending of £4.5m over the previously agreed indicative programme as illustrated in Figure 1 below:

Figure 1

	Estates £m	Fleet & Equipment £m	Total £m
Existing Programme			
2017-18	2.4	5.1	7.5
2018-19	5.4	7.3	12.7
2019-20 (provisional)	2.4	4.4	6.8
2020-21 (provisional)	3.3	2.9	6.2
Total 2017-18 to 2020-21	13.5	19.7	33.2
Proposed Programme			
2017-18 (forecast spending)	2.1	1.9	4.0
2018-19	3.3	7.0	10.3
2019-20 (provisional)	4.7	4.4	9.1
2020-21 (provisional)	2.5	2.9	5.4
Total 2017-18 to 2020-21	12.6	16.2	28.8
Proposed change	-0.9	-3.5	-4.4

Estates

- 3.2. After a period of significant investment, the Estates programme was reduced from 2013/14 to accommodate other capital programmes. As a result, there was a reduced investment in some key stations over a number of years whilst a revised Integrated Risk Management Plan (IRMP) was developed and an Estate Development Review undertaken to review potential options.
- 3.3. A range of range of options and scenarios (including modelling of new and alternative sites to any impact on emergency response times) has been reviewed with the two Assistant Chief Fire Officers to assess the value and merit of the various options within the context of the IRMP to meet current and forecast community risks.
- 3.4. As a result, a programme of improvement can commence to improve stations whose future strategic importance is now confirmed and where investment into the facilities and site is appropriate and viable.
- 3.5. Collaboration activities with our Bluelight partners in the region seek to identify further opportunities to co-locate or other development opportunities, as each partner's operational strategy develops. To date this has been successfully achieved for little investment by any party. Consequently, no specific capital budget has been allocated for collaboration projects. Should such a requirement for capital investment emerge, it would be subject to submission of a detailed business case.

Operational assets - Vehicle Replacements/Equipment

- 3.6. The Authority has implement a Tiered Response to vehicle replacement; meeting future service delivery arrangements with more cost effective vehicles, improved service to local communities, alongside firefighter safety. This started with Light Rescue Pumps with the final appliances of this replacement cycle coming into service during 2016/17. It continues with the introduction of up to 45 (plus 5 reserve) Rapid Intervention Vehicles (RIV) over the next 3 years (2018/19 to 2020/21). This will complete the catch-up that has been required to update and realign the outdated vehicles and will result in a reduced need for capital expenditure after this replacement cycle. The full business case that supports the RIV recommendation identifies over £20m in capital expenditure saving over the previous "one size fits all" approach during the 12 year lifespan of the appliances.
- 3.7. The capital programme for the 4 year period between 2017/18 and 2020/21 has decreased due to several reasons. Vehicle requirements have been amended with a reduction in the number of Incident Support Units, Incident Command Units and 4x4 Medium Rescue Pumps (MRP) needed. The MRP replacement programme has slipped and the cost of equipment to go on replacement vehicles has been realigned to revenue budgets to conform with our capital expenditure classification.

4. FORECAST DEBT CHARGES

- 4.1. Appendix A also provides indicative capital requirements beyond 2020-21 to 2023-24. The estimated debt charge emanating from this revised spending profile is illustrated in Figure 2 overleaf.

Figure 2 - Summary of Estimated Capital Financing Costs and future borrowing

	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
	£m	£m	£m	£m	£m	£m
Forecast Debt outstanding at year end	25.537	25.444	24.851	24.757	24.264	23.771
Base budget for capital financing costs and debt charges	3.178	3.233	3.219	3.189	2.944	2.856
Change over previous year		0.055	(0.014)	(0.030)	(0.245)	(0.088)
Debt ratio	4.03%	4.03%	3.97%	3.89%	3.52%	3.41%

- 4.2. The forecast figures for external debt and debt charges beyond 2020-21 are based upon the indicative programmes as included in Appendix A for the years 2021-22 to 2023-24. The affordability of these programmes will need to be subject to annual review based upon the financial position of the Authority.

5. PRUDENTIAL INDICATORS

- 5.1. Appendix B provides a summary of the Prudential Indicators associated with this level of spending over this period. It is forecast that Capital Financing Requirement (the need to borrow to fund capital spending) will have reduced from current levels of £25.6m to £23.8m (including impact of proposed revenue contributions) by 2023-24.
- 5.2. The reducing revenue budget impacts significantly upon the borrowing capacity of this Authority. Whilst the programme now presented maintains borrowing within 5% to 2023-24, this will only be possible with appropriate annual revenue contributions to the capital programme to maintain an affordable and sustainable Capital Programme.

6. CONCLUSION

- 6.1. This report emphasises the difficulties in meeting the full capital expenditure requirement for the Service, given the geographical size, number of fire stations and fire appliances required to be maintained and eventually replaced, and also keeping debt charges within the 5% limit.
- 6.2. The capital programme has been constructed on the basis that the revenue budget contribution to capital will be reinstated in future years which will avoid the need for any new borrowing over the next 6 years. However, the programme proposed in this report does not commit any spending beyond 2020-21. Decisions on further spending will be subject to annual review based upon the financial position of the Authority. The programme is therefore recommended for approval.

Glenn Askew
Chef Fire Officer

Amy Webb
Director of Finance (Treasurer)

APPENDIX A TO REPORT DSFRA/18/2

PROJECT	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
	£000	£000	£000	£000	£000	£000
	Budget	Budget	Budget	Indicative Budget	Indicative Budget	Indicative Budget
Estate Development						
Site re/new build (subject to formal authority approval)	400	500	0	0	0	0
Improvements & structural maintenance	2,943	4,200	2,500	1,800	1,800	1,800
Estates Sub Total	3,343	4,700	2,500	1,800	1,800	1,800
Fleet & Equipment						
Appliance replacement	4,150	3,700	2,500	2,700	2,700	2,700
Specialist Operational Vehicles	125	600	200	0	0	0
Equipment	1,985	100	200	200	200	200
ICT Department	627	0	0	0	0	0
Water Rescue Boats	46	0	0	0	0	0
Fleet & Equipment Sub Total	6,933	4,400	2,900	2,900	2,900	2,900
Overall Capital Totals	10,276	9,100	5,400	4,700	4,700	4,700
Programme funding - 0% increase in CT						
Earmarked Reserves:	7,443	4,150	455	0	0	0
Revenue funds:	922	2,989	3,498	2,762	3,417	3,502
Application of existing borrowing	1,911	1,961	1,447	1,938	1,283	1,198
Total Funding	10,276	9,100	5,400	4,700	4,700	4,700
Programme funding - 2.99% increase in CT						
Earmarked Reserves:	5,981	4,150	455	0	0	0
Revenue funds:	2,384	2,989	3,498	2,762	3,417	3,502
Application of existing borrowing	1,911	1,961	1,447	1,938	1,283	1,198
Total Funding	10,276	9,100	5,400	4,700	4,700	4,700

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PRUDENTIAL INDICATORS				INDICATIVE INDICATORS 2019/20 to 2021/22		
	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
	£m	£m	£m	£m	£m	£m
	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
Capital Expenditure						
Non - HRA	10.276	9.100	5.400	4.700	4.700	4.700
HRA (applies only to housing authorities)						
Total	10.276	9.100	5.400	4.700	4.700	4.700
Ratio of financing costs to net revenue stream						
Non - HRA	4.03%	4.03%	3.97%	3.89%	3.52%	3.41%
HRA (applies only to housing authorities)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Capital Financing Requirement as at 31 March						
	£000	£000	£000	£000	£000	£000
Non - HRA	25,538	25,444	24,851	24,758	24,264	23,771
HRA (applies only to housing authorities)	0	0	0	0	0	0
Other long term liabilities	1,209	1,112	1,010	907	791	656
Total	26,747	26,556	25,861	25,665	25,055	24,427
Annual change in Capital Financing Requirement						
	£000	£000	£000	£000	£000	£000
Non - HRA	(182)	(191)	(694)	(197)	(807)	(1,238)
HRA (applies only to housing authorities)	0	0	0	0	0	0
Total	(182)	(191)	(694)	(197)	(807)	(1,238)
PRUDENTIAL INDICATORS - TREASURY MANAGEMENT						
Authorised Limit for external debt						
	£000	£000	£000	£000	£000	£000
Borrowing	26,907	26,810	26,687	26,089	25,971	25,453
Other long term liabilities	1,359	1,265	1,162	1,056	947	823
Total	28,267	28,074	27,849	27,144	26,918	26,276
Operational Boundary for external debt						
	£000	£000	£000	£000	£000	£000
Borrowing	25,631	25,537	25,444	24,851	24,757	24,264
Other long term liabilities	1,299	1,209	1,112	1,010	907	791
Total	26,929	26,747	26,556	25,861	25,665	25,055
Maximum Principal Sums Invested over 364 Days						
Principal Sums invested > 364 Days	5,000	5,000	5,000	5,000	5,000	5,000

TREASURY MANAGEMENT INDICATOR	Upper Limit %	Lower Limit %
Limits on borrowing at fixed interest rates	100%	70%
Limits on borrowing at variable interest rates	30%	0%
Maturity structure of fixed rate borrowing during 2017/18		
Under 12 months	30%	0%
12 months and within 24 months	30%	0%
24 months and within 5 years	50%	0%
5 years and within 10 years	75%	0%
10 years and above	100%	50%

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REPORT REFERENCE NO.	DSFRA/18/3
MEETING	DEVON AND SOMERSET FIRE AND RESCUE AUTHORITY (BUDGET MEETING)
DATE OF MEETING	16 FEBRUARY 2018
SUBJECT OF REPORT	TREASURY MANAGEMENT STRATEGY (INCLUDING PRUDENTIAL AND TREASURY INDICATORS) REPORT 2018-19 TO 2020-21
LEAD OFFICER	Director of Finance (Treasurer)
RECOMMENDATIONS	<p><i>(a). That the Authority approves:</i></p> <p style="padding-left: 40px;"><i>(i). the Treasury Management Strategy and the Annual Investment Strategy; and</i></p> <p style="padding-left: 40px;"><i>(ii). the Minimum Revenue Provision (MRP) statement for 2018-19, as contained as Appendix B.</i></p>
EXECUTIVE SUMMARY	<p>At its meeting on 18 December 2018, the Authority approved a revision to the Terms of Reference of the Resources Committee to enable that Committee to give initial consideration to the Treasury Management Strategy and make appropriate recommendations to the Authority (Minute DSFRA/49(a)(i) refers). This report sets out a treasury management strategy and investment strategy for 2018-19, including the Prudential Indicators associated with the capital programme for 2018-19 to 2020-21 considered elsewhere on the agenda of this meeting. A Minimum Revenue Provision Statement for 2018-19 is also included for approval.</p>
RESOURCE IMPLICATIONS	As indicated in this report
EQUALITY RISKS AND BENEFITS ANALYSIS (ERBA)	The contents of this report are considered compatible with existing human rights and equality legislation.
APPENDICES	<p>A. Prudential and Treasury Management Indicators 2018-19 to 2020-21.</p> <p>B. Minimum Revenue Provision Statement 2018-19.</p>
LIST OF BACKGROUND PAPERS	<p>Local Government Act 2003.</p> <p>Chartered Institute of Public Finance Accountancy's (CIPFA) Prudential Code.</p> <p>Treasury Management Strategy Update to Resources Committee 15 November 2017.</p>

1. **INTRODUCTION**

Background

- 1.1 The Authority is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low risk counterparties or instruments commensurate with the Authority's low risk appetite, providing adequate liquidity initially before considering investment return.
- 1.2 The second main function of the treasury management service is the funding of the Authority's capital plans. These capital plans provide a guide to the borrowing need of the Authority, essentially the longer term cash flow planning, to ensure that the Authority can meet its capital spending obligations. This management of longer term cash may involve arranging long or short term loans, or using longer term cash flow surpluses. On occasion any debt previously drawn may be restructured to meet Authority risk or cost objectives. Treasury management is defined as:
- 1.3 The management of the organisation's borrowing, investments and 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.

Statutory requirements

- 1.4 The Local Government Act 2003 (the Act) and supporting regulations requires the Authority to "have regard to" the CIPFA Prudential Code and the CIPFA Treasury Management Code of Practice to set Prudential and Treasury Indicators for the next three years to ensure that the Authority's capital investment plans are affordable, prudent and sustainable.
- 1.5 The Act therefore requires the Authority to set out its treasury strategy for borrowing and to prepare an Annual Investment Strategy (as required by Investment Guidance subsequent to the Act and included as paragraph 8 of this report); this sets out the Authority's policies for managing its investments and for giving priority to the security and liquidity of those investments.
- 1.6 The Department of Communities and Local Government (DCLG) issued revised investment guidance which came into force from 1 April 2010. This guidance was captured within the revised CIPFA Treasury Management Code 2011.

CIPFA requirements

- 1.7 The Authority has adopted the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management. The primary requirements of the Code are as follows:
- Creation and maintenance of a Treasury Management Policy Statement which sets out the policies and objectives of the Authority's treasury management activities.
 - Creation and maintenance of Treasury Management Practices which set out the manner in which the Authority will seek to achieve those policies and objectives.

- Receipt by the 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.
- Delegation by the Authority of responsibilities for implementing and monitoring treasury management policies and practices and for this this Authority the delegated body is Resources Committee, and for the execution and administration of treasury management decisions and for this Authority the responsible officer is the Treasurer.
- Delegation by the Authority of the role of scrutiny of treasury management strategy and polices to a named body. For this Authority the delegated body is Resources Committee.

1.8 In November 2017 DCLG issued consultation documents on changes to key documents related to the Treasury Management and Investment Activities of Local Authorities. The consultation closed on 22 December 2017 and at the time of writing this report final guidance is yet to be issued by CIPFA. Key changes as outlined in the consultation and implications for this Authority are outlined below.

- **Investment Strategy** – development of strategy to include non-Treasury Management Investments such as property and investments in other local bodies which may not meet current investment criteria (for example by returning social value against reduced security or yield).

The Authority does not currently hold any of this class of investment. The Annual Investment Strategy will be updated and taken to the Fire Authority for approval when final guidance is issued by CIPFA.

- **Minimum Revenue Provision (MRP) Policy**

Suggested revisions to MRP Policy have been reviewed by officers and the Authority's current policy is considered to be in line with proposed guidance. If any changes are required in year following the release of final guidance a revised Policy will be taken to the Fire Authority for approval.

1.9 In December 2017, CIPFA issued revised Prudential and Treasury Management Codes. As from 2019-20, all local authorities will be required to prepare an additional report, a Capital Strategy report, which is intended to provide the following: -

- a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services
- an overview of how the associated risk is managed
- the implications for future financial sustainability

1.10 The aim of this report is to ensure that all elected members on the full Authority fully understand the overall strategy, governance procedures and risk appetite entailed by this Strategy.

1.11 The Capital Strategy will include capital expenditure, investments and liabilities and treasury management in sufficient detail to allow all members to understand how stewardship, value for money, prudence, sustainability and affordability will be secured.

Treasury Management Strategy for 2018-19

1.12 The suggested strategy for 2018-19 in respect of the following aspects of the treasury management function is based upon the treasury officers' views on interest rates, supplemented with leading market forecasts provided by the Authority's treasury advisor, Link Asset Services (Link).

1.13 The strategy for 2018-19 covers two main areas:

Capital Issues

- capital plans and prudential indicators
- the Minimum Revenue Provision (MRP) strategy

Treasury Management Issues

- treasury limits in force which will limit the treasury risk and activities of the Authority
- treasury Indicators
- the current treasury position
- the borrowing requirement
- prospects for interest rates
- the borrowing strategy
- policy on borrowing in advance of need
- debt rescheduling
- the investment strategy
- creditworthiness policy
- policy on use of external service providers

Training

1.14 The CIPFA Code requires the responsible officer to ensure that members with responsibility for treasury management receive adequate training in treasury management. This especially applies to members responsible for scrutiny. A proportionate training plan will be developed for members of the Resources Committee.

1.15 The training needs of treasury management officers are periodically reviewed.

Treasury Management Advisors

1.16 The Authority uses Link Asset Services, Treasury solutions as its external treasury management advisors.

1.17 The Authority recognises that responsibility for treasury management decisions remains with the organisation at all times and will ensure that undue reliance is not placed upon our external service providers.

1.18 It also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The Authority will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subjected to regular review.

2. CAPITAL PRUDENTIAL INDICATORS FOR 2018-19 TO 2020-21

2.1 The Authority's capital expenditure plans are the key driver of treasury management activity. The output of the capital expenditure plans is reflected in the prudential indicators, which are designed to assist members' overview and confirm capital expenditure plans.

2.2 This prudential indicator is a summary of the Authority's capital expenditure plans, both those agreed previously, and those forming part of this budget cycle. Members are asked to approve the capital expenditure forecasts as proposed in the Capital Programme report considered elsewhere on the agenda. Other long term liabilities such as PFI and leasing arrangements which already include borrowing instruments are excluded.

Proposed Capital Expenditure	2017-18 (forecast spending) £m	2018-19 £m	2019-20 (provisional) £m	2020-21 (provisional) £m
Estates	2.133	3.343	4.700	2.500
Fleet & Equipment	1.925	6.933	4.400	2.900
Total	4.058	10.276	9.100	5.400

2.3 The following table summarises the financing of the capital programmes shown above. Additional capital finance sources may become available during the year, for example, additional grants or external contributions. The Authority will be requested to approve increases to the capital programme to be financed from other capital resources as and when the need arises.

The Revenue Funding outlined below is conditional upon the Fire Authority decision over levels of Council Tax for 2018-19 – figures below are based on a Council Tax increase of 2.99%.

Capital Financing	2017-18 (forecast spending) £m	2018-19 £m	2019-20 (provisional) £m	2020-21 (provisional) £m
Capital receipts	0.000	0.000	0.000	0.000
Capital grants	0.021	0.000	0.000	0.000
Capital reserves	0.262	5.981	4.150	0.455
Revenue	1.813	2.384	2.989	3.498
Application of existing borrowing	1.962	1.911	1.961	1.447
Total	4.058	10.276	9.100	5.400

The Authority's Borrowing Need (Capital Financing Requirement)

2.4 The second prudential indicator is the Authority's Capital Financing Requirement (CFR). The CFR is simply the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Authority's indebtedness and so its underlying borrowing need. Any capital expenditure above, which has not immediately been paid for, will increase the CFR.

- 2.5 The CFR does not increase indefinitely, as the minimum revenue provision (MRP) is a statutory annual revenue charge which broadly reduces the indebtedness in line with each assets life, and so charges the economic consumption of capital assets as they are used.
- 2.6 The CFR includes any other long-term liabilities (e.g. PFI schemes, finance leases). Whilst these increase the CFR, and therefore the Authority's borrowing requirement, these types of scheme include a borrowing facility by the PFI, PPP lease provider and so the Authority is not required to separately borrow for these schemes. The Authority currently has £1.299m of such schemes within the CFR.
- 2.7 The Authority is asked to approve the CFR projections below as included in Appendix A:

Capital Financing Requirement (CFR)	2017-18 (forecast spending)	2018-19	2019-20 (provisional)	2020-21 (provisional)
	£m	£m	£m	£m
Non-HRA expenditure	25.630	25.538	25.444	24.851
Other Long Term Liabilities	1.299	1.209	1.112	1.010
Total CFR	26.929	26.747	26.556	25.861
Movement in CFR	(2.300)	(2.276)	(2.343)	(2.836)
Less MRP	(2.131)	(2.093)	(2.152)	(2.141)
Net movement in CFR	(0.169)	(0.182)	(0.191)	(0.694)

Core funds and expected investment balances

- 2.8 The application of resources (capital receipts, reserves etc.) to either finance capital expenditure or other budget decisions to support the revenue budget will have an ongoing impact on investments unless resources are supplemented each year from new sources (asset sales etc.). Detailed below are estimates of the year-end balances for each resource and anticipated day-to-day cash flow balances.

Estimated Year end Resources	2017-18	2018-19	2019-20	2020-21
	£m	£m	£m	£m
Reserve Balances	33.522	25.541	19.391	18.936
Capital receipts	0.000	0.000	0.000	0.000
Provisions	0.695	0.195	0.000	0.000
Other	6.989	8.899	10.860	12.307
Total core funds	41.206	34.635	30.251	31.243
Working capital*	1.000	1.000	1.000	1.000
Under/over borrowing	0.000	0.000	0.000	0.000
Expected investments	42.206	35.635	31.251	32.243

*Working capital balances shown are estimated year-end; these may be higher mid-year

Minimum Revenue Provision (MRP) Strategy

- 2.9 The Authority is required to pay off an element of the accumulated General Fund capital spend each year (the CFR) through a revenue charge (the minimum revenue provision - MRP), although it is also allowed to undertake additional voluntary payments if required (voluntary revenue provision - VRP).
- 2.10 DCLG regulations have been issued which require the full Authority to approve an MRP Statement in advance of each year. A variety of options are provided under which MRP could be made, with an overriding recommendation that the Authority should make prudent provision to redeem its debt liability over a period which is reasonably commensurate with that over which the capital expenditure is estimated to provide benefits.
- 2.11 Although four main options are provided under the guidance, the Authority has adopted
- The Asset Life Method***
- 2.12 Where capital expenditure on an asset is financed wholly or partly by borrowing or credit arrangements, MRP is to be made in equal annual instalments over the life of the asset. In this circumstance the asset life is to be determined when MRP commences and not changed after that.
- 2.13 MRP should normally commence in the financial year following the one in which the expenditure is incurred. However, when borrowing to construct an asset, the authority may treat the asset life as commencing in the year in which the asset first becomes operational. It may accordingly postpone beginning to make MRP until that year. Investment properties should be regarded as becoming operational when they begin to generate revenues.
- 2.14 As some types of capital expenditure incurred by the Authority are not capable of being related to an individual asset, asset lives will be assessed on a basis which most reasonably reflects the anticipated period of benefit that arises from the expenditure. Also, whatever type of expenditure is involved, it will be grouped together in a manner which reflects the nature of the main component of expenditure and will only be divided up in cases where there are two or more major components with substantially different useful economic lives.
- 2.15 A draft MRP statement for 2018-19 is attached as Appendix B for Authority approval. The financing of the approved 2018-19 capital programme, and the resultant prudential indicators have been set on the basis of the content of this statement.

Prudential Indicators for Affordability

- 2.16 The previous sections of the report cover the overall limits for capital expenditure and borrowing, but within the overall framework indicators are also included to demonstrate the affordability of capital investment plans.
- 2.17 A key indicator of the affordability of capital investment plans is the ratio of financing costs to the net revenue stream; this indicator identifies the trend in the cost of capital financing (borrowing costs net of investment income) against the Authority's net budget requirement. Annual capital financing costs are a product of total debt outstanding, the annual repayment regime and interest rates. The forecast ratios for 2018-19 to 2020-21 based on current commitments and the proposed Capital Programme are shown overleaf.

Financing costs as a % of net revenue	2017-18 (forecast spending)	2018-19	2019-20 (provisional)	2020-21 (provisional)
Annual cost	4.18%	4.03%	4.03%	3.97%

3. **BORROWING**

3.1 The capital expenditure plans set out in Section 2 provide details of the service activity of the Authority. The treasury management function ensures that the Authority's cash is organised in accordance with the relevant professional codes, so that sufficient cash is available to meet this service activity and the Authority's capital strategy. This will involve both the organisation of the cash flow and, where capital plans require, the organisation of appropriate borrowing facilities. The strategy covers the relevant treasury / prudential indicators, the current and projected debt positions and the annual investment strategy.

Current borrowing position

3.2 The Authority's treasury portfolio position at 31 March 2017, with forward projections are summarised below. The table shows the actual external debt (the treasury management operations), against the underlying capital borrowing need (the Capital Financing Requirement - CFR), highlighting any over or under borrowing.

External Debt	2017-18 (forecast spending) £m	2018-19 £m	2019-20 (provisional) £m	2020-21 (provisional) £m
Debt at 1 April	25.724	25.631	25.537	25.444
Expected change in Debt	(0.093)	(0.093)	(0.093)	(0.593)
Other long-term liabilities (OLTL)	1.374	1.299	1.209	1.112
Expected change in OLTL	(0.075)	(0.090)	(0.098)	(0.101)
Actual gross debt at 31 March	26.929	26.747	26.556	25.861
CFR	26.929	26.747	26.556	25.861
Under/ Over borrowing	0.000	0.000	0.000	0.000

3.3 Within the prudential indicators there are a number of key indicators to ensure that the Authority operates its activities within well-defined limits. One of these is that the Authority needs to ensure that its gross debt does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2018/19 and the following two financial years. This allows some flexibility for limited early borrowing for future years, but ensures that borrowing is not undertaken for revenue or speculative purposes.

3.4 The Director of Finance reports that the Authority complied with this prudential indicator in the current year and does not envisage difficulties for the future. This view takes into account current commitments, existing plans, and the proposals in this budget report.

Limits to Borrowing Activity

3.5 Two Treasury Management Indicators control the level of borrowing. They are:

- **The operational boundary.** This is the limit beyond which external debt is not normally expected to exceed. In most cases, this would be a similar figure to the CFR, but may be lower or higher depending on the levels of actual debt and the ability to fund under-borrowing by other cash resources.

Estimated Operational Boundary	2017-18	2018-19	2019-20	2020-21
	£m	£m	£m	£m
Non-HRA expenditure	25,724	25,631	25,537	25,444
Other Long Term Liabilities	1,374	1,299	1,209	1,112
Total	27,098	26,929	26,747	26,556

- **The authorised limit for external debt.** A further key prudential indicator represents a control on the maximum level of borrowing. This represents a limit beyond which external debt is prohibited, and this limit needs to be set or revised by the full Authority. It reflects the level of external debt which, while not desired, could be afforded in the short term, but is not sustainable in the longer term.

This is the statutory limit determined under section 3 (1) of the Local Government Act 2003. The Government retains an option to control either the total of all Authority's plans, or those of a specific Authority, although this power has not yet been exercised.

The Authority is asked to approve the following authorised limit:

Estimated Authorised Limit	2017-18	2018-19	2019-20	2020-21
	£m	£m	£m	£m
Non-HRA expenditure	27,005	26,907	26,810	26,687
Other Long Term Liabilities	1,439	1,359	1,265	1,162
Total	28,445	28,267	28,074	27,849

Prospects for interest rates

3.6 The Authority has appointed Link Asset Services as its treasury advisor and part of their service is to assist the Authority to formulate a view on interest rates. The following table gives our central view.

Link Asset Services Interest Rate View													
	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21
Bank Rate	0.50%	0.50%	0.50%	0.75%	0.75%	0.75%	0.75%	1.00%	1.00%	1.00%	1.25%	1.25%	1.25%
5yr PWLB rate	1.60%	1.60%	1.70%	1.80%	1.80%	1.90%	1.90%	2.00%	2.10%	2.10%	2.20%	2.30%	2.30%
10yr PWLB rate	2.20%	2.30%	2.40%	2.40%	2.50%	2.60%	2.60%	2.70%	2.70%	2.80%	2.90%	2.90%	3.00%
25yr PWLB rate	2.90%	3.00%	3.00%	3.10%	3.10%	3.20%	3.20%	3.30%	3.40%	3.50%	3.50%	3.60%	3.60%
50yr PWLB rate	2.60%	2.70%	2.80%	2.90%	2.90%	3.00%	3.00%	3.10%	3.20%	3.30%	3.30%	3.40%	3.40%

- 3.7 As expected, the Monetary Policy Committee (MPC) delivered a 0.25% increase in Bank Rate at its meeting on 2 November. This removed the emergency cut in August 2016 after the EU referendum. The MPC also gave forward guidance that they expected to increase Bank rate only twice more by 0.25% by 2020 to end at 1.00%. The Link Asset Services forecast as above includes increases in Bank Rate of 0.25% in November 2018, November 2019 and August 2020.
- 3.8 The overall longer run trend is for gilt yields and PWLB rates to rise, albeit gently. It has long been expected, that at some point, there would be a more protracted move from bonds to equities after a historic long-term trend, over about the last 25 years, of falling bond yields. The action of central banks since the financial crash of 2008, in implementing substantial Quantitative Easing, added further impetus to this downward trend in bond yields and rising bond prices. Quantitative Easing has also directly led to a rise in equity values as investors searched for higher returns and took on riskier assets. The sharp rise in bond yields since the US Presidential election in November 2016 has called into question whether the previous trend may go into reverse, especially now the Fed. has taken the lead in reversing monetary policy by starting, in October 2017, a policy of not fully reinvesting proceeds from bonds that it holds when they mature.
- 3.9 Until 2015, monetary policy was focused on providing stimulus to economic growth but has since started to refocus on countering the threat of rising inflationary pressures as stronger economic growth becomes more firmly established. The Fed. has started raising interest rates and this trend is expected to continue during 2018 and 2019. These increases will make holding US bonds much less attractive and cause their prices to fall, and therefore bond yields to rise. Rising bond yields in the US are likely to exert some upward pressure on bond yields in the UK and other developed economies. However, the degree of that upward pressure is likely to be dampened by how strong or weak the prospects for economic growth and rising inflation are in each country, and on the degree of progress towards the reversal of monetary policy away from quantitative easing and other credit stimulus measures.
- 3.10 From time to time, gilt yields – and therefore PWLB rates - can be subject to exceptional levels of volatility due to geo-political, sovereign debt crisis and emerging market developments. Such volatility could occur at any time during the forecast period.
- 3.11 Economic and interest rate forecasting remains difficult with so many external influences weighing on the UK. The above forecasts (and MPC decisions) will be liable to further amendment depending on how economic data and developments in financial markets transpire over the next year. Geopolitical developments, especially in the EU, could also have a major impact. Forecasts for average investment earnings beyond the three-year time horizon will be heavily dependent on economic and political developments.
- 3.12 The overall balance of risks to economic recovery in the UK is probably to the downside, particularly with the current level of uncertainty over the final terms of Brexit.
- 3.13 Downside risks to current forecasts for UK gilt yields and PWLB rates currently include:
- The Bank of England takes action too quickly over the next three years to raise Bank Rate and causes UK economic growth, and increases in inflation, to be weaker than we currently anticipate.
 - Geopolitical risks, especially North Korea, but also in Europe and the Middle East, which could lead to increasing safe haven flows.

- A resurgence of the Eurozone sovereign debt crisis, possibly Italy, due to its high level of government debt, low rate of economic growth and vulnerable banking system.
 - Weak capitalisation of some European banks.
 - Germany is still without an effective government after the inconclusive result of the general election in October. In addition, Italy is to hold a general election on 4 March and the anti EU populist Five Star party is currently in the lead in the polls, although it is unlikely to get a working majority on its own. Both situations could pose major challenges to the overall leadership and direction of the EU as a whole and of the individual respective countries. Hungary will hold a general election in April 2018.
 - The result of the October 2017 Austrian general election has now resulted in a strongly anti-immigrant coalition government. In addition, the Czech ANO party became the largest party in the October 2017 general election on a platform of being strongly against EU migrant quotas and refugee policies. Both developments could provide major impetus to other, particularly former Communist bloc countries, to coalesce to create a major block to progress on EU integration and centralisation of EU policy. This, in turn, could spill over into impacting the Euro, EU financial policy and financial markets.
 - Rising protectionism under President Trump
 - A sharp Chinese downturn and its impact on emerging market countries
- 3.14 The overall balance of risks to economic recovery in the UK is to the downside, particularly in view of the current uncertainty over the final terms of Brexit and the timetable for its implementation.

3.14 The potential for upside risks to current forecasts for UK gilt yields and PWLB rates, especially for longer term PWLB rates include: -

- The Bank of England is too slow in its pace and strength of increases in Bank Rate and, therefore, allows inflation pressures to build up too strongly within the UK economy, which then necessitates a later rapid series of increases in Bank Rate faster than we currently expect.
- UK inflation returning to sustained significantly higher levels causing an increase in the inflation premium inherent to gilt yields.
- The Fed causing a sudden shock in financial markets through misjudging the pace and strength of increases in its Fed. Funds Rate and in the pace and strength of reversal of Quantitative Easing, which then leads to a fundamental reassessment by investors of the relative risks of holding bonds, as opposed to equities. This could lead to a major flight from bonds to equities and a sharp increase in bond yields in the US, which could then spill over into impacting bond yields around the world.

Investment and borrowing rates

- Investment returns are likely to remain low during 2018/19 but to be on a gently rising trend over the next few years.

- Borrowing interest rates increased sharply after the result of the general election in June and then also after the September MPC meeting when financial markets reacted by accelerating their expectations for the timing of Bank Rate increases. Since then, borrowing rates have eased back again somewhat. Apart from that, there has been little general trend in rates during the current financial year. The policy of avoiding new borrowing by running down spare cash balances has served well over the last few years. However, this needs to be carefully reviewed to avoid incurring higher borrowing costs in the future when authorities may not be able to avoid new borrowing to finance capital expenditure and/or the refinancing of maturing debt;
- There will remain a cost of carry to any new long-term borrowing that causes a temporary increase in cash balances as this position will, most likely, incur a revenue cost – the difference between borrowing costs and investment returns.

Borrowing strategy

- 3.15 As reported in the separate report on this agenda “Capital Programme 2018-19 to 2020-21”, it is the strategic intent of the Authority not to increase its exposure to external borrowing during the next six years. To achieve this a recommendation the Authority has supported the inclusion in the base revenue budget a revenue contribution to capital investment (£1.2m in 2018-19).
- 3.16 This being the case there is no intention to take out any new borrowing during 2018-19. Should this position change then the Treasury Management Strategy will need to be reviewed to reflect any change to the borrowing strategy and would be subject to a further report to the full Authority.

Policy on borrowing in advance of need

- 3.17 The Authority will not borrow more than or in advance of its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be considered carefully to ensure value for money can be demonstrated and that the Authority can ensure the security of such funds.

Debt rescheduling

- 3.18 As short term borrowing rates will be considerably cheaper than longer term rates, there may be potential for some residual opportunities to generate savings by switching from long term debt to short term debt. However, these savings will need to be considered in the light of the size of premiums incurred, their short term nature and the likely cost of refinancing those short term loans, once they mature, compared to the current rates of longer term debt in the existing debt portfolio. Any such rescheduling and repayment of debt is likely to cause a flattening of the authority’s maturity profile as in recent years there has been a skew towards longer dated PWLB.
- 3.19 Consideration will also be given to identify if there is any potential for making savings by running down investment balances to repay debt prematurely as short term rates on investments are likely to be lower than rates paid on current debt.
- 3.20 The reasons for any rescheduling to take place will include:
- the generation of cash savings and / or discounted cash flow savings,
 - helping to fulfil the adopted borrowing strategy, and
 - enhancing the balance of the portfolio (amend the maturity profile and/or the balance of volatility).

3.21 All rescheduling will be reported to the Resources Committee, at the earliest meeting following its action.

4. ANNUAL INVESTMENT STRATEGY

Investment Policy

4.1 The Authority's investment policy has regard to the CLG's Guidance on Local Government Investments ("the Guidance") and the CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes 2017 ("the CIPFA TM Code"). The Authority's investment priorities will be security first, portfolio liquidity second, then return.

4.2 In accordance with the above guidance from the CLG and CIPFA, and in order to minimise the risk to investments, the Authority applies minimum acceptable credit criteria in order to generate a list of highly creditworthy counterparties which also enables diversification and thus avoidance of concentration risk. The key ratings used to monitor counterparties are the Short Term and Long Term ratings.

4.3 Ratings will not be the sole determinant of the quality of an institution; it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To achieve this consideration the Authority will engage with its advisors to maintain a monitor on market pricing such as "credit default swaps" and overlay that information on top of the credit ratings.

4.4 Other information sources used will include the financial press, share price and other such information pertaining to the banking sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.

Creditworthiness Policy

4.5 This Authority applies the creditworthiness service provided by Link Asset Services. This service employs a sophisticated modelling approach utilising credit ratings from the three main credit rating agencies - Fitch, Moody's and Standard & Poor's.

4.6 The credit ratings of counterparties are supplemented with the following overlays:

- credit watches and credit outlooks from credit rating agencies;
- CDS spreads to give early warning of likely changes in credit ratings;
- sovereign ratings to select counterparties from only the most creditworthy countries.

4.7 This modelling approach combines credit ratings, credit watches, credit outlooks and CDS spreads in a weighted scoring system which is then combined with an overlay of CDS spreads for which the end product is a series of colour code bands which indicate the relative creditworthiness of counterparties. These colour codes are also used by the Authority to determine the duration for investments and are therefore referred to as durational bands. The Authority is satisfied that this service now gives a much improved level of security for its investments. It is also a service which the Authority would not be able to replicate using in house resources.

4.8 The Link Asset Services' creditworthiness service uses a wider array of information than just primary ratings. Furthermore, by using a risk weighted scoring system, it does not give undue preponderance to just one agency's ratings.

4.9 Typically the minimum credit ratings criteria the Authority use will be a Short Term rating (Fitch or equivalents) of F1 and a Long Term rating of A-. There may be occasions when the counterparty ratings from one rating agency are marginally lower than these ratings but may still be used. In these instances consideration will be given to the whole range of ratings available, or other topical market information, to support their use.

4.10 All credit ratings will be monitored weekly. The Authority is alerted to changes to ratings of all three agencies through its use of the Link creditworthiness service. If a downgrade results in the counterparty/investment scheme no longer meeting the Authority's minimum criteria, its further use as a new investment will be withdrawn immediately. In addition to the use of Credit Ratings the Authority will be advised of information in movements in Credit Default Swap against the iTraxx benchmark and other market data on a weekly basis. Extreme market movements may result in downgrade of an institution or removal from the Authority's lending list.

4.11 Sole reliance will not be placed on the use of this external service. In addition this Authority will also use market data and market information, information on government support for banks and the credit ratings of that government support.

Approved Instruments for Investments

4.12 Investments will only be made with those bodies identified by the authority for its use through the Annual Investment Strategy.

Country Limits

4.13 The Authority has determined that it will only use approved counterparties from countries with a minimum sovereign credit rating of AA- from Fitch (or equivalent). The list of countries that qualify using this credit criteria as at the date of this report are shown below. This list will be added to, or deducted from, by officers should ratings change in accordance with this policy.

AAA

- Australia
- Canada
- Denmark
- Germany
- Luxembourg
- Netherlands
- Norway
- Singapore
- Sweden
- Switzerland

AA+

- Finland
- Hong Kong
- U.S.A.

AA

- Abu Dhabi (UAE)
- France
- U.K.

AA-

- Belgium
- Qatar

Non-specified Investments

- 4.14 Non specified investments are those which do not meet the Specified Investment Criteria and covers those counterparties where there is either no recognised credit rating and/or an anticipation that an investment will be for greater than one year in duration.
- 4.15 The Authority had not previously placed non-specified investments as a result of its prudent approach to place security and liquidity over yield. However from April 2015 it was agreed that the strategy be amended to include investments with maturity of longer than 364 days. The maximum duration limit on any non-specified deposit will be determined by the colour assigned to the Counterparty on the Link Asset Services credit list on the date the investment is placed, but typically will be for no longer than 24 months. Where such investments are placed via the Secondary Market i.e. buying the remaining term of an existing instrument, then the term will be for 24 months.
- 4.16 A variety of investment instruments will be used, subject to the credit quality of the institution, and depending on the type of investment made it will fall into one of the categories outlined in Table 13 overleaf.
- 4.17 The maturity limits recommended will not be exceeded. Under the delegated powers the Section 151 Officer can set limits that are based on the latest economic conditions and credit ratings.
- 4.18 The following table shows those bodies with which the Authority will invest.

Specified Investments	Non Specified Investments
Deposits with the Debt Management Agency Deposit Facility	
Term Deposits with UK government, UK local authorities, highly credit rated banks and building societies (including callable deposits and forward deals)	Term Deposits with UK government, UK local authorities, highly credit rated banks and building societies (including callable deposits and forward deals) Non-credit rated building societies. <i>The total amount of non-specified investments will not be greater than £5m in value.</i>
Banks nationalised/part nationalised or supported by the UK government	Banks nationalised/part nationalised or supported by the UK government
Money Market Funds	
Non UK highly credited rated banks	
UK Government Treasury Bills	
Certificates of Deposit	
Corporate Bonds	
Gilts	

- 4.19 The Authority has determined that it will only use approved counterparties from countries with a minimum sovereign credit rating of AA- from Fitch Ratings (or equivalent from other agencies if Fitch does not provide).

Investment Strategy

- 4.20 In-house funds: The Authority's in-house managed funds are mainly cash-flow derived and investments will accordingly be made with reference to the core balance and cash flow requirements and the outlook for short-term interest rates.
- 4.21 Investment returns expectations. Bank Rate is forecast to stay flat at 0.50% until quarter 4 2018 and not to rise above 1.25% by quarter 1 2021. Bank Rate forecasts for financial year ends (March) are:
- 2017/18 0.50%
 - 2018/19 0.75%
 - 2019/20 1.00%
 - 2020/21 1.25%
- 4.22 The suggested budgeted investment earnings rates for returns on investments placed for periods up to 100 days during each financial year are as follows:

	Now
2017/18	0.40%
2018/19	0.60%
2019/20	0.90%
2020/21	1.25%
2021/22	1.50%
2022/23	1.75%
2023/24	2.00%
Later years	2.75%

- 4.23 The overall balance of risks to these forecasts is currently skewed to the upside and are dependent on how strong GDP growth turns out, how quickly inflation pressures rise and how quickly the Brexit negotiations move forward positively. .
- 4.24 Investment treasury indicator and limit - total principal funds invested for greater than 364 days. These limits are set with regard to the Authority's liquidity requirements and to reduce the need for early sale of an investment, and are based on the availability of funds after each year-end.

Maximum principal sums invested > 364 days			
£m	2018-19	2019-20	2020-21
Principal sums invested > 364 days	£5m	£5m	£5m

End of year investment report

- 4.25 At the end of the financial year, the Authority will report on its investment activity as part of its Annual Treasury Report.

Policy on the use of external service providers

- 4.26 The Authority uses Link as its external treasury management advisers. The Authority recognises that responsibility for treasury management decisions remains with the organisation at all times and will ensure that undue reliance is not placed upon our external service providers.

4.27

It also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The Authority will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subjected to regular review.

Treasury Management Scheme of Delegation

Full Authority:

- Receiving and reviewing reports on treasury management policies, practices and activities
- Approval of annual strategy
- Approval of/amendments to the Authority's adopted clauses, treasury management policy statement and treasury management practices
- Budget consideration and approval
- Approval of the division of responsibilities
- Approving the selection of external service providers and agreeing terms of appointment.
- Reviewing the treasury management policy and procedures and making recommendations to the Authority.

Resources Committee:

- Receiving and reviewing regular monitoring reports and acting on recommendations
- Review of annual strategy prior to recommendation to full authority

Role of the Section 112 (151) officer (Director of Finance)

- Recommending clauses, treasury management policy/practices for approval, reviewing the same regularly, and monitoring compliance
- Submitting regular treasury management policy reports
- Submitting budgets and budget variations
- Receiving and reviewing management information reports
- Reviewing the performance of the treasury management function
- Ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function
- Ensuring the adequacy of internal audit and liaising with external audit
- Recommending the appointment of external service providers.

5. CONCLUSION

- 5.1 The Authority is required to consider and approve the treasury management strategy to be adopted prior to the start of the financial year. This strategy must also include proposed prudential indicators and a minimum provision statement (MRP). Approval of the strategy for 2018-19 as contained in this report will also incorporate the adoption of the revised CIPFA Treasury Management Code of Practice.

AMY WEBB
Director of Finance (Treasurer)

APPENDIX A TO REPORT DSFRA/18/3

PRUDENTIAL INDICATORS	INDICATIVE INDICATORS 2019/20 to 2021/22					
	2018/19 £m Estimate	2019/20 £m Estimate	2020/21 £m Estimate	2021/22 £m Estimate	2022/23 £m Estimate	2023/24 £m Estimate
Capital Expenditure						
Non - HRA	10.276	9.100	5.400	4.700	4.700	4.700
HRA (applies only to housing authorities)						
Total	10.276	9.100	5.400	4.700	4.700	4.700
Ratio of financing costs to net revenue stream						
Non - HRA	4.03%	4.03%	3.97%	3.89%	3.52%	3.41%
HRA (applies only to housing authorities)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Capital Financing Requirement as at 31 March	£000	£000	£000	£000	£000	£000
Non - HRA	25,538	25,444	24,851	24,758	24,264	23,771
HRA (applies only to housing authorities)	0	0	0	0	0	0
Other long term liabilities	1,209	1,112	1,010	907	791	656
Total	26,747	26,556	25,861	25,665	25,055	24,427
Annual change in Capital Financing Requirement	£000	£000	£000	£000	£000	£000
Non - HRA	(182)	(191)	(694)	(197)	(807)	(1,238)
HRA (applies only to housing authorities)	0	0	0	0	0	0
Total	(182)	(191)	(694)	(197)	(807)	(1,238)
PRUDENTIAL INDICATORS - TREASURY MANAGEMENT						
Authorised Limit for external debt	£000	£000	£000	£000	£000	£000
Borrowing	26,907	26,810	26,687	26,089	25,971	25,453
Other long term liabilities	1,359	1,265	1,162	1,056	947	823
Total	28,267	28,074	27,849	27,144	26,918	26,276
Operational Boundary for external debt	£000	£000	£000	£000	£000	£000
Borrowing	25,631	25,537	25,444	24,851	24,757	24,264
Other long term liabilities	1,299	1,209	1,112	1,010	907	791
Total	26,929	26,747	26,556	25,861	25,665	25,055
Maximum Principal Sums Invested over 364 Days						
Principal Sums invested > 364 Days	5,000	5,000	5,000	5,000	5,000	5,000

TREASURY MANAGEMENT INDICATOR	Upper Limit %	Lower Limit %
Limits on borrowing at fixed interest rates	100%	70%
Limits on borrowing at variable interest rates	30%	0%
Maturity structure of fixed rate borrowing during 2017/18		
Under 12 months	30%	0%
12 months and within 24 months	30%	0%
24 months and within 5 years	50%	0%
5 years and within 10 years	75%	0%
10 years and above	100%	50%

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MINIMUM REVENUE STATEMENT (MRP) 2018-19

Supported Borrowing

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

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

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

Finance Lease and PFI

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

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

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Agenda Item 9

REPORT REFERENCE NO.	DSFRA/18/4
MEETING	DEVON & SOMERSET FIRE & RESCUE AUTHORITY (BUDGET MEETING)
DATE OF MEETING	16 FEBRUARY 2018
SUBJECT OF REPORT	INTEGRATED RISK MANAGEMENT PLAN 2018 - 2022
LEAD OFFICER	Chief Fire Officer
RECOMMENDATIONS	<i>That the Integrated Risk Management Plan 2018 – 2022, as appended to this report, be approved.</i>
EXECUTIVE SUMMARY	<p>At its meeting on 20 October 2017, the Authority approved a draft Integrated Risk Management Plan 2018 – 19 for consultation purposes (Minute DSFRA/40 refers).</p> <p>The consultation ran for an eight week period, commencing on 1 November 2017 and closing on 31 December 2017. At its meeting on 1 February 2018, the Community Safety & Corporate Planning Committee considered a report detailing responses received to the consultation and subsequently resolved (Minute CSCPC/9 refers):</p> <p style="text-align: center;"><i>that the Devon & Somerset Fire & Rescue Authority be recommended to approve the Integrated Risk Management Plan for 2018-2022 subject to the amendment as set out in paragraph 8.1 of [report CSCPC/18/1].</i></p> <p>The amendment referred to above (to delete, in the last paragraph of the final section of the Plan, the sentence “The Service will produce more detail around these principles as they develop and contribute to its Change and Improvement activities over the next 5 years” and replace it with “The Service will produce and consult upon detailed action plans around these principles in line with the Best Value Statutory Guidance (Sept 2011)”) has been incorporated into the document now appended to this report.</p> <p>In light of this and as recommended by the Community Safety & Corporate Planning Committee, the Authority is now invited to approve the Integrated Risk Management Plan 2018 – 2022.</p>
RESOURCE IMPLICATIONS	Resource implications emanating from implementation of the Integrated Risk Management Plan will be identified once further development of the proposals has been undertaken.
EQUALITY RISKS AND BENEFITS ANALYSIS (ERBA)	An Equalities Risks and Benefits Assessment (ERBA) has not been completed the Draft Integrated Risk Management Plan, which is an overarching, strategic document. ERBAs will be drafted for each of the specific proposals required to implement the Plan.

APPENDICES	A. Final Integrated Risk Management Plan 2018 – 2022.
LIST OF BACKGROUND PAPERS	<p>A. Report DSFRA/17/29 (“Draft Integrated Risk Management Plan) as considered at the full Authority meeting on 20 October 2018, together with the Minutes of that meeting.</p> <p>B. Report CSCPC/18/1 (“Draft Integrated Risk Management Plan 2018 – 2022 Consultation Results”) as considered at the Community Safety & Corporate Planning Committee meeting on 1 February 2018.</p>

Integrated Risk Management Plan

Introduction

The Fire and Rescue National Framework for England requires us to have an Integrated Risk Management Plan which is designed to give fire and rescue services the flexibility to use our resources in the most effective way to save lives, improve public safety and reduce emergency incidents.

In formulating the plan, the Service is required to:

- Identify and assess all foreseeable fire and rescue related risks that could affect the communities it serves including those of a cross-border, multi-authority and national nature;
- Demonstrate how prevention, protection and response activities will best be used to mitigate the impact of risk on communities through authorities working either individually or collectively in a cost effective way;
- Be easily accessible and publicly available;
- Reflect effective consultation throughout their development and at all review stages with the community, its workforce and representative bodies, and partners;
- Cover at least a three year time span and be reviewed and revised as often as it is necessary to ensure that fire and rescue authorities are able to deliver the requirements set out in the Framework;
- Reflect up to date risk analyses and the evaluation of service delivery outcomes.

Although the Service only has a statutory duty to deal with fires and road traffic collisions, the Fire and Rescue National Framework also identifies that there are new challenges that the Service has to deal with, such as the continued threat of terrorism, the impacts of climate change, impacts of an ageing population and the need to cut the national deficit. In pursuit of its vision of 'Making Devon and Somerset a safer place to live, work and visit', it is important that the Service understands these wider challenges and that they inform its strategic planning.

In 2017, the Service has reviewed and changed its approach to corporate planning to enable the clear identification and definition of its response to these wider challenges, to the changing needs of the community and to the challenges it faces.

The Service's revised corporate planning approach currently has three key strands, namely:

- The Fire and Rescue Plan;
- The Integrated Risk Management Plan; and
- its Change and Improvement activities.

Each of these strands considers a different aspect of risk and sets out at a high level how the Service will respond to them. These are subject to an annual review to ensure they are still fit for purpose, that they still address the key risks and that they provide a clear steer on the priority activities for the coming year.

The Fire and Rescue Plan describes the overall risk environment in which the Service operates. Every year the Service carries out a STEEPLE analysis which looks at the external and internal Sociological, Technological, Economic, Environmental Political, Legal and Ethical influences and how they may have changed. This information is used to inform the Integrated Risk Management Plan and the Service's change and improvement activities.

Our Vision is to make Devon and Somerset a 'safer place to live, work and visit'.

Our Mission is to 'Act to Protect and Save – to prevent emergencies, create safer communities and respond, when required, in order to save life.'

Our Priorities There are three key priorities to guide how the Service uses its resources and assess the importance of new work which forms the Integrated Risk Management Plan's priorities:

- A relentless focus on improving public safety
- Be passionate about continually improving staff safety
- Create an even more efficient and effective organisation.

The change and improvement activities undertaken enable the Service to look in more detail at the organisational risks that are faced, for example the current financial challenges and how as an organisation those risks will be addressed.

The final part, the Integrated Risk Management Plan considers the risks our communities face and the prevention, protection and response activities the Service can put in place to mitigate those risks.

The Integrated Risk Management Plan and change and improvement activities are delivered through our annual service planning framework and this document along with those detailed action and implementation plans fulfil the requirements of the National Framework.

As the environment in which the Service operates is constantly changing, new risks to the communities served will always emerge. It is the Service's job to ensure that it continually assesses these changing risks and ensures it keeps the communities of Devon and Somerset safe. In addition to the annual review process the Service therefore continues to analyse any emerging opportunities and threats throughout the year through its normal risk management processes.

Regular reporting will take place throughout the year to provide assurances that the Service's activities are delivering the desired outcomes or enable corrective actions to be put in place where they are not.

The Integrated Risk Management Plan sets the higher level, cross-cutting risks. The diversity, demographics and geography across the communities' of Devon & Somerset varies and each Station Area & Plan will require differing solutions and mitigating activities to reduce the risk according to the specific risks in those areas.

The Integrated Risk Management Plan will be the enabler to support detailed, flexible and responsive plans within the Service to both support and deliver at local level to deliver against the specific risk through Strategic Partnerships, Local Teams, collaborative and partnership frameworks to meet local need. The Service's Local Risk Managers will be empowered, supported, responsible and accountable for local detailed delivery within the umbrella of the Integrated Risk Management Plan. The framework for this is set out below.

Equality, diversity and inclusion

Devon and Somerset Fire and Rescue Service puts people and their individual needs at the heart of service planning and delivery. In its workplace practices it recognises that to serve the community to the highest standard, it needs to take an inclusive approach to the community and its staff through regular and meaningful engagement. This will ensure that it can identify and act on emerging needs quickly and flexibly. The workforce needs to be equipped with the knowledge and skills to deal with the modern requirements of a different service provision and working together with various agencies. Therefore, the main equality, diversity and inclusion priorities are:

- Increasing public and community awareness of risk in order to reduce harm
- Delivering improved, tailored services by analysing and acting upon equality, diversity and inclusion considerations
- Achieving a workforce that reflects the diversity of our communities and that is closely aligned to our core values.

Our journey towards creating safer communities – how we assess and analyse the risks faced by the communities we serve

The risk model has been developed using a mixture of data from a range of sources both from within the Service and external sources, including partner agencies, and making use of analysis both reactive (incidents and event data) and predictive (demography) datasets. Our risk analysis builds on the work of partner organisations and uses evidence bases such as those compiled for Health and Social Care Joint Strategic Needs Assessments. The model examines the local risks relative to the whole of Devon & Somerset, covering all emergency incident types attended by the Service and allow for prioritisation of risk types to direct risk management activity. The model demonstrates which communities within Devon and Somerset are at higher risk of harm, and the differing nature of those risks at a local level. The risk focussed nature of our analysis ensures that the Service's activities to manage that risk whether prevention, protection or response can be integrated and aligned with the activities of our partners

One of the main principles of an Integrated Risk Management Plan is that a fire & rescue service must be able to evidence that its resources are deployed in a manner commensurate with where the identified risks lie. The Service uses various tools to help us with this including specific software such as Fire Service Emergency Cover (FSEC) which enables us to quantify risk and thus identify where it is most efficient to locate our response resources and Fire Risk Event Data (FRED) which are datasets compiled from a range of sources to identify those commercial building most at risk.

These enable us to map where the highest risks exist in our Service Area and identify where prevention and protection activity needs to take place as well as where we are under (or over) capacity with regard to speed and weight of response into these areas. Historically these analyses have focussed on the main risks of Dwelling Fires and Road Traffic Collisions (RTCs), but the method is adaptable to other types of risks such as Commercial Building and other Special Services.

Amongst other things, this Risk Assessment method allows us to quickly assess the impact of, and model "What if.." scenarios for many of the key issues we face such as Turnout, On call availability, Population demographic, Station locations, and the effectiveness of smaller faster vehicles.

Following the assessment of fire related risk through the Integrated Risk Management Plan process a gap analysis was carried out to consider any strategic issues that the service may face in the coming years. This identified that the following six elements within the identified risks required further consideration in planning the strategic direction of the Service:

- An increasingly ageing population

- Common Health and Wellbeing risks
- Availability of On Call appliances
- The historical distribution of Service Delivery Resources
- An increasing demand for Emergency Medical response
- An increase in the number of serious fires affecting commercial premises

Our Risk Sources.

The methodology by which the Service assesses and quantifies its risks to enable us to focus resources – matching resources to risk – comes from a number of sources.



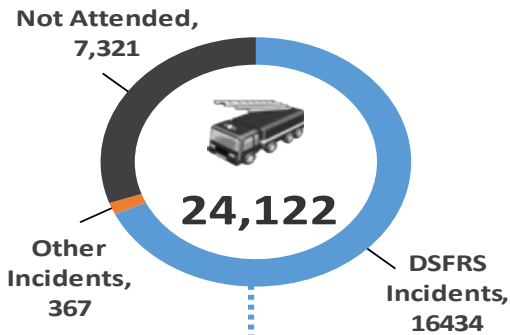
Further detail on the risk sources are available in the Appendix.

What are the Risks?

Set out below are the Key Risks that have been identified. The remainder of the plan provides a brief overview of each risk and the high level mitigating actions that we will be putting in place over the period of the plan to deal with those risks.

Risk Category	Identified Risk
Fires and Injury	<ul style="list-style-type: none">• Accidental Dwelling Fires• An increasingly ageing population• Serious fires in commercial premises• Deliberate fires• Heritage Property Fires
Road Traffic Collisions	<ul style="list-style-type: none">• Road collisions causing loss of life or serious injury
Health and wellbeing factors	<ul style="list-style-type: none">• People who have 2 or more of the seven identified factors are more likely to be at risk from fire• The increasing demand for Emergency Medical Response (Co-responding)• Safeguarding.
Environment	<ul style="list-style-type: none">• Wide scale flooding• Hazardous Materials sites and incidents
Rescues	<ul style="list-style-type: none">• Height• Confined spaces and entrapments• Drowning and open water safety
Resources	<ul style="list-style-type: none">• The unavailability of on call appliances• The historical distribution of service delivery resources• Attending too many false alarms

Emergency Call Summary - April 2016 to March 2017



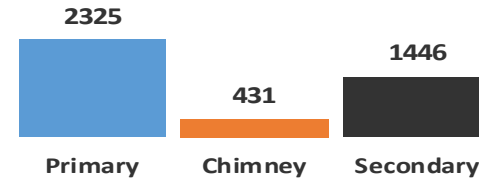
The fire service attended 70% of the unique emergency calls received but made the decision that attendance was not required on 30% of occasions.

There are a number of reasons why an incident may not require a physical response, including:

- Fire Control identify a call as being a hoax;
- An issue can be resolved by advice being given;
- Policy states that we do not attend an incident type;
- Information is received that an incident has been resolved prior to the fire service arriving.

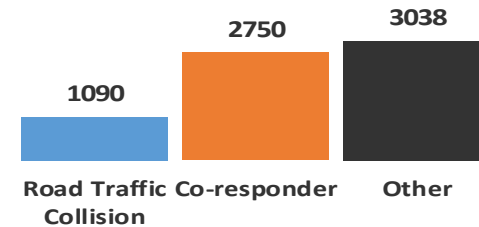
Fire, 4202

Primary Fires - generally larger more complex incidents, those with casualties or fatalities or those occurring in dwellings.
Chimney Fires - fires restricted to the confines of the chimney.
Secondary Fires - minor fires, no casualties.



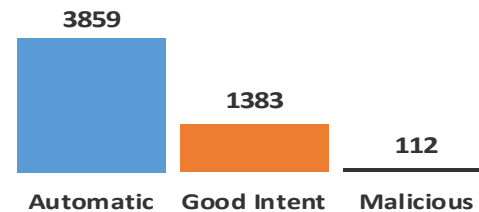
Special Service, 6878

Road Traffic Collisions (RTCs) attended by DSFRS - not fires.
Medical emergencies include Co-responder incidents for which DSFRS provide first response on behalf of the South West Ambulance Service Trust (SWAST).
Other incidents include flooding, rescue from height, animal rescue

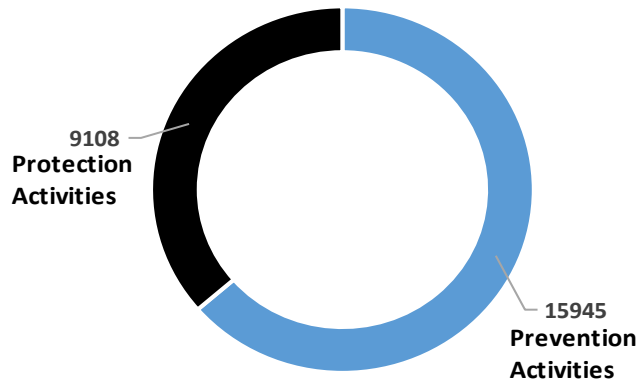


False Alarm, 5354

Automatic Fire Alarm (AFAs) - calls initiated by fire alarm or fire-fighting equipment operating.
False Alarm Good Intent - calls made in the belief that the Service would attend an emergency incident.
Malicious False Alarm - calls made with the intention of getting the Service to respond to a non-existent incident.



Prevention and Protection

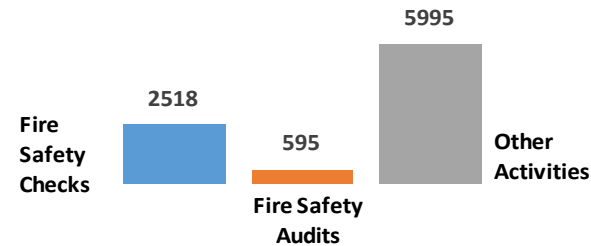
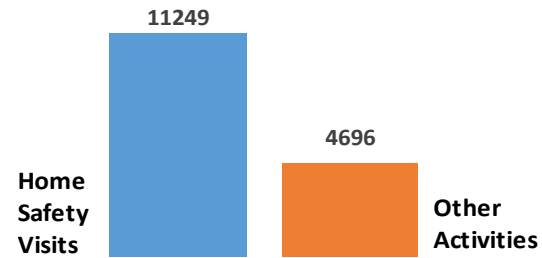


Making our communities safer is not just about responding to emergencies. The Service undertakes a variety of proactive activities to reduce the risk to our communities. The **Prevention** and **Protection** Activities include Home Safety Visits, Road Traffic Collision Programmes, Schools Visits and Fire Safty Checks and Audits of non-domestic premises.

Home Safety Visits - this figure includes 'Level 1 & 2 Home Fires Safety's' and 'Replacement Alarm Visits'

Other Activity - this includes schools talks, Fire Cadets, Phoenix and FireSetters and all other engagement activity

DSFRS has a statutory obligation to ensure that non domestic premises and public event are compliant with fire safety regulations. We achieve this through **fire safety checks** and the more in-depth **fire safety audits** along with various engagement and promotion activities.

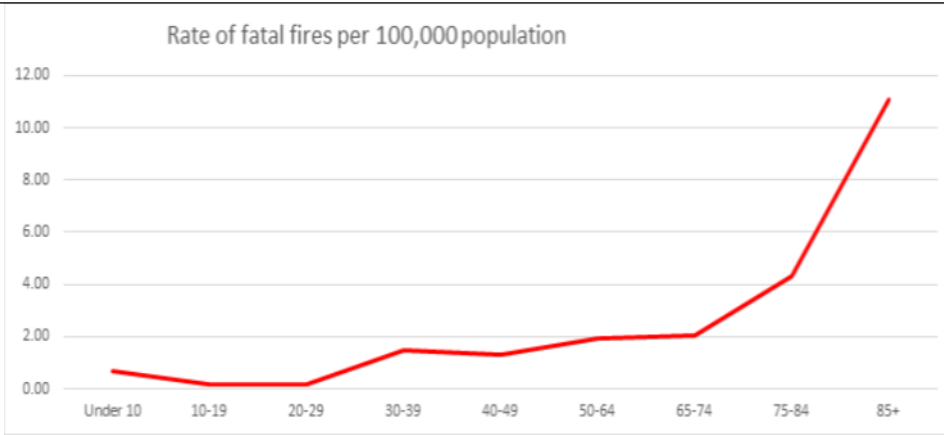


Risk Category – Fires and Injuries

Did you know...?

- The Service completed more Community Safety activities last year than incidents attended
- Just 26% of incidents attended by the Service are Fires
- The number of people aged over 85 is expected to nearly double within the next 20 years
- There are more than 100,000 commercial buildings in Devon and Somerset. The average societal cost of a commercial building fire is more than £75,000.
- There are more than 30,000 listed buildings in Devon and Somerset.

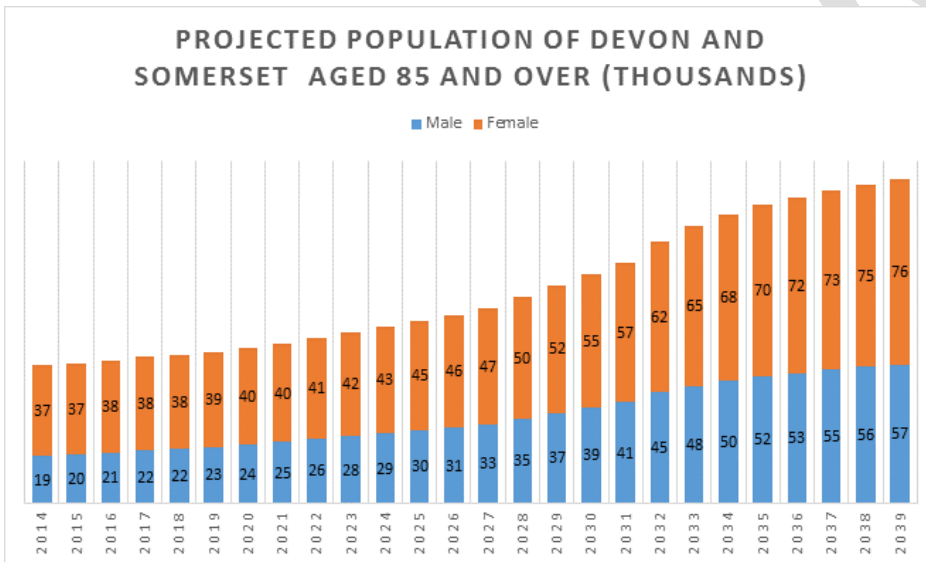
Identified Risks	Why it's a key Risk
<p>Accidental Dwelling Fires</p>	<p>As part of the Fire and Rescue Service Act 2004 we have a statutory duty to promote fire safety to help stop fire deaths and injuries.</p> <p>In 2016/17, the Service attended 1004 primary fires in dwellings, which resulted in 64 injuries and 6 deaths. The vast majority of fatalities and injuries from fires occur in domestic properties and the main focus of our work is therefore in this area.</p>
<p>An increasingly ageing population</p>	<p>Previous research into fatal fires shows that those aged over 85 have a much higher rate of fatal fires, this suggests that although we may see a reduction in accidental dwelling fires, the increasing elderly population and associated increase in vulnerable people with complex needs living in the community could mean the number of serious fires and fatalities rising as a proportion of all accidental dwelling fires.</p> <p>This graph shows how the likelihood of people suffering</p>



a fatal fire increases as they become older. Those over 85 years old are especially at risk.

The Service therefore need to make efforts to reduce the risk of these incidents occurring.

The population of Devon & Somerset is ageing with a forecasted increase in the number of people aged over 85 from 59,800 to 79,700 (34% increase in ten years) as indicated in the bar chart opposite.

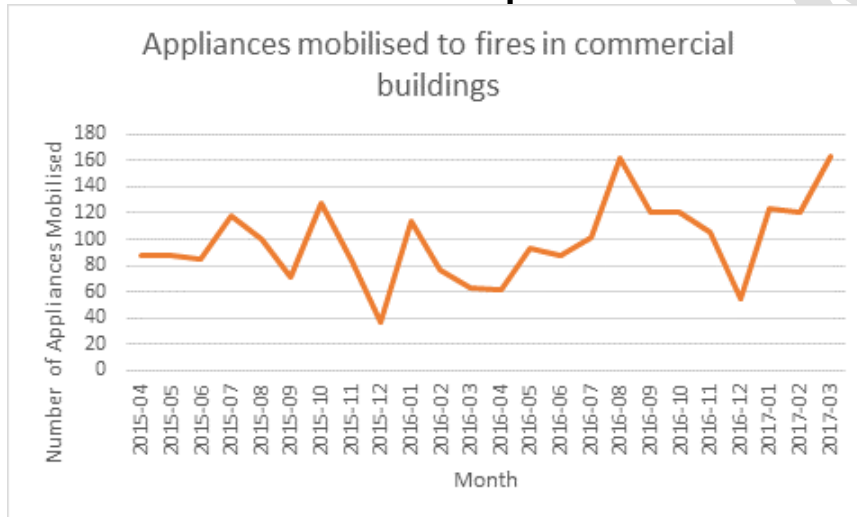


People who have 2 or more of seven identified factors are more likely to be at risk from fire

There are seven identified factors that put people at greater risk of a fatal fire:

1. Mental Health
2. Poor Housekeeping
3. Alcohol
4. Smoking
5. Drugs (prescription or illegal)
6. Limited Mobility
7. Living Alone

Serious fires in commercial premises



In 2016/17, there were 463 accidental fires where people work and visit. This resulted in 9 injuries and 2 deaths. Of these there were a number of fires a large commercial properties most notably the Royal Clarence Hotel in Exeter. The impacts of such fires on people, the economy and the environment both built and natural can be significant and have severe impacts on the ability of businesses, affected both directly and indirectly, to continue to trade.

To target our resources to maximise the impact of our activity we use predictive analytics, our Fire Risk Event Data (FRED) dataset identifies those businesses that are most likely to have a fire in the next 12 months and where the risk is higher due to factors such as sleeping accommodation on the premises. Currently there are approximately 10,000 addresses identified as priority addresses

Deliberate fires

A deliberate fire includes those where the motive for the fire was 'thought to be' or 'suspected to be' deliberate. Deliberate fires are not the same as arson. Arson is defined under the Criminal Damage Act of 1971 as 'an act of attempting to destroy or damage property, and/or in doing so, to endanger life'.

These fires remain the largest single cause of fire in England and Wales and research has estimated that the overall annual cost of arson to the economy in this area is around £2.53 billion. The human cost has also been high. In the last decade there have been around 2.3 million deliberate fires resulting in over 25,000 injuries and over 900 deaths.

During 2016/17, in Devon and Somerset there were 78 deliberate fires where people live. Which resulted in 11 injuries and 1 death. Where people work, visit and in vehicles there were 392 fires which resulted in 2 injuries and 1 death.

Heritage property fires

Within Devon & Somerset there are:-

- 738 Grade 1 listed buildings;
- 29600 Grade 2 listed buildings;
- 2020 Grade 2* listed buildings;
- 5972 thatched buildings.

The average thatch fire takes 1.6 days of appliance time for the Service to deal with and costs £11,727. This does not include the costs to local employers and small businesses who release their staff as On Call fire fighters. On average the Service respond to 35 of these incidents per year at an annual cost of more than £400,000.

Our current activities to address the risks	Our proposals to improve our service and reduce the risks further
<p>The Service uses the data it has accumulated to identify those domestic and commercial premises that are most at risk from fire, this enables our interventions and support activity to be targeted. Our activity includes:</p> <ul style="list-style-type: none"> • An existing programme of Home Fire Safety Visits • Educating elderly care partners on fire risks • Working with our partners to access our most vulnerable groups through referrals • Targeted Fire Safety Checks and Fire Safety Audits with a focus on care homes • Compliance events and visits for businesses • Robust enforcement policy resulting in high profile prosecutions • Presentations to groups of people providing advice and answer questions about fire safety, and • Campaigns and information around specific risks <p>The Service undertakes a number of Deliberate Fire Reduction Activities, including:</p> <ul style="list-style-type: none"> • media campaigns, • fire-setter interventions for those children and young people identified as having a fascination with fire, or who have displayed fire setting behaviours • Provision of focused arson reduction education packages for key stage 3 children. • We work closely with the national Arson Prevention Forum. • Collaboration between the the Service Safeguarding Team and Police/Fire Liaison Officer to effectively address deliberate fire-setting. 	<ul style="list-style-type: none"> • Reduce the risk of fire to households through delivery of Home Fire Safety Checks using new working arrangements, improved staff (awareness) training, vehicles and technology to deliver in excess of 20,000 targeted home safety visits across our service area every year with particular emphasis on residents aged over 85. • Development of a Heritage Property fire reduction policy. • Expanded collaboration work with the Police and other partners including Health and Social Care to ensure the highest risk individuals can receive our support • Reduce the impact of fire through development of a strategy to support the installation of domestic sprinklers in the highest risk households • Improve Control of fire risk through investment in training for Business Safety Officers to expand our capability in enforcing Fire Safety legislation. • Use of new firefighting technology, enhancing incident skills/knowledge of operational personnel and attracting new skills to improve outcomes of incidents and firefighter safety.

Expected outcomes from the activities

- A reduction in the number of accidental dwelling fires
- A reduction in fire related injuries particularly in the ageing population
- A decrease in the number of fires in commercial premises
- A reduction in the number of deliberate fires
- A decrease in the number of fires involving heritage properties

Risk Category – Road Traffic Collisions (RTCs)

Did you know...?

- *Over 30% of RTC's where someone was killed or injured involved a young driver*
- *In the 5 years (up to and including 2015) 2754 people were killed or seriously injured in RTCs in Devon and Somerset*
- *The value to society of preventing a death on the road is on average £1,783,556*

Identified Risks	Why it's a key Risk
Road collisions causing loss of life or serious injury	<p>The Fire & Rescue Services Act 2004 places a duty on fire and rescue authorities to make provision for rescuing persons from road traffic collisions and for dealing with the aftermath of such collisions and Fire and rescue services attend more RTCs and with deaths and serious injury collisions on the road increasing; road safety has now become a strategic priority for the National Fire Chiefs Council.</p> <p>The main areas of focus are young people and motorcyclists; as statistics currently show that these people are significantly more likely to be involved in a RTC.</p> <p>In 2015 661 people were killed or seriously injured on our roads in Devon & Somerset; with young drivers (aged 17-24 years) old representing 31% and motorcyclists representing 27% of these casualties.</p> <p>The wider economic impact of Road Traffic collisions is also significant particularly if they result in closures of the region's main arterial routes.</p>

Our current activities to address the risks	Our proposals to improve our service and reduce the risks further
<p>Our key approaches are education and intervention activities designed to raise awareness and consider the consequences of actions.</p> <ul style="list-style-type: none"> • We provide a wide range of road safety education programmes to be used across all age ranges. • We engage with groups of young people such as Fire Cadets, people on our Phoenix courses, Brownies and Cubs, and educate students across key stages 1-5 to understand when they will be at risk, and identify risky behaviours. • We have a range of RTC reduction vehicles and motorcycles which are used to engage with targeted risk groups to promote the wider road safety messages across our community. • We deliver presentations to groups of people providing advice and answering questions about road safety. 	<ul style="list-style-type: none"> • Isolate known high risk collision sites through sharing data with partners and using predictive analysis to target interventions with road users • Support our partners in the control of risk by contributing data and experience to influence change and improvements in road design • Ensure that our staff are provided with the latest technology, equipment and training to effect casualty extrications and a rapid transfer to medical care where necessary.

Expected outcomes from the activities

- Reduction in the number of Road Traffic Collisions (RTC's) that occur on our road network; and
- Reduction in the number of people that are killed and seriously injured as a result of a RTC.

Risk Category – Health and wellbeing factors

Did you know...?

- The Service now attends more emergency medical response incidents than fires.
- There are 70,000 hip fractures in the UK each year costing £2 billion (expected to rise to 101,000 fractures by 2020).
- There are approximately 60,000 people in Devon and Somerset with heart problems.
- Nearly 45,000 people in Devon and Somerset describe themselves as being in poor or very poor health.
- Every fire engine carries a defibrillator
- You can book a Home Fire Safety Visit by going to our website or calling this number 0800 05 02 999

Identified Risks	Why it's a key Risk
<p>People who have 2 or more of the seven identified factors are more likely to be at risk from fire and other risks</p>	<p>The factors that put people at greater risk of a fatal fire are all common factors of risk for our partners especially the Police, NHS and Local Authorities.</p> <p>Many agencies can therefore be targeting preventative and reactive services at the same people at risk in our communities.</p> <p>There is therefore potential for improved working arrangements with our partners and to expand our work to include for example Safe and Well checks and referrals to other agencies when someone may have dementia, are vulnerable or even, for example, have substance dependencies such as an alcohol addiction.</p>

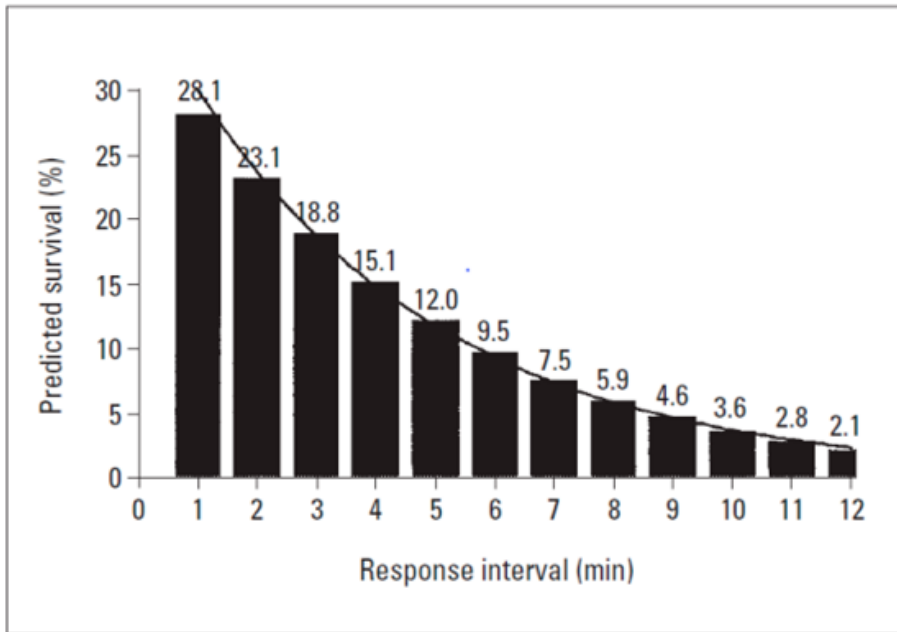


The increasing demand for Emergency Medical Response (Co-responding)

Figure 1: Cardiac arrest survival rates showing an increased probability of patient survival directly correlated in the speed that defibrillation can be effected, the implication being that co-opting fire resources to provide early defibrillation will save lives(De Maio et al., 2003)

The Service is playing an increasing role in responding to medical emergencies. It is the single incident type that has grown in demand over the last 10 years. National data shows that fire and rescue services are able to reach incidents as a whole before ambulance services in 62% of cases based on the trial incident data and in time-critical incidents, such as cardiac arrests, they arrive sooner than ambulances in 93% of cases.

Within the Service, over the past couple of years there are more co-responding calls attended by 20 stations than primary fire calls attended by 85 fire stations. However as co-responding is currently a voluntary activity carried out on 20 on



call fire stations across the Service there is scope for increased provision to match the demand.

Safeguarding

Devon and Somerset Fire and Rescue Service staff and representatives have a duty to report any child protection or welfare concern through the appropriate organisational channels so that any concerns may then be reported to the appropriate local Children’s Social Care Office or Police.

All adults who work with, and on behalf of children are accountable for the way in which they exercise authority; manage risk; use resources; and safeguard children, young people and vulnerable adults.

Whether working in a paid or voluntary capacity

or on behalf of Devon and Somerset Fire and Rescue Service these adults have a duty to keep children, young people and vulnerable adults safe and to protect them from sexual, physical and emotional harm and neglect. Children, young people and vulnerable adults have the right to be treated with respect and dignity. It follows that trusted adults are expected to take reasonable steps to ensure the safety and wellbeing of children, young people and vulnerable adults.

The Service attend an average of more than 65 suicide related incidents per year, these incidents can be resource intensive and have a significant impact on attending crews.

DRAFT

Our current activities to address the risks	Our proposals to improve our service and reduce the risks further
<p>Our mitigation activity includes:</p> <ul style="list-style-type: none"> • Targeted Home Fire Safety Visits realigned to take account of health risks • Targeted Fire Safety Audits of multiple occupancy low grade housing (HIMO's) • Collaboration with partner agencies for example with the public health teams, to reach similar target groups • Common campaigning with our partners • Safeguarding referrals and attendance at Multi Agency Safeguarding Hubs to support those at risk through partnership working. • Vetting of all staff who work in community safety 	<ul style="list-style-type: none"> • Eliminate risk through delivery of Safe and Well visits by highly skilled staff, who are sensitive of community needs, to make people safer from a wider range of risks, such as falls, within their own home. • Reduce risk through Community Engagement working with partners to support health messages. • Development of a suicide prevention strategy to reflect, raise awareness and limit the impact of suicide on society and on THE SERVICE crews • Review where present co-responding arrangements could be improved • Identify alternative methods of responding to emergency medical incidents through consultation with staff and community
Expected outcomes from the activities	
<ul style="list-style-type: none"> • A reduction in the number of fires and fire related injuries amongst the most vulnerable people in our communities • Improved wellbeing amongst the identified vulnerable group • Increased number of medical emergencies responded to • Achievement of response times for medical emergencies • Improved outcomes for partner organisations, including a reduction in the number of slips, trips and falls. 	

Risk Category – Environment

Did you know...?

- *In one week in 2012, the Service attended more flooding incidents than in the whole of 2015*
- *Hinkley C is the largest civil engineering project in Europe and is greater in scale than the Channel Tunnel and Olympic Stadium put together*
- *Devonport dockyard is the largest Naval base in Western Europe.*

Identified Risks	Why it's a key Risk
<p>Wide scale flooding</p>	<p>Flooding is a significant risk for a number of areas and communities within Devon and Somerset. For example during the winter of 2013/14 the area suffered significant rainfall that led to major flooding in the Somerset levels creating a 44.44 square mile flood plain affecting a large number of communities. The village of Muchelney was totally cut off due to impassable roads and in the village of Moorland, 100 homes were evacuated in the middle of the night.</p> <p>During that period, the Service was involved in 96 flooding incidents, this includes 1 incident number that was assigned to the Somerset Levels which ran from 29/01/14 until 12/02/14, and will have included many mobilisations involving, 436 service vehicles and 1132 service personnel.</p>
<p>Hazardous materials sites and incidents</p>	<p>The release of hazardous materials in any form poses significant risks to people, animals and the environment. The nature of the materials means that the effect of any incident can be long lasting and not just a risk in the immediate aftermath of the release.</p> <p>In dealing with these types of incident our staff are at exposed to</p>

	<p>dangerous conditions and there is a requirement for the Service to recognise high risk sites and inform operational crews so they can familiarise themselves with the risks and train accordingly.</p> <p>Hazardous material incidents are complex in nature and can vary in the size or response required. These range from small spillages or leaks, to significant major incidents involving a multi-agency response, including Chemical Biological Radiation Nuclear and explosion incidents (CBRN(e)) and acts of terrorism.</p> <p>High Risk areas for response are identified, and specific plans are developed in order to identify the appropriate response to emergencies at such locations. Sites located throughout the Service area include Hinkley Point power station, Devonport Dockyard (Nuclear Submarine Refit Complex) and a number of Control Of Major Accident Hazard (COMAH) sites. The major South West transport networks including rail, airport and motorway systems can also carry or be affected by incidents involving hazardous materials.</p>
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<p>Our current activities to address the risks</p>	<p>Our proposals to improve our service and reduce the risks further</p>
<p>Through community resilience initiatives communities, businesses, and individuals are empowered to harness local resources and expertise to help themselves and their communities to prepare and respond to local significant events such as flooding. The Service helps support these initiatives.</p> <p>All the community resilience activity we deliver is done in conjunction with our Local Resilience Forum partners who have established Community Resilience projects to improve their ability to prepare, respond and recover from local catastrophes.</p>	<ul style="list-style-type: none"> • Reduce the risk to our staff by providing specific training for to ensure they are prepared to deal with flooding, hazardous materials and counter terrorism incidents; • Develop our relationships with partners who manage high risk sites to control risk through legal compliance and integrated response plans ensuring effective use of all available resources.

The Service's Operational Risk Information System (ORIS) meets the statutory requirement for Fire and Rescue Services to ensure that firefighters can be made aware of the risks associated with premises and incidents which they may be required to attend.

Expected outcomes from the activities

- Increase in community resilience
- Increased competence of staff to deal with environmental incidents
- Completion and maintenance of ORIS inspection requirements
- Comprehensive training and exercising at key risk sites.

Risk Category – Rescues

Did you know...?

- *In 2015, three times the number of people died in drowning incidents than in house fires in Devon and Somerset*
- *In the last year, there have been a more fatalities in agricultural locations in South West England than in other areas of the UK*
- *In 2016 DSFRS crews attended 255 animal rescues*

Identified Risks	Why it's a key Risk
Height	<p>One of our primary functions is to save life and prevent harm, therefore as a Fire and Rescue Service, we have the skills and equipment to rescue those people who may be at risk from harm, serious injury or death caused by a fall from height.</p> <p>The diversity of natural and constructed risks include areas of cliff around the coastal areas and inland at Cheddar Gorge, quarries across the Mendips, the Tamar Bridge, Exeter Cathedral and Wells Cathedral are just some examples of many where people live, work and visit.</p> <p>Often people or animals come to harm as a result of their activities which may be as a result of work or leisure pursuits. There are also many occasions where vulnerable people are in need of rescue.</p>

Identified Risks	Why it's a key Risk
<p>Confined spaces and entrapments</p>	<p>A confined space means any place, including any chamber, tank, vat, silo, pit, trench, pipe, sewer, flue, well or other similar space in which, by virtue of its enclosed nature, there arises a reasonably foreseeable risk.</p> <p>The diverse rural and agricultural nature of large parts of Devon & Somerset, particularly across parts of Exmoor, Dartmoor, the Quantocks, Mendips and the Somerset Levels increases the risk of those who work and pursue leisure activities in those areas. In particular rescue from sewers, culverts, caves mines, pot-holes and wells etc. or, agricultural workers trapped either wholly or partly in farm machinery or equipment.</p> <p>Each year there are 33 fatal injuries to workers in agriculture in the UK, much higher than any other industry sector. The South West of England has more of these incidents than any other region.</p> <p>Additionally the Service attend incidents in urban environments and industrial settings that require specialist skills to deal with the issues presented by these risks.</p>
<p>Drowning and open water safety</p>	<p>Drowning in the UK is amongst the leading causes of accidental death; in 2015 321 people accidentally drowned, of these 49% were taking part in everyday activities near water and never expected to enter the water. On average 400 people drown in the UK each year and a further 200 people take their own lives in our waters. In 2015, Devon and Somerset had the highest number of accidental drownings of any FRS across the country. The Service attends an average of 75 water rescue incidents each year.</p>

Our current activities to address the risks	Our proposals to improve our service and reduce the risks further
<p>The Service has a range of Special Appliances and trained personnel to deal with these types of incidents strategically located across Devon and Somerset</p> <p>We are aligned to the national campaigns on water safety Junior Life Skills and Out of the blue are multi-agency events the RNLI attend and the Royal Life Saving Society will now support these events this year for the first time.</p> <p>Development of an education package to include water safety awareness, supported by Virtual Reality film.</p> <p>With partners we support businesses and local communities with provision of throwlines and training in key strategic locations where people are losing their lives or incidents are occurring.</p> <p>Ensure Boat Safety features highly around our business and leisure risks.</p>	<ul style="list-style-type: none"> • Reduce incidents through further targeted campaigning and education, identified and developed following engagement with relevant communities. • Control risk through exploring the idea of a rural/farming safety team; • Review our Special Appliance distribution and technology to ensure our resources match the risks presented. • Collaborate with Cat 1 & 2 Responders to share resources and response to resolve incidents effectively and efficiently (Coastguard, SWAST HART, Police to support wide area searches using Station 60 assets); • Develop stronger relationships with voluntary agencies to understand capabilities to resolve incidents effectively and efficiently (Mendip Cave Rescue, Dartmoor/Exmoor Search & Rescue).

Expected outcomes from the activities

- Reduction in the number of rescue incidents
- Reduction in the number of accidental drownings
- Reduction in the number of missing vulnerable people.

Risk Category – Efficient and effective use of our resources

Did you know...?

- *Approximately 80% of our stations attend fewer than two incidents per week and 54% attend less than one incident per week.*
- *We currently crew our fire engines with a minimum of 4 people however over 70% of incidents we attend could be fully dealt with by a crew of two.*
- *One Two Pump On Call station has attended 170 RTC incidents in five years, whereas another Two Pump On Call station has attended none.*

Identified Risks	Why it's a key Risk
<p>The unavailability of on call appliances</p>	<p>Only 13 of our current fleet of 121 fire engines are crewed 24 hours per day by whole time fire fighters. Which means 108 fire engines are completely reliant upon on call firefighters being available – approximately 90% of our total response capability.</p> <p>However for the 12 months to the end of February 2017 there was an average 14% unavailability of on call appliances. The issues causing this problem include:</p> <ul style="list-style-type: none"> • Our reliance on people living and working within a 5 minute response time of the fire station • Our requirement for people to maintain a set number of hour's availability each week • Our training design – particularly for new recruits • A decrease in the number of incidents • Questionable reward mechanism that incentivises activity

	<p>not availability</p> <ul style="list-style-type: none"> • Our requirement to provide a minimum crew of 4 on an appliance – preferably 5
The historical distribution of service delivery resources	<p>Our 85 station locations are aligned to the old standards of fire cover and are not reflective of the current and future demographics of Devon & Somerset. There are a number of significant developments that will change the risk profile of the population including Cranbrook, Sherford and Taunton Garden Town.</p> <p>Our current training requires that all operational staff train to the same basic standard across the organisation irrespective of the station risk profile, incident types within the risk profile and the equipment, appliances and attributes within each Fire Station.</p>
Attending False Alarms	<p>The false activation of alarms where there is no fire represented 34% of incidents attended in 2016/17. This amounted to 5317 false alarms.</p> <p>Any emergency response to an unwanted/false alarm poses a risk to the community as it prevents us from being available for confirmed fires and rescues, as well as disrupting essential training and community safety initiatives.</p>

Our current activities to address the risks	Our proposals to improve our service and reduce the risks further
<p>Our mitigation activity includes:</p> <ul style="list-style-type: none"> Improving the flexibility in the use of on call contracts allowing people to vary their weekly hours The introduction of our Tiered Response model which is predicated on a principle that all staff are trained and equipped to deal with the types of incidents that they are most likely to face on a day to day basis (tier 1), based on our analysis of risk and demand. Beyond that we provide enhanced levels of support (tiers 2 and 3) strategically located across the organisation, again based on risk and demand. Tier 1 assets – Rapid Intervention Vehicles & Light Rescue Pumps Tier 2 assets – Light Rescue Pumps & Medium Rescue Pumps Tier 3 assets – Special Appliances <p>There are a number of ways we can reduce unwanted calls to our control room so that we can avoid unnecessary mobilisations and ensure that our resources are available to attend emergencies including:</p> <ul style="list-style-type: none"> We send out letters to repeat offenders of false alarms to support them in bringing down the number of false alarms they have. 	<ul style="list-style-type: none"> Review how we remunerate our on call staff for their availability in order to acquire and retain their specific experience and knowledge Develop an Operational Resource Centre to redistribute surplus capacity to meet forecasted crewing needs Explore demand led crewing options to match resources to risk ensuring that an intervention occurs as quickly as possible at any emergency incident Relocate resources to match changing risk profiles Complete the rollout of our Tiered Response appliances Review our response times for different incident types Invest in technology to ensure we are able to work effectively with our Emergency Services Partners Explore the use of new equipment and ways of working to keep our staff safe when attending incidents by investing in research and development. We will ensure that operational staff gain and maintain the correct skills and knowledge from acquisition through to maintenance of skills and combat the potential for skills-fade over time. Review skills and requirements for the role of On Call Firefighter and adjust recruitment process accordingly. Give a realistic job overview, with career opportunities, to ensure we attract the talent required for the role.

- Our control room call challenges the call we receive to try and ensure that we are not attending false alarms or hoax calls.
- We include hoax call in all of our educational packages including key stage 1- 3 school.
- We provide fire-setter interventions for those children and young people identified as being involved in making malicious calls, including support for families.

Expected outcomes from the activities

- An increase in overall availability of on call appliances
- The distribution of our resources will match the risks our communities face
- Our staff will be trained to deal with the risks our communities face
- Fewer false alarms occur and are attended.

The future for Devon and Somerset Fire and Rescue Service

This Integrated Risk Management Plan sets out what fire related risks are faced by the communities of Devon and Somerset along with the current and proposed prevention, protection and response activities that the Fire and Rescue Service will undertake to mitigate and deal with those risks.

Within the identified risks a number of strategic risks have emerged as part of our gap analysis, further details of which are set out below. It is these strategic risks that will be the focus of our change and improvement activity over the lifetime of this plan.

Why are these risks an issue to us?

An increasingly ageing population

The population of Devon & Somerset predicts a rise in the number of people aged over 85 from 59,800 to 79,700 (34% increase over the next 10 years).

Previous research into fatal fires shows that those aged over 85 have a much higher rate of fatal fires, this suggests that although we may see a reduction in accidental dwelling fires, the increasing elderly population and associated increase in vulnerable people with complex needs living in the community could mean the number of serious fires and fatalities rising as a proportion of all accidental dwelling fires.

Common Health and Wellbeing risks

People who are more likely to be at risk from fire includes those who may have one or more of the following factors:

- Living Alone
- Alcohol
- Drugs (illegal and medication)
- Limited mobility
- Poor Housekeeping
- Mental Health
- Smoking

Evidence shows that in more than half of deaths in accidental dwelling fires more than one of these risk factors were present.

The combination of an increasingly ageing population with the Common Health and Wellbeing factors will place an increasing demand on the Service in terms of fire related risk. Our prevention and protection activity in addition to work with our partners, such as emergency medical response, means that the Service contributes to reducing the wider impacts of these risks and helps to alleviate the pressures on the public sector budgets.

Availability of On Call appliances

The Service has a fleet of 121 fire engines of which 108 are completely reliant upon on call firefighters being available – 90% of our total response capability. For the 12 months to the end of February 2017 there was an average 13.94% unavailability of on call appliances.

On Call Firefighters have traditionally lived, worked and socialised within the area of the fire station which always ensured very good cover and availability of fire appliances. However, since the late 80s and early 90s, community demographics, infrastructure, employment profiles and lifestyle choices have been constantly changing. This has meant that for our On Call Firefighters, availability is less likely to be as frequent and consistent as it once was.

Our current method of employing On Call firefighters means that all of them have primary employers or are self-employed and provide emergency cover at their station whenever they can be available. This means that in essence every on call fire station has a unique identity in its ability or willingness to provide seamless cover 24 hours a day.

Fire fighters are currently paid a small retaining fee but the majority of their pay comes for attending emergency calls. In recent years and for a number of reasons operational activity across the whole of the fire sector has significantly reduced. This has had the effect of requiring on call fire fighters to provide cover for long periods of time but with a much reduced financial reward for doing so.

These austerity measures have affected the current financial climate and has had an effect on availability with some primary employers no longer allowing 'on call' staff to respond during working hours and self-employed staff having to work further afield, taking them out the response area during core hours.

The current situation where on call salaries are low but expectations of personal performance are higher than ever are acting as a barrier to recruitment and promotion and are cited as a cause of resignation.

The culmination of the above means that the Service operates on a daily basis with a number of fire stations unable to operate due to a shortage of on call staff.

The historical distribution of Service Delivery Resources

Our 85 station locations are aligned to standards of fire cover that were developed in the late 1940's and are not reflective of the current and future demographics of Devon & Somerset. There are a number of significant developments that will change the risk profile of the population including Cranbrook, Sherford and Taunton Garden Town.

Approximately 80% of our stations attend fewer than two incidents per week and 54% attend less than one incident per week. Currently 372 wholtime personnel are employed at 12 stations to maintain 100% availability of 13 fire appliances on our most densely populated areas (cities and major towns). This is the result of the historical distribution of resources based on the old standards of fire cover. Of these 372 personnel only a quarter are on duty at any one time due to the watch based system and the shift pattern worked on all stations.

An increasing demand for Emergency Medical response

We have been co-responding with the Ambulance Service to emergency medical incidents for over 20 years across Devon and Somerset. We were one of the first Fire and Rescue Services to develop this capacity and the demand for this service has increased year on year. This has escalated to the point where there are now more co-responding calls attended by 20 stations than primary fire calls attended by 85 stations.

The trust placed in the fire and rescue service and the comprehensive access to the public that this provides means they have a unique ability to provide critical interventions, promote health messages and refer to appropriate services.

Emergency medical response in the form of Medical Co-responding is the single incident type which has grown for the Service in the past 10 years.

- In 2015/16 the Service attended 4651 Medical emergencies and 3988 fires (DSFRS 2016).
- Analysis of Mosaic grand index (Experian PLC, 2014) gives an estimate of 58,752 households reporting a medical condition classified as 'Heart Problems'

- Analysis of Mosaic grand index (Experian PLC, 2014) gives an estimate of 45,000 households who would be expected to report their Health as 'Poor' or 'Very Poor'

An increase in the number of serious fires affecting commercial premises

In 2016/17 there were 463 accidental fires where people work and visit. This resulted in 9 injuries and 2 deaths. Of these there were a number of fires at large commercial properties most notably the Royal Clarence Hotel in Exeter. The impacts of such fires on people, the economy and the environment both built and natural can be significant and have severe impacts on the ability of businesses, affected both directly and indirectly, to continue to trade.

The Fire and Rescue Service are the enforcing authority for the Regulatory Reform (Fire Safety) Order which came into law in 2005. This legislation requires the responsible person for any commercial premises to undertake a risk assessment of their property and ensure that all fire related risks are reduced to a minimum through the use of active and passive fire protection systems.

Prior to this the Fire and Rescue Service enforced the Fire Protection Act which required commercial property owners to apply for a Fire Certificate. This legislation required higher level of business safety officers than the current number, therefore we have seen a drop in the number of qualified personnel who can enforce the new legislation.

Everyone deserves to be confident that when they or their family stay in a hotel, go to their place of work, go shopping, go to the theatre or cinema, they are safe in the case of a fire inadvertently breaking out and that they are able to easily escape to a place of safety.

There are life safety benefits of taking into consideration what facilities are in place and how people would deal with a fire should one occur. Other benefits include,

- Many businesses do not recover from a serious fire, and naturally this can affect local employment with the potential that many people may lose their jobs which will have a direct effect on the local economy.
- The availability of facilities used by the community, such as village halls and sports facilities may be severely affected.
- In the case of a school or college, years of pupils' project or course work or teaching resources may be destroyed possibly affecting future examination results.

Additionally, through our work with architects, planners and building control bodies we work hard to ensure the risk posed to our fire fighters is kept to a minimum and that they are able to fight a fire with certain physical safeguards in place.

Strategic guiding principles for the future

In developing a Fire and Rescue Service for the future we need to consider how changes in one area of our business can affect other areas. We are committed to our three key priorities of:

- Public Safety,
- Staff Safety; and
- Effectiveness and Efficiency.

To deliver the Fire and Rescue Service for the communities of Devon and Somerset over the next 5 years the Service will need to consider:

- The way our fire stations and appliances are crewed;
- Relocating some of our fire stations, appliances and staff to areas where risk is greatest;
- Investing in our Emergency Medical Response capacity;
- Ensuring that we collaborate with other Emergency Services; and
- Delivering more prevention and protection activity.

The Service will produce and consult upon detailed action plans around these principles in line with the Best Value Statutory Guidance (September 2011).

Risk Source	Detail
<p>Somerset Joint Strategic Needs Assessment</p> <p>Devon Joint Strategic Needs Assessment</p> <p>Plymouth Joint Strategic Needs Assessment</p> <p>Torbay Joint Strategic Needs Assessment</p>	<p>A Joint Strategic Needs Assessment (JSNA) is built on strong partnership working and is underpinned by robust and reliable data provided by a range of public sector organisations. The scope of the JSNA provides a firm foundation for commissioning to improve health and social care services and reduce health inequalities. It enables stronger partnerships between communities, local government, the NHS and other bodies.</p>
<p>National Risk Register</p>	<p>The National Risk Register of Civil Emergencies provides an updated government assessment of the likelihood and potential impact of a range of different civil emergency risks (including naturally and accidentally occurring hazards and malicious threats) that may directly affect the UK over the next 5 years. It also provides information on how the UK government and local respondents such as emergency services prepare for these emergencies.</p>
<p>Avon & Somerset Local Resilience Forum Business Continuity Management & Community Risk Register</p> <p>Devon, Cornwall & Isles of Scilly Local Resilience Forum Community Risk Register</p>	<p>The Community Risk Register is a strategic level document. Its purpose is to assess the risks within a local resilience area so that the Local Resilience Forum (LRF) can prepare, validate and exercise contingency plans. It allows the LRF to focus multi agency work on a rational basis of priority and need.</p> <p>Business Continuity Management (BCM) is a process that helps manage risks to the smooth running of an organisation or delivery of service. It is an ongoing process that helps organisations anticipate, prepare for, prevent, respond to and recover from disruptions or a disaster. Under the Civil Contingencies Act 2004, all local authorities have been given the duty to provide advice, guidance and best practice on business continuity planning to business and voluntary agencies.</p>

Risk Source	Detail
Historic England Heritage Risk Register South West Risk Register	A risk assessment of a heritage asset is based on the nature of the site. Building or structure assessments, for instance, include listed buildings (but not listed places of worship) and structural scheduled monuments.
The Service Business Intelligence Team	<p>The Service Business Intelligence Hub is responsible for managing many different information sources and databases used by the Service. We then draw this data together to provide invaluable information that enables the Service to target prevention work as well as to support and inform important decisions made about how the Service operates.</p> <p>In the current economic climate, the information collected by the Business Intelligence Hub is of vital importance in ensuring that our resources are used in the most efficient way possible to enable the Service to fulfil its vision of acting to protect and save.</p>
The Service teams, partners and public/communities.	There are teams working across 85 locations across Devon & Somerset who not only work within the Service but also live, work in their own and other employment within communities. Therefore their local knowledge and professional judgement enables us to have regular community interaction where potential risk issues relating to home, business and road safety can be immediately raised for assessment and action. This includes working with County, City, Town and Parish Councils through Strategic Partnerships, Local One Teams, Together Teams and voluntary agencies to deliver risk reduction activities.

REPORT REFERENCE NO.	DSFRA/18/5
MEETING	DEVON & SOMERSET FIRE & RESCUE AUTHORITY (BUDGET MEETING)
DATE OF MEETING	16 FEBRUARY 2018
SUBJECT OF REPORT	CONSULTATIONS – FIRE & RESCUE NATIONAL FRAMEWORK FOR ENGLAND AND HER MAJESTY’S INSPECTORATE OF CONSTABULARY AND FIRE & RESCUE SERVICES (HMICFRS) INSPECTION PROGRAMME AND FRAMEWORK 2018 - 19
LEAD OFFICER	Chief Fire Officer
RECOMMENDATIONS	<i>That, subject to incorporation of any amendments as may be indicated at the meeting, the responses to the consultations on the Fire & Rescue National Framework for England and Her Majesty’s Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) Inspection Programme and Framework 2018 – 19 – as appended to this report – be approved and the Chief Fire Officer authorised to submit them on behalf of the Authority.</i>
EXECUTIVE SUMMARY	<p>This report advises the Authority on two significant consultations on:</p> <ul style="list-style-type: none"> • the Fire & Rescue National Framework for England; and • Her Majesty’s Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) Inspection Programme and Framework 2018 – 19 <p>and details proposed responses to both consultations.</p>
RESOURCE IMPLICATIONS	Nil.
EQUALITY RISKS AND BENEFITS ANALYSIS (ERBA)	Not applicable.
APPENDICES	<p>A. Home Office Consultation Document “Fire and Rescue National Framework for England”.</p> <p>B. Her Majesty’s Inspectorate for Constabulary and Fire & Rescue Services (HMICFRS) Consultation Document “Inspection Programme and Framework 2018 – 19”.</p> <p>C. Proposed draft response to National Framework consultation.</p> <p>D. Proposed draft response to Inspection Programme consultation.</p>
LIST OF BACKGROUND PAPERS	<p>Fire & Rescue Services Act 2004 (as amended).</p> <p>Consultation documents as referred to above.</p>

1. HOME OFFICE CONSULTATION – FIRE AND RESCUE NATIONAL FRAMEWORK FOR ENGLAND

- 1.1 Section 21 of the Fire & Rescue Services Act 2004 (as amended) (“the Act”) requires the Secretary of State to prepare and keep under review a Fire & Rescue National Framework setting out priorities for fire and rescue authorities (FRAs) in connection with discharging their functions. Fire and rescue authorities “...must have regard to the Framework in carrying out their functions”.
- 1.2 Section 22 of the Act provides the Secretary of State with the power to issue an order (to do something; to stop doing something; or not to do something) where it is considered that a fire and rescue authority is failing or is likely to fail to act in accordance with the Framework.
- 1.3 The National Framework was last updated in 2012 since which time a number of changes have occurred which the Home Office (which – in 2016 - assumed responsibility for fire and rescue policy, nationally, from the Department for Communities and Local Government) feels warrant a full revision to the Framework. These changes include:
- creation of the new inspectorate for fire and rescue services (under the auspices of an expanded Her Majesty’s Inspectorate of Constabulary and Fire & Rescue Services);
 - the creation of the National Fire Chiefs’ Council (NFCC); and
 - the new duty of emergency services collaboration introduced by the Policing and Crime Act 2017 and the changes for fire and rescue governance as provided for in that Act.
- 1.4 The draft Framework proposes the following broad priorities and objectives for fire and rescue authorities:
- identify and assess the full range of foreseeable fire and rescue related risks in the particular geographical area served;
 - make appropriate provision for fire prevention and protection activities and response to fire and rescue related incidents;
 - collaborate with emergency services and other local and national partners to increase the efficiency and effectiveness of service provision;
 - be accountable to communities for the services provided; and
 - develop and maintain a resilient, skilled, flexible and diverse workforce.
- 1.5 The draft Framework also addresses the re-engagement of senior officers post-retirement, which had been subject to an earlier consultation.
- 1.6 A copy of the consultation document is attached at Appendix A to this report. The deadline for responding to the consultation is 14 February 2018. In light of its significance, however, the Home Office has been approached and has agreed an extension of this deadline to 17.00hours on Friday 16 February 2018 to enable the Authority to consider and inform the consultation response, a proposed draft of which is attached at Appendix C to this report.

2. HER MAJESTY'S INSPECTORATE OF CONSTABULARY AND FIRE & RESCUE SERVICES (HMICFRS) CONSULTATION ON INSPECTION PROGRAMME AND FRAMEWORK 2018 - 19

- 2.1. In July 2017, the remit of Her Majesty's Inspectorate of Constabulary's (HMIC) was extended to include inspections of fire and rescue services in England, with the Inspectorate renamed Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS).
- 2.2. Since that time, the Inspectorate has been working with fire and rescue service (by recruiting experts from the sector to carry out the inspections, and by taking advice from senior service representatives who are members of the external reference group) to develop its first
- 2.3. The inspection programme will be designed to promote improvement in all aspects of the work undertaken by fire and rescue services and will give prominence to the following principal themes:.
- how effective each fire and rescue service is at preventing, protecting and responding to incidents;
 - whether the service provides value for money;
 - whether the service understands where future risks lie; and
 - the ability of the service to train staff, embrace diversity and develop a positive working culture.
- 2.4. The HMICFRS consultation document (attached at Appendix B) seeks responses to seven questions about how the inspection of fire and rescue services should be carried out. The responses received to the consultation will be used to develop a programme, framework and methodology for the inspection.
- 2.5. The closing date for responding to the consultation is 19 February 2018. A proposed draft response on behalf of this Authority is attached at Appendix D.

3. CONCLUSION

- 3.1. The two consultation documents referenced in this report represent significant issues for this Authority. The Authority is invited to consider and – subject to any amendments it may wish to make – approve the responses for submission.

GLENN ASKEW
Chief Fire Officer

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Home Office

Fire and Rescue National Framework for England

Government consultation

This consultation begins on 27 December 2017

This consultation ends on 14 February 2018

About this consultation

- To:** Fire and rescue authorities and fire and rescue representative bodies
- Duration:** From 27/12/2017 to 14 February 2018
- Enquiries (including requests for the paper in an alternative format) to:** Alan Turnbull
Home Office
6th Floor, Fry Building, 2 Marsham Street, London, SW1P 4DF
Tel: 0207 035 3558
Email: FRSComms@homeoffice.gsi.gov.uk
- How to respond:** You can submit your responses to the consultation by using the online form on gov.uk
- or in hard copy, by 14 February 2018 to:
Harinder Sahota
Home Office
6th Floor, Fry Building, 2 Marsham Street, London, SW1P 4DF
Tel: 0207 035 3478
Email: FRSComms@homeoffice.gsi.gov.uk
- Response paper:** A response to this consultation exercise is due to be published by spring 2018 on gov.uk.

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Foreword

Fire and rescue services play a crucial role in making our communities safer, whether it be preventing and protecting people from fire and other risks, or responding swiftly and effectively to the incidents and emergencies that occur. Over the past decade we have witnessed a significant decrease in the number of fires which suggests that we are, as a society, becoming safer than ever from the risk and consequences of fire. In part this must be a testament to the successful fire prevention and protection work that fire and rescue services deliver day in, day out, up and down the country.

Nevertheless, the awful tragedy at Grenfell Tower provided a stark and terrible reminder that we can never afford to become complacent. We must continue to work hard to keep people – especially those whose vulnerability to fire is increased by age, infirmity, mental health, domestic violence or any of the other complex issues some of us are living with – as safe from fire and associated risks as possible. In many cases, this means engaging effectively with other agencies to work together to better protect and improve the outcomes for these individuals.

The past decade has also seen fire and rescue services respond to an ever growing number of non-fire incidents. Collaboration should be at the heart of how services operate so that services can work with, or on behalf of, local providers, to deliver a range of public safety activity to protect their local communities where it is in the interests of efficiency and effectiveness for them to do so.

In 2016, the Home Office outlined an ambitious programme of reform which it is delivering with the fire and rescue sector. This revised National Framework seeks to embed these reforms, which include:

- transforming local governance of fire and rescue by enabling mayors and police and crime commissioners to take on responsibility for fire and rescue services where a local case is made;
- establishing Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) as an independent inspection regime for fire and rescue authorities;
- developing a comprehensive set of professional standards to drive sector improvement;
- supporting services to transform commercially with more efficient procurement and collaboration;
- increasing the transparency of services with the publication of greater performance data and the creation of a new national fire website; and -
- driving forward an ambitious programme for workforce reform including through enhancing: professionalism; management and leadership; training and

development; equality and diversity; improved culture; and options for flexible working.

As part of this reform programme, the fire landscape is changing with the formation of the National Fire Chiefs Council; an independent inspectorate (HMICFRS); and a professional standards body. The revised framework outlines the roles and responsibilities of these bodies and sets expectations for how services should work with them.

It is against this background that the Government launches this revised National Framework for consultation. The National Framework will continue to provide an overall strategic direction to fire and rescue authorities, but Whitehall will not run fire and fire and rescue services remain free to operate in a way that enables the most efficient and effective delivery of their services, drawing upon their considerable skills and experience to best reduce the risks from fire. Ultimately, it is to local communities, not Government, that fire and rescue authorities are accountable.

Finally, it is vital that we learn the lessons from Grenfell. I very much welcome the publication of Dame Judith Hackitt's interim report setting out a comprehensive analysis of the current system of building regulations and fire safety and recommendations for how it can be improved. It is clear there is a need for reform across the system and that we need a new intelligent system of regulation and enforcement which encourages everyone to do the right thing and which holds those who cut corners to account. The scale of the change that her report calls for cannot be delivered by government alone so we will work closely with Dame Judith and other partners – including the National Fire Chiefs Council and fire and rescue services - during the next phase of the review, identifying the changes that need to be made to the system. We will update the National Framework as required to ensure that the learning and recommendations from this Review, as well as those from the wider Grenfell Tower Inquiry, are captured and reflected.

In the meantime, we acknowledge the vital work that local fire and rescue services, and the NFCC, as a member of the Expert Panel, are doing to ensure that building owners are taking all the necessary steps to ensure those living in high rise buildings are safe and feel safe to remain in their homes.

I look forward to receiving consultation responses on the revised National Framework.



R Hon Nick Hurd MP

Minister for Policing and the Fire Service

Executive summary

1. Section 21 of the Fire and Rescue Services Act 2004 requires the Secretary of State to prepare a Fire and Rescue National Framework which sets priorities and objectives for fire and rescue authorities (FRAs) in England in connection with the discharge of their functions. FRAs have a statutory duty to have regard to the Framework. The 2004 Act requires the Secretary of State to keep the Framework under review and revise it if needed with significant revisions subject to statutory consultation with representatives of fire and rescue authorities and their employees.
2. The National Framework was last updated in 2012 and changes are needed which warrant a full revision of it at this time to embed the fire reform programme such as the creation of a new inspectorate for fire and rescue services and the creation of the National Fire Chiefs Council. The Framework also reflects the provisions in the Policing and Crime Act 2017 on emergency services collaboration and changes to fire and rescue governance.
3. We have sought the views of an external working group in drafting this framework including the LGA and their elected members; the National Fire Chiefs Council; and HMICFRS.
4. We propose the priorities and objectives for FRAs as set by the Framework to be:
 - identify and assess the full range of foreseeable fire and rescue related risks their areas face;
 - make appropriate provision for fire prevention and protection activities and response to fire and rescue related incidents;
 - collaborate with emergency services and other local and national partners to increase the efficiency and effectiveness of service provision;
 - be accountable to communities for the service they provide; and
 - develop and maintain a workforce that is resilient, skilled, flexible and diverse.
5. Within the Workforce chapter (chapter 6) of the draft National Framework, the section on 're-engagement of senior officers post-retirement' has been the subject of an earlier, separate consultation. The Government's response to that consultation is published separately. The draft National Framework includes the proposed wording following that consultation and no more changes to that section are planned following this consultation process.

6. Annex A of the draft National Framework contains a revised 'Protocol on Central Government Intervention Action for Fire and Rescue Authorities'. Section 23 of the Fire and Rescue Services Act 2004 requires that an intervention protocol be prepared, and for the Secretary of State to have regard to it in the exercise of their power of intervention. Revisions to the protocol are required to be consulted on and so comments are invited on this document.

7. Subject to the outcome of the public consultation and parliamentary time allowing, the Government intends for the new National Framework to come into effect in April 2018 to coincide with the commencement of fire inspection. The existing Framework – brought into effect in 2012 - remains valid until it is replaced. The outputs from the Grenfell Tower Inquiry and the Independent Review of Building Regulations and Fire Safety will be considered on an ongoing basis and further changes may be made to the Framework as required. Any such changes will be subject to a separate consultation.

Introduction

This paper sets out for consultation the revised Fire and Rescue National Framework for England and also for the revised 'Protocol on Central Government Intervention Action for Fire and Rescue Authorities'. The consultation is aimed at fire and rescue authorities in England and their staff, as well as fire and rescue representative bodies.

The proposals are unlikely to lead to additional costs or savings for businesses, charities or the voluntary sector, or on the public sector.

Copies of the consultation paper are being sent to:

Chiefs and Chairs of all Fire and Rescue Authorities in England

Local Government Association

National Fire Chiefs Council

Association of Principal Fire Officers

Fire Brigades Union

Fire Officers' Association

Retained Firefighters' Union

Association of Police and Crime Commissioners

However, this list is not meant to be exhaustive or exclusive and responses are welcomed from anyone with an interest in, or views on, the subject covered by this paper.

Draft Fire and Rescue National Framework for England

1. INTRODUCTION

Powers

1.1 Under section 21 of the Fire and Rescue Services Act 2004 (“the 2004 Act”), the Secretary of State must prepare a Fire and Rescue National Framework.

The Framework:

- a) must set out priorities and objectives for fire and rescue authorities in connection with the discharge of their functions;
- b) may contain guidance to fire and rescue authorities in connection with the discharge of any of their functions; and
- c) may contain any other matter relating to fire and rescue authorities or their functions that the Secretary of State considers appropriate.

1.2 In setting out priorities and objectives for fire and rescue authorities in England, the requirements are best calculated to promote public safety and the economy, efficiency and effectiveness of fire and rescue authorities. The Framework sets out high level expectations; it does not prescribe operational matters which are best determined locally by fire and rescue authorities and their staff.

1.3 In preparing the Framework, the Secretary of State is required to consult fire and rescue authorities or their representatives; persons representing employees of fire and rescue authorities; and any other persons they consider appropriate.

1.4 Every fire and rescue authority must have regard to the Framework in carrying out their functions. Every authority must publish an annual statement of assurance of compliance with the Framework (see Chapter 3).

1.5 Fire and rescue authorities function within a long-established statutory and policy framework. This document does not repeat all the duties placed on them in connection with the discharge of their functions, or more generally as a public service provider and employer.

1.6 The term ‘fire and rescue authority’ in this Framework applies to every fire and rescue authority in England unless otherwise stated.

Priorities

- 1.7 The priorities in this Framework are for fire and rescue authorities to:
- identify and assess the full range of foreseeable fire and rescue related risks their areas face;
 - make appropriate provision for fire prevention and protection activities and response to fire and rescue related incidents;
 - collaborate with emergency services and other local and national partners to increase the efficiency and effectiveness of service provision;

- be accountable to communities for the service they provide; and
- develop and maintain a workforce that is professional, resilient, skilled, flexible and diverse.

2. DELIVERY OF CORE FUNCTIONS

Identify and assess

- 2.1 Every fire and rescue authority must assess all foreseeable fire and rescue related risks that could affect their communities, whether they are local, cross-border, multi-authority and/or national in nature from fires to terrorist attacks. Regard must be had to Community Risk Registers produced by Local Resilience Forums and any other local risk analyses as appropriate.
- 2.2 Fire and rescue authorities must put in place arrangements to prevent and mitigate these risks, either through adjusting existing provision, effective collaboration and partnership working, or building new capability. Fire and rescue authorities should work through the Strategic Resilience Board where appropriate when determining what arrangements to put in place.

Prevent and protect

- 2.3 Prevention is always better than cure. Fire and rescue authorities must make provision for promoting fire safety, including fire prevention, and have a locally determined risk-based inspection programme in place for enforcing compliance with the provisions of the Regulatory Reform (Fire Safety) Order 2005 in premises to which it applies.
- 2.4 We expect fire and rescue authorities to target their fire safety, prevention and protection resources on: those individuals or households who are at greatest risk from fire in the home; those most likely to engage in arson or deliberate fire setting; and on those non-domestic premises where the life safety risk is the greatest.
- 2.5 To identify those at greatest risk from fire, we expect fire and rescue authorities to work closely with other organisations in the public and voluntary sector, as well as with the police and ambulance services. Wherever appropriate, we expect fire and rescue services to develop partnerships to support risk reduction services to those identified as vulnerable, including from exploitation or abuse, and wherever possible to share intelligence and relevant risk data.
- 2.6 In many cases, fire and rescue prevention and protection staff will be in a position to identify individuals' wider vulnerabilities and exposure to risks beyond fire. By working closely and collaboratively with other public and voluntary sector organisations – both nationally through the National Fire Chiefs Council and through local arrangements - we recognise fire and rescue authorities can make an important contribution to increasing the effectiveness and efficiency of public services and alleviating pressures on local response resources. However, this should not be at the expense of their core fire functions.
- 2.7 Given the wide range of roles that fire and rescue personnel undertake, including with people with complex needs and vulnerabilities, fire and rescue authorities will need to ensure that all their staff in public-facing roles have the necessary skills and training to meet such demands. They also should have appropriate safeguarding arrangements in place to provide the public with the reassurance and confidence that they have every right to expect.

2.8 In all their prevention and protection activities, fire and rescue authorities should robustly evaluate the impact of their activities to ensure that they only pursue those which can be demonstrated to impact effectively and cost-efficiently on risk reduction within their communities. Fire and rescue authorities should share details of their successful interventions (and, importantly, those less successful interventions) to support each other to understand and build on what works best and what is most cost-effective.

Respond

2.9 Fire and rescue authorities must make provision to respond to incidents such as fires, road traffic collisions and other emergencies within their area and in other areas in line with their mutual aid agreements.

2.10 Fire and rescue authorities can enter into reinforcement schemes, or mutual aid agreements, with other fire and rescue authorities for securing mutual assistance, so far as practicable.

2.11 Fire and rescue authorities must have effective business continuity arrangements in place in accordance with their duties under the Civil Contingencies Act 2004. These arrangements must be able to meet the full range of service delivery risks and national resilience duties and commitments that they face. Business continuity plans should not be developed on the basis of armed forces assistance being available.

Integrated Risk Management Plan

2.12 To establish how it aims to deliver its core functions to effectively prevent and mitigate the fire and rescue related risks facing their communities, each fire and rescue authority must produce an integrated risk management plan. Each plan must:

- reflect up to date risk analyses including an assessment of all foreseeable fire and rescue related risks that could affect the area of the authority;
- demonstrate how prevention, protection and response activities will best be used to prevent fires and other incidents and mitigate the impact of identified risks on its communities, through authorities working either individually or collectively, in a cost effective way;
- evaluation of service delivery outcomes including the allocation of resources, for the mitigation of those risks;
- set out its management strategy and risk-based programme for enforcing the provisions of the Regulatory Reform (Fire Safety) Order 2005 in accordance with the principles of better regulation set out in the Statutory Code of Compliance for Regulators, and the Enforcement Concordat;
- cover at least a three-year time span and be reviewed and revised as often as it is necessary to ensure that the authority is able to deliver the requirements set out in this Framework;
- reflect effective consultation throughout its development and at all review stages with the community, its workforce and representative bodies and partners; and
- be easily accessible and publicly available.

3. INSPECTION, ACCOUNTABILITY AND ASSURANCE

Inspection

- 3.1 Independent inspection of fire and rescue authorities in England – and the fire and rescue service they oversee - is delivered by Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS). The chief fire and rescue inspector and inspectors of fire and rescue authorities in England have powers of inspection given to them by the Fire and Rescue Services Act 2004, as amended by the Policing and Crime Act 2017.
- 3.2 The inspectorate will provide a crucial assurance function to consider how effective and efficient fire and rescue authorities are, how well they manage their people and whether they are fulfilling their statutory obligations. The inspectorate will also highlight good practice and identify areas where improvement is needed so that remedial or constructive action can be taken.
- 3.3 The Policing and Crime Act 2017 requires the chief fire and rescue inspector for England to publish an inspection programme setting out what inspections of fire and rescue authorities in England they propose to carry out, and an inspection framework setting out the manner in which inspections will be carried out, including the matters that will be inspected. The inspection framework and programme applies to every fire and rescue authority in England. The 2017 Act also requires the chief fire and rescue inspector for England to submit an annual report to the Secretary of State providing an assessment of the efficiency and effectiveness of fire and rescue authorities in England for the period in respect of which the report is prepared.
- 3.4 All fire and rescue authorities must cooperate with the inspectorate and its inspectors to enable them to deliver their statutory function. This includes providing relevant data and information to inform inspections. The Home Office and HMICFRS will work together to align data and information collections where possible to avoid duplication.
- 3.5 Fire and rescue authorities should give due regard to reports and recommendations made by HMICFRS and - if needed - prepare, update and regularly publish an action plan (including any such plans arising from peer reviews and self-assessments) detailing how the recommendations are being actioned. When forming an action plan, the fire and rescue authority could seek advice and support from other organisations, for example, the National Fire Chiefs Council and the Local Government Association.

Intervention

- 3.6 Section 22 of the Fire and Rescue Services Act 2004 gives powers to the Secretary of State to intervene should a fire and rescue authority fail, or is likely to fail, to act in accordance with this Framework. The Secretary of State is required to prepare a protocol about the exercise of these powers and to have regard to it when exercising the section 22 powers. The intervention protocol for these powers is attached at Annex A.
- 3.7 The 2004 Act allows the Secretary of State, by order, to require the fire and rescue authority to do something; to stop doing something; or not to do something in order to ensure the fire and rescue authority acts in accordance with this Framework. An order could be made if the Secretary of State considers it would promote public safety, the

economy, efficiency and effectiveness of the relevant fire and rescue authority. Before any such order is made the Secretary of State must give the authority an opportunity to make representations about the order proposed.

- 3.8 Use of this power is a last resort and intervention would only be considered if there was clear evidence that an authority was failing to act in accordance with the Framework, and that the failure was sufficiently serious as to warrant Government intervention. The expectation is that the fire and rescue authority should put in place processes to overcome any concerns, seeking sector-led support as appropriate.
- 3.9 The Secretary of State also has other powers of intervention (for example, under section 15 of the Local Government Act 1999) but the Protocol on Central Government Intervention Action for Fire and Rescue Authorities at Annex A relates solely to ensuring fire and rescue authorities act in accordance with the National Framework.

Accountability

- 3.10 Fire and rescue authorities are expected to have governance and accountability arrangements in place covering issues such as financial management and transparency, complaints and discipline arrangements, and compliance with the seven principles of public life.¹
- 3.11 Each fire and rescue authority must hold the individual who has responsibility for managing the fire and rescue service – in most cases the Chief Fire Officer - to account for the delivery of the fire and rescue service and the functions of persons under their direction and control. In London, the Mayor of London must hold the London Fire Commissioner, as fire and rescue authority for Greater London, to account for the exercise of the Commissioner's functions.
- 3.12 In demonstrating their accountability to communities for the service they provide, fire and rescue authorities need to:
- be transparent and accountable to their communities for their decisions and actions;
 - provide the opportunity for communities to help to plan their local service through effective consultation and involvement; and
 - have scrutiny arrangements in place that reflect the high standard communities expect for an important public safety service.

Assurance and scrutiny

- 3.13 Fire and rescue authorities must provide assurance to their communities and to government on financial, governance and operational matters and show how they have had due regard to their priorities and expectations set out in their integrated risk management plan and the requirements included in this Framework.

¹ Selflessness; Integrity; Objectivity; Accountability; Openness; Honesty; and Leadership

- 3.14 Fire and rescue authorities must publish an annual statement of assurance, which in the case of PCC fire and rescue authorities (PCC FRA), will be subject to scrutiny by the Police, Fire and Crime Panel (PFCCP). These statements may also be considered by the inspectorate as part of their work.
- 3.15 PFCCPs will perform a scrutiny function, providing both support and challenge to the Police, Fire and Crime Commissioner (PFCC) on the exercise of their functions, acting as a critical friend. The powers, responsibilities and membership requirements of PFCCPs are set out in the Police Reform and Social Responsibility Act 2011.

Transparency

- 3.16 Each fire and rescue authority must comply with their statutory transparency requirements. The nature of the requirements is dependent on the legal basis of the authority; for example, combined fire and rescue authorities would be subject to the Local Authority Transparency Code 2015 while PCC FRAs must comply with requirements under section 11 of the Police Reform and Social Responsibility Act 2011 and the Elected Local Policing Bodies (Specified Information) Order 2011. All fire and rescue authorities should therefore publish certain information, including: senior salaries, register of interests, staffing, income and expenditure, property, rights and liabilities, and decisions of significant public interest. Fire and rescue authorities must make their communities aware of how they can access data and information on their performance.
- 3.17 Furthermore, section 26 of the Fire and Rescue Services Act 2004 states that a fire and rescue authority must:
- a) submit to the Secretary of State any reports and returns that are required; and
 - b) give the Secretary of State any information with respect to its functions that are required.
- 3.18 Specifically, fire and rescue authorities have a responsibility to provide regular data to the Home Office as stipulated by the DCLG Single Data List process. The data supplied are the source for the official and national statistics published by the Home Office and are used for the purposes of policy development across a range of organisations including Government as well as providing a publicly available national overview of activity by fire and rescue services.

4. GOVERNANCE

- 4.1 Fire and rescue authorities operate with a range of different locally determined governance arrangements including an individual – either a police, fire and crime commissioner or a mayor – having sole responsibility for being the fire and rescue authority for an area. Where police and crime commissioners - and mayors - wish to develop a local proposal with options to take on governance responsibility for fire and rescue in their area, fire and rescue authorities must provide the police and crime commissioner with such information that they reasonably require for the purposes of developing a proposal for the Secretary of State to consider.
- 4.2 The Secretary of State can only give effect to such a fire governance proposal where, in her view, it appears to be in the interests of economy, efficiency and effectiveness, or in the interests of public safety. The Secretary of State cannot give effect to a proposal if, in her view, it would have an adverse effect on public safety.
- 4.3 Each fire and rescue authority has a statutory duty to ensure provision of their core functions as required by the Fire and Rescue Services Act 2004 and, for example, take strategic decisions and hold their chief fire officer to account.
- 4.4 The exception is in London, where the Policing and Crime Act 2017 reforms the governance of fire and rescue in London by abolishing the London Fire and Emergency Planning Authority and creating the London Fire Commissioner as a corporation sole being the fire and rescue authority. The Mayor of London has overall responsibility for setting the strategic direction of the fire and rescue authority in London, appointing the London Fire Commissioner (subject to a confirmation hearing), holding the Commissioner to account and setting the budget for the Commissioner.
- 4.5 The London Fire Commissioner is responsible for ensuring fire and rescue services in London are efficient and effective and prepares the integrated risk management plan for approval by the Mayor.

Managing the fire and rescue service/Chief Fire Officer

- 4.6 Each fire and rescue authority will appoint an individual - a Chief Fire Officer - who has responsibility for managing the fire and rescue service. This includes managing the personnel, services and equipment secured by the fire and rescue authority for the purposes of carrying out functions conferred on it by the Fire and Rescue Services Act 2004, Civil Contingencies Act 2004, and other enactments. The Chief Fire Officer must, in exercising their functions, have regard to the fire and rescue authority's integrated risk management plan.
- 4.7 The fire and rescue authority should give due regard to the professional advice of the chief fire officer when making decisions affecting the operation of their fire and rescue service.

Plans to be prepared by PCC fire and rescue authorities

- 4.8 Where a police and crime commissioner takes on the functions and duties of a fire and rescue authority they will be known as the police, fire and crime commissioner (PFCC). The PFCC must prepare and publish the documents set out below:

A fire and rescue plan: the plan should set out the strategic vision, priorities and objectives for the fire and rescue service over the period of the document in connection with the discharge of the fire and rescue authority's functions. The plan is subject to scrutiny by the Police, Fire and Crime Panel (in the same way they scrutinise the PCC's police and crime plan). In developing this plan, the PFCC must make arrangements for obtaining the view of the community, as they currently do in preparing their police and crime plan.

A fire and rescue statement: the statement should outline the way in which the authority has had regard - in the period covered by the document - to this National Framework and to any fire and rescue plan prepared by the authority for that period. This is subject to scrutiny by the Police, Fire and Crime Panel.

- 4.9 The PFCC must have regard to both the fire and rescue plan and the police and crime plan when carrying out their functions. The plans can be combined. Where a joint police and crime and fire and rescue plan is developed, the plan must set out both policing and fire and rescue priorities and objectives. Such plans are subject to scrutiny by the Police, Fire and Crime Panel.
- 4.10 The PCC FRA must, like all other fire and rescue authorities, produce an integrated risk management plan as set out in chapter 2. This may also include details of how the fire and rescue service intends to meet the strategic vision set out by the fire and rescue plan. The integrated risk management plan will be subject to inspection by HMICFRS.
- 4.11 The function of preparing and issuing the plan may be delegated to the Chief Fire Officer - or Chief Officer where a single employer has been put in place – however, the plan must be approved by the PCC FRA.

National Fire Chiefs Council

- 4.12 The National Fire Chiefs Council brings together the leadership of the UK's fire and rescue services to provide co-ordinated professional, operational and technical leadership of the sector, advising and supporting central and local government, and other stakeholders.
- 4.13 The NFCC fulfils a multifaceted role that is reflected throughout this document and other national frameworks. The NFCC represents the sector in local and national structures, helping to develop national policies and strategies. The NFCC is the first line of operational advice to central and local government during major incidents. This is outlined within the National Coordination and Advisory Framework (NCAF), which fire and rescue services must proactively engage with.
- 4.14 The NFCC has a role to drive continuous improvement and development throughout the sector. Fire and rescue services should consult the NFCC for advice and support when developing improvement plans, particularly in response to inspections.
- 4.15 The expectation is that fire and rescue services in England engage with the NFCC and, in turn, that the Chiefs Council works to support and represent every service.

5. ACHIEVING VALUE FOR MONEY

- 5.1 Fire and rescue authorities must manage their budgets and spend money properly and appropriately, and ensure the efficient and effective use of their resources, pursuing all feasible opportunities to keep costs down while discharging their core duties effectively. Fire and rescue authorities should regularly review the numbers and deployment of firefighters and other staff to ensure that its fire and rescue service has a workforce that is commensurate with the risks that it faces.
- 5.2 Fire and rescue authorities must ensure that financial decisions are taken with the advice and guidance of the chief finance officer and that decisions are taken with an emphasis on delivering value for money to the public purse. Fire and rescue authorities should ensure that management of their finances is undertaken with regard to published guidance including those set out at Annex B.
- 5.3 Fire and rescue authorities should publish a medium term financial strategy which includes funding and spending plans for revenue and capital. The strategy should take into account multiple years, the inter-dependencies of revenue budgets and capital investments, the role of reserves and the consideration of risks. It should have regard to affordability and also to CIPFA's Prudential Code for Capital Finance in Local Authorities. The strategy should be aligned with the fire and rescue authority's integrated risk management plan and – if appropriate – the Fire and Rescue Plan.
- 5.4 Fire and rescue authorities should publish robust, transparent and locally owned efficiency plans on their websites. Each fire and rescue authority should also publish an annual report on their progress against their efficiency plans.

Reserves

- 5.5 Sections 31A, 32, 42A and 43 of the Local Government Finance Act 1992 require billing and precepting authorities in England and Wales to have regard to the level of reserves needed for meeting estimated future expenditure when calculating the budget requirement.
- 5.6 Fire and rescue authorities should establish a policy on reserves and provisions in consultation with their chief finance officer. General reserves should be held by the fire and rescue authority and managed to balance funding and spending priorities and to manage risks. This should be established as part of the medium-term financial planning process.
- 5.7 Each fire and rescue authority should publish their reserves strategy on their website, either as part of their medium term financial plan or in a separate reserves strategy document. The reserves strategy should include details of current and future planned reserve levels, setting out a total amount of reserves and the amount of each specific reserve that is held for each year. The reserves strategy should provide information for at least two years ahead.
- 5.8 Sufficient information should be provided to enable understanding of the purpose for which each reserve is held and how holding each reserve supports the fire and rescue authority's medium term financial plan.

5.9 Information should be set out in a way that is clear and understandable for members of the public, and should include:

- how the level of the general reserve has been set;
- justification for holding a general reserve larger than five percent of budget;
- whether the funds in each earmarked reserve are legally or contractually committed, and if so what amount is so committed; and
- a summary of what activities or items will be funded by each earmarked reserve, and how these support the fire and rescue authority's strategy to deliver good quality services to the public.

Commercial transformation

5.10 Each fire and rescue authority must demonstrate that it is achieving value for money for the goods and services it receives. Every fire and rescue authority should look at ways to improve its commercial practices including whether they can aggregate their procurement with other fire and rescue authorities and other local services (e.g. police) to achieve efficiencies.

5.11 Fire and rescue authorities must demonstrate and support commercial transformation programmes where appropriate. Each fire and rescue authority should be able to demonstrate full awareness of the objectives to standardise requirements, aggregate demand and manage suppliers of products and services within their commercial arrangements.

5.12 Fire and rescue authorities must ensure that their commercial activities, be that the placement of new contracts or the use of existing contracts, is in line with their legal obligations, including but not limited to the Public Contracts Regulations, the Public Services (Social Value) Act 2012, the Modern Slavery Act 2015 and transparency commitments.

Collaboration

5.13 The Policing and Crime Act 2017 created a statutory duty on fire and rescue authorities, police forces, and ambulance trusts to:

- keep collaboration opportunities under review;
- notify other emergency services of proposed collaborations that could be in the interests of their mutual efficiency or effectiveness; and
- give effect to a proposed collaboration where the proposed parties agree that it would be in the interests of their efficiency or effectiveness and that it does not have an adverse effect on public safety.

5.14 The duty is deliberately broad to allow for local discretion in how it is implemented and recognises that local emergency services are best placed to determine how to collaborate for the benefit of their communities. However, the duty sets a clear expectation that collaboration opportunities should be considered.

5.15 The duty does not preclude wider collaboration with other local partners, such as local authorities and wider health bodies. To reflect their wider role, ambulance trusts are required to consider the impact of the proposed collaboration on their wider non-

emergency functions and the NHS when determining if it would be in the interests of their efficiency or effectiveness.

- 5.16 Fire and rescue authorities should, where appropriate, work alongside all relevant local agencies and multi-agency teams involved in protecting those identified as vulnerable.
- 5.17 Fire and rescue authorities must collaborate with other fire and rescue authorities to deliver intraoperability (between fire and rescue authorities) and interoperability (with other responders such as other emergency services, wider Category 1 and 2 responders and Local Resilience Forums) in line with the Joint Emergency Services Interoperability Principles (JESIP). Fire and rescue authorities must collaborate with the National Resilience Lead Authority to ensure interoperability is maintained for National Resilience assets.
- 5.18 Intraoperability includes, but is not limited to:
- compatible communications systems, control rooms and equipment;
 - common command and compatible control and co-ordination arrangements;
 - effective information, intelligence and data sharing;
 - compatible operational procedures, and guidance with common terminology;
 - compatible training and exercising (both individually and collectively); and
 - cross border working with other English fire and rescue authorities and those in the devolved administrations.
- 5.19 Interoperability includes, but is not limited to:
- compatible communications systems, control rooms and equipment, as appropriate;
 - compatible command, control and co-ordination arrangements;
 - effective inter-agency working and liaison and, where appropriate, information, intelligence and data sharing;
 - shared understanding of respective roles and responsibilities, operational procedures, guidance and terminology;
 - robust multi-agency plans for managing risks identified in the National Risk Assessment and community risk registers;
 - multi-agency training and exercising; and
 - cross border working with other responders in England and the devolved administrations.

Research and development

- 5.20 Fire and rescue authorities should engage with national research and development programmes, including those overseen by the NFCC, unless there is a good reason not to.
- 5.21 Where fire and rescue services embark on research and development outside of any national programme, processes should be put in place to ensure it meets quality standards and, where possible and appropriate, is available to the sector to enable good practice to be shared.

Trading

- 5.22 Fire and rescue authorities have the power to trade and make a profit but they must ensure that their commercial activities are performed in accordance with the requirements of the Local Government Act 2003, the Fire and Rescue Services Act 2004 (as amended by the Localism Act 2011) and the Local Government Order 2009. Fire and rescue authorities must also ensure that such commercial activities are exercised through a company within the meaning of Part 5 of the Local Government and Housing Act 1989.
- 5.23 A trading company is a separate legal entity and elected members and officers should at all times be aware of potential conflicts of interest when carrying out their roles for their authorities, or when acting as directors of trading companies.
- 5.24 Fire and rescue authorities must ensure any actions taken in respect of their trading companies are considered against the requirements of competition law. Any financial assistance - in cash or in kind - given by an authority that establishes or participates in it, should be for a limited period, set against the expectation of later returns, and re-paid by those returns. Any assistance should be provided under a formal agreement with the company and must be entered into for a commercial purpose. Before entering into such an agreement, the authority should satisfy itself that it will achieve its objective, and the company should satisfy itself that it will meet its objective in terms of its business plan. The parties should consider any State Aid implications and obtain their own expert advice where necessary.

6. WORKFORCE

People Strategy

6.1 Each fire and rescue authority should have in place a people strategy that has been designed in collaboration with the workforce. This should take into account the principles set out in the NFCC's people strategy and at a minimum cover:

- improving the diversity of the workforce to ensure that it represents the community it serves;
- equality, cultural values and behaviours;
- recruitment, retention and progression;
- flexible working;
- professionalism, skills and leadership;
- training opportunities;
- health, wellbeing and support; and
- a policy to tackle bullying and harassment.

6.2 The Home Office collects and publishes a range of workforce data. This includes workforce diversity, information on new joiners, reasons for leaving and firefighter injuries.

Professional Standards Body²

6.3 The sector is currently working in partnership with government to consider options for enhancing professionalism by ensuring the development of a coherent and comprehensive set of professional standards across all areas of fire and rescue services' work, drawing on existing standards where appropriate.

6.4 All fire and rescue authorities must implement the standards approved through this work and the inspectorate will have regard to these standards as part of their inspections.

Fitness Principles

6.5 Fire and rescue authorities have an important role in helping to ensure their firefighters remain fit and are supported in remaining in employment. Each fire and rescue authority must comply with the fitness principles set out at Annex C.

Re-engagement of senior officers

6.6 The re-appointment of principal fire officers to the same or similar posts within the same fire and rescue authority, a short time after they have retired, has caused concern in recent years and increases costs for taxpayers. These individuals very often receive their pension benefits on retirement (such as their tax free lump sum) and then return on favourable terms, including an increase in take-home pay through avoiding paying employee pension contributions.

² Please note that this policy is under development and an announcement is likely to be made before the final Framework is published.

- 6.7 Fire and rescue authorities must not re-appoint principal fire officers³ after retirement to their previous, or a similar, post save for in exceptional circumstances when such a decision is necessary in the interests of public safety. Any such appointment must be transparent, justifiable and time limited.
- 6.8 In the exceptional circumstance that a re-appointment is necessary in the interests of public safety, this decision should be subject to agreement by a public vote of the elected members of the fire and rescue authority, or a publicised decision by the appropriate elected representative of the fire and rescue authority, taking into account the legislative requirements of PCC FRA Chief Fire Officer appointment procedures. The reason why the re-appointment was necessary in the interests of public safety, and alternative approaches were deemed not appropriate, must be published and the principal fire officer's pension must be abated until they cease to be employed by a fire and rescue authority.
- 6.9 To ensure greater fairness and the exchange of talent and ideas, all principal fire officer posts must be open to competition nationally, and fire and rescue authorities must take account of this in their workforce planning.
- 6.10 While the above requirements only extend to principal fire officers, we expect fire and rescue authorities to have regard to this principle when re-appointing at any rank.

³ For the purpose of this Framework, Principal Officers refers to those officers at Brigade or Area Manager level, and above, or those with comparable responsibilities to those roles.

7. NATIONAL RESILIENCE

- 7.1 The Government retains responsibility for the provision of national resilience assets and capabilities managed and delivered through fire and rescue services. This responsibility extends to undertaking the National Risk Assessment which informs the requirements for fire and rescue national resilience capabilities.
- 7.2 In meeting this responsibility, the Government has committed significant financial resource to build national resilience capabilities and to support their ongoing maintenance.
- 7.3 The Government relies on the strategic leadership role of the NFCC to maintain fire and rescue national resilience capabilities in a high state of operational readiness through a comprehensive assurance regime delivered through lead authority arrangements.
- 7.4 Fire and rescue authorities must work with the lead authority to support the national resilience assurance processes in order to ensure capabilities are maintained at a high state of operational readiness. This includes co-operation of fire and rescue authorities, as necessary, on devolved training and, where applicable, on the long term capability management arrangements.
- 7.5 Fire and rescue services, through the NFCC's representation on the Strategic Resilience Board, must also work with Government to identify and address any national resilience capability gaps identified through ongoing analysis of the National Risk Assessment.

Gap analysis

- 7.6 Fire and rescue authorities' risk assessments must include an analysis of any gaps between their existing capability and that needed to ensure national resilience (as defined above).
- 7.7 Fire and rescue authorities are required to assess the risk of emergencies occurring and use this to inform contingency planning. To do this effectively, fire and rescue authorities are expected to assess their existing capability and identify any gaps as part of the integrated risk management planning process. This gap analysis needs to be conducted by fire and rescue authorities individually and collectively to obtain an overall picture of their ability to meet the full range of risks in their areas.
- 7.8 As part of their analysis, fire and rescue authorities must highlight to the Home Office or the Fire and Rescue Strategic Resilience Board, any capability gaps that they believe cannot be met even when taking into account mutual aid arrangements, pooling and reconfiguration of resources and collective action.
- 7.9 The Home Office, in liaison with other government departments and the devolved administrations, will support fire and rescue authorities in considering and defining the gap between existing capability and the capability required to ensure national resilience.

National Coordination and Advisory Framework

- 7.10 The National Coordination and Advisory Framework (NCAF) has been designed to provide robust and flexible response arrangements to major emergencies that can be adapted to the nature, scale and requirements of the incident.
- 7.11 Fire and rescue authorities must proactively engage with, and support, the NCAF arrangements including the NFCC's lead operational role.

Response to Terrorist Attacks or Marauding Terrorist Attacks

- 7.12 Fire and rescue services must be able to respond to the heightened threat of terrorism and be ready to respond to incidents within their areas and across England to keep communities safe. Fire and rescue services should also be interoperable to provide operational support across the UK to terrorist events as required. To enhance resilience to terrorist risks, the Government has committed significant financial resources to develop a Marauding Terrorist Firearms Attack (MTFA) capability, with the support of fire and rescue services. This is aligned to the National Risk Assessment and provides a specialist response across the country.
- 7.13 Government and the NFCC recognise the critical contribution of fire and rescue services when responding to acts of terrorism. This is an agreed function of fire and rescue services as set out in the National Joint Council for Local Authority Fire and Rescue Services Scheme of Conditions of Service (the Grey Book), and is encompassed within the broad descriptions within the existing agreed firefighter role maps: to save and preserve endangered life, and safely resolve operational incidents.
- 7.14 Fire and rescue authorities are responsible for maintaining the robustness of the capability and, where they have an MTFA capability, must put in place arrangements to ensure their teams are fully available at all times, including periods when business continuity arrangements are in place.
- 7.15 MTFA arrangements shall be further enhanced by putting in place an appropriate multi-agency assurance mechanism that will ensure the capability is effective and delivers it to the agreed standard.

National Resilience Assurance

- 7.16 Fire and rescue authorities must continue to work collectively and with the Fire and Rescue Strategic Resilience Board and the national resilience lead authority to provide assurance to government that:
- existing national resilience capabilities are fit for purpose and robust; and
 - risks are assessed, plans are assessed and any gaps in capability that are needed to ensure national resilience are identified.
- 7.17 Fire and rescue authorities with MTFA teams must work with police forces and ambulance trusts to provide tri-service assurance of this capability.

8. TIMESCALE AND SCOPE

Timescales

8.1 This Framework has an open ended duration. The Secretary of State continues to be responsible for keeping the terms of the Framework under review under section 21(3) of the Fire and Rescue Services Act 2004 and is required under section 25 to prepare a biennial report to Parliament on the extent to which fire and rescue authorities are acting in accordance with the Framework.

Scope

8.2 The Framework covers England only. It does not apply to Northern Ireland, Scotland or Wales where responsibility for fire and rescue is devolved.

Annex A

Protocol on Central Government Intervention Action for Fire and Rescue Authorities

Introduction

1. It is a requirement under section 23 of the Fire and Rescue Services Act 2004 (the 2004 Act) that an intervention protocol be prepared, and for the Secretary of State to have regard to it in the exercise of their power of intervention.
2. The Secretary of State's order-making powers under section 22 of the 2004 Act are to ensure that fire and rescue authorities act in accordance with the Fire and Rescue National Framework for England (the Framework). Intervention is by order, subject to the negative Parliamentary procedure, and can only be made if the Secretary of State considers it would promote public safety; and the economy, efficiency or effectiveness of the relevant fire and rescue authority, or the services it provides.
3. To date there has been no formal intervention in the operations of a fire and rescue authority by the Secretary of State under these powers. Use of this power is seen as a last resort. The expectation is that the political and professional leadership of the fire and rescue authority will put in place processes to ensure that sector-led support is provided to any fire and rescue authority that needs it.
4. This intervention protocol (the protocol) broadly sets out the arrangements between the Secretary of State, the Local Government Association (LGA), Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS), the National Fire Chiefs Council (NFCC) and fire and rescue authorities should formal intervention be considered necessary.
5. In this protocol the term 'intervention' is used to refer to action by the Secretary of State in exercise of their powers under section 22 of the 2004 Act. Although the Secretary of State also has other powers of intervention (for example, under section 15 of the Local Government Act 1999) this protocol does not apply to an intervention under those powers.

Role of partners in supporting fire and rescue authorities at risk

6. HMICFRS will play a leading role in identifying any fire and rescue authority that is failing, or is likely to fail, in providing efficiency, effectiveness and leadership for the public. The NFCC and the LGA, will play an important liaison role in engaging the wider sector in supporting those authorities at risk and work collaboratively with key bodies,⁴ identify at an early stage serious risks to performance or the requirement to act in accordance with the Framework. The NFCC and/or Local Government Association will work with these bodies to prevent the escalation of those risks to avoid any risk to public safety or any negative impact on the reputation of the sector. For a PCC fire and

⁴ This could refer to fire and rescue authorities, the relevant professional leadership including the National Fire Chiefs Council, other sector-owned bodies, inspection bodies and HMICFRS in particular, and/or government departments

rescue authority, the Association of Police and Crime Commissioners (APCC) could also be approached for advice and support.

7. If there are specific concerns in respect of performance, or if there is evidence that indicates a fire and rescue authority is failing or is at risk of failing to act in accordance with the Framework, either through inspection by HMICFRS or through sector-led processes, the NFCC and/or the Local Government Association, and/or the Police, Fire and Crime Panel, and/or the Association of Police and Crime Commissioners will work with the authority to help them address the issues and seek improvement.

Circumstances leading to statutory intervention

8. No intervention would be considered unless there was clear evidence that an authority was failing to act in accordance with the Framework and that the failure was sufficiently serious as to require Government intervention.
9. If, following a sustained and determined attempt to resolve problems through sector-led improvement an issue cannot be resolved, or if a fire and rescue authority is unwilling or unable to engage with sector-led improvement measures, the Secretary of State can, under section 28 of the Fire and Rescue Services Act 2004, commission HMICFRS to lead an investigation. Under this provision, the Secretary of State also has the power to require HMICFRS to undertake any further inspection of fire and rescue authorities in England as required for the purpose of furthering their efficiency and effectiveness. The Secretary of State may also seek advice and information from other persons/bodies (for example, the NFCC) in respect of specific identified issues.
10. The Secretary of State has a range of powers including to request information about a fire and rescue authority's functions⁵ and conferring on a fire and rescue authority functions relating to emergencies⁶. Inspection powers – powers to obtain information and access premises – are also held by HMICFRS' inspectors.⁷

What happens upon statutory intervention?

11. In the event that statutory intervention is considered necessary, the Secretary of State will consult the authority concerned and any other body or authority which is considered necessary, such as HMICFRS, the NFCC and the Local Government Association, before exercising powers of intervention under section 22 of the 2004 Act.
12. The form or extent of any formal intervention will be a matter for determination on a case by case basis, taking into account the views of the fire and rescue authority, HMICFRS, the NFCC, the Local Government Association, and any other consultees, depending on the nature and the severity of the failure under consideration. Following such deliberations, the Secretary of State will agree a course of action, and how the required improvement will be delivered.

⁵ Section 26 of the 2004 Act

⁶ Section 9 of the 2004 Act

⁷ Section 28 of the 2004 Act

Annex B

Published Financial Guidance (see Chapter 5)

- The Accounts and Audit Regulations 2015 issued by the Department for Communities and Local Government which sets the financial reporting framework for local government bodies, including police bodies and Combined Authorities.
- The Code of Practice on Local Authority Accounting issued by CIPFA /LASAAC, which constitutes proper practices for local government bodies, including fire bodies.
- The Public Sector Internal Audit Standards (PSIAS) issued by CIPFA as the relevant internal audit standards setter for local government and the fire and rescue service.
- Local Government Application Note for the United Kingdom Public Sector Internal Audit Standards issued by CIPFA.
- Delivering Good Governance in Local Government issued by CIPFA/SOLACE.
- Statement on the Role of the Chief Finance Officer in Public Service Organisations issued by CIPFA.
- Standing Guide to the Commissioning of Local Authority Work and Services issued by CIPFA.
- Prudential Code for Capital Finance in Local Authorities issued by CIPFA.
- Treasury Management in the Public Services: Code of Practice and Cross Sectoral Guidance Notes issued by CIPFA.
- Audit Committees: Practical Guidance for Local Authorities and Police issued by CIPFA.
- Position Statement on Audit Committees in Local Authorities and Police, CIPFA, 2013.
- Statutory guidance for local authorities on the framework for flexible use of capital receipts issued by the Department for Communities and Local Government.
- Local Authority Accounting Panel (LAAP) bulletins that provide topical guidance on specific issues and accounting developments.

Annex C

Fitness Principles

Fire and rescue authorities have an important role in helping to ensure their firefighters remain fit and are supported in remaining in employment. Each fire and rescue authority must:

- have a process of fitness assessment and development to ensure that operational personnel are enabled to maintain the standards of personal fitness required in order to perform their role safely;
- ensure that no individual will automatically face dismissal if they fall below the standards required and cannot be deployed operationally;
- ensure that all operational personnel will be provided with support to maintain their levels of fitness for the duration of their career;
- consider where operational personnel have fallen below the fitness standards required whether an individual is able to continue on full operational duties or should be stood down, taking into account the advice provided by the authority's occupational health provider. In making this decision, the safety and well-being of the individual will be the key issue;
- commit to providing a minimum of 6 months of development and support to enable individuals who have fallen below the required fitness standards to regain the necessary levels of fitness;
- refer an individual to occupational health where underlying medical reasons are identified that restrict/prevent someone from achieving the necessary fitness; and ensure that individual receives the necessary support to facilitate a return to operational duties; and
- fully explore opportunities to enable the individual to remain in employment including through reasonable adjustment and redeployment in role where it appears the medical condition does not allow a return to operational duties.

In those circumstances where there are no such opportunities and suitable alternative employment is either unavailable or, where available, is not agreed by the individual, then the fire and rescue authority will commence an assessment for ill-health retirement through the Independent Qualified Medical Practitioner process.

If no underlying medical issues are identified, and following a programme of development and support it becomes apparent that an individual will be unable to regain the necessary levels of fitness, then a fire and rescue authority will fully explore opportunities for reasonable adjustments and/or suitable alternative employment. In those circumstances where there are no opportunities for reasonable adjustments or suitable alternative employment, the fire and rescue authority will in the case of an employee aged at least 55, consider commencement of the authority initiated early retirement process for it to determine whether the individual should be retired with an authority initiated early retirement pension.

Questionnaire

We would welcome comments on the following sections in the draft National Framework, or any general comments.

Delivery of Core Functions

Inspection, Accountability and Assurance

Governance

Achieving Value for Money

Workforce

National Resilience

Intervention Protocol (Annex A)

Other comments

Thank you for participating in this consultation.

About you

Please use this section to tell us about yourself

Full name	
Job title or capacity in which you are responding to this consultation exercise (for example, member of the public)	
Date	
Company name/organisation (if applicable)	
Address	
Postcode	
If you would like us to acknowledge receipt of your response, please tick this box	<input type="checkbox"/> (please tick box)
Address to which the acknowledgement should be sent, if different from above	

If you are a representative of a group, please tell us the name of the group and give a summary of the people or organisations that you represent.

Contact details and how to respond

Please send your response by 14 February 2018 to:

Harinder Sahota

Home Office

6th Floor, Fry Building, 2 Marsham Street, London, SW1P 4DF

Tel: 0207 035 3478

Email: FRSComms@homeoffice.gsi.gov.uk

Complaints or comments

If you have any complaints or comments about the consultation process you should contact the Home Office at the above address.

Extra copies

Further paper copies of this consultation can be obtained from this address and it is also available online at [web address]

Alternative format versions of this publication can be requested from [email/telephone number of sponsoring policy division].

Publication of response

A paper summarising the responses to this consultation will be published in [insert publication date, which as far as possible should be within three months of the closing date of the consultation] months' time. The response paper will be available online at [web address]

Representative groups

Representative groups are asked to give a summary of the people and organisations they represent when they respond.

Confidentiality

Information provided in response to this consultation, including personal information, may be published or disclosed in accordance with the access to information regimes (these are primarily the Freedom of Information Act 2000 (FOIA), the Data Protection Act 1998 (DPA) and the Environmental Information Regulations 2004).

If you want the information that you provide to be treated as confidential, please be aware that, under the FOIA, there is a statutory Code of Practice with which public authorities must comply and which deals, amongst other things, with obligations of confidence. In

view of this it would be helpful if you could explain to us why you regard the information you have provided as confidential. If we receive a request for disclosure of the information we will take full account of your explanation, but we cannot give an assurance that confidentiality can be maintained in all circumstances. An automatic confidentiality disclaimer generated by your IT system will not, of itself, be regarded as binding on the Home Office.

The Home Office will process your personal data in accordance with the DPA and in the majority of circumstances, this will mean that your personal data will not be disclosed to third parties.

Consultation principles

The principles that government departments and other public bodies should adopt for engaging stakeholders when developing policy and legislation are set out in the consultation principles.

<https://www.gov.uk/government/publications/consultation-principles-guidance>



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Proposed fire and rescue services inspection programme and framework 2018/19

For consultation

December 2017

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ISBN: 978-1-78655-600-4

www.justiceinspectors.gov.uk/hmicfrs

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Foreword

In July 2017, Her Majesty's Inspectorate of Constabulary's (HMIC) remit was extended to include inspections of fire and rescue services in England. It is now called Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS).

This is the first inspection programme and framework for fire and rescue service inspections. We will assess and report on the efficiency and effectiveness of the 45 fire and rescue services in England. This includes how well fire and rescue services prevent, protect against and respond to fires and other emergencies and how well they look after the people who work for the service. This consultation document seeks responses to seven questions about how the inspection of fire and rescue services should be carried out. We will use the consultation responses to develop a programme and framework, and methodology for our inspections.

We have given prominence to the following principal themes: how effective each fire and rescue service is at preventing and responding to incidents; whether the service provides value for money; whether the service understands where future risks lie; and the ability of the service to train staff, embrace diversity, and develop a positive working culture. As part of our inspection reports, we will provide graded judgments, which will help the public to see how well their fire and rescue service is performing.

The inspection programme will be developed with the fire and rescue service by recruiting experts from the sector to carry out the inspections, and by taking advice from senior service representatives who are members of the external reference group. The inspection programme will be designed to promote improvement in all aspects of the work undertaken by fire and rescue services.

This public consultation will be open from 19 December 2017 to 19 February 2018. I hope that you will offer your considered views, to help us design an inspection programme that leads to continued improvements across fire and rescue services.

(Sgd.) Thomas P Winsor

Sir Thomas Winsor WS
HM Chief Inspector of Fire & Rescue Services

Consultation introduction

This document provides details of HMICFRS' proposed fire and rescue services inspection programme for 2018/19, and asks for your views on whether the right areas of fire and rescue services activity are covered. In particular, we are seeking your responses to the following questions:

1. What do you think of the proposed approach to FRS inspection that HMICFRS proposes to conduct in 2018/19? How could this be improved?
2. Do you agree that an integrated inspection of fire and rescue services' effectiveness and efficiency, and how they look after their people, is better than separate thematic inspections?
3. Are there any other areas of fire and rescue services' activity that should be included in the integrated inspections?
4. Does the draft inspection methodology (annex A) include the right questions to gather evidence for a rounded assessment of fire and rescue services? How could this be improved?
5. How else could HMICFRS adapt the way in which it acquires information to take full account of the circumstances of fire and rescue services and of risks to public safety?
6. What, if any, new or emerging problems for fire and rescue services should HMICFRS take into account in its inspections?
7. What else should HMICFRS consider doing to make its fire and rescue service assessments as fair as they can be?

These questions are repeated in the body of this document. At the end of the document there is an explanation of how you can let us have your views.

Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services

Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) independently assesses and reports on the effectiveness and efficiency of police forces and fire and rescue services – in the public interest.

We ask the questions which we believe the public wishes to have answered, and publish our findings, conclusions and recommendations in an accessible form, using our expertise to interpret the evidence. We provide authoritative information to allow the public to compare the performance of their police force or fire and rescue service against others, and to determine whether performance has improved or deteriorated over time. Our recommendations are designed to bring about improvements in the service provided to the public.

Introduction

This document provides details of HMICFRS' proposed inspection programme and framework for fire and rescue services for 2018/19.

Types of inspection HMICFRS will conduct in 2018/19

HMICFRS may conduct several different types of inspection each year. To provide context for the proposed fire and rescue services' inspection framework for 2018/19, each type of inspection is summarised here.

Fire and rescue services inspection programme

The fire and rescue services inspection programme enables HMICFRS to draw together evidence from inspections of all 45 fire and rescue services in England. This rounded assessment of all fire and rescue services will cover the effectiveness and efficiency of each service and how it looks after its people. This will include an assessment of:

- the operational service provided to the public (including prevention, protection, resilience, and response);
- the efficiency of the service (how well it provides value for money, allocates resources to match risk, and collaborates with the police and ambulance services); and
- the organisational effectiveness of the service (how well it promotes its values and culture, trains its staff and ensures they have the necessary skills, ensures fairness and diversity for the workforce and develops leadership and service capability).

The resulting assessments will include graded judgments of performance.

HMICFRS' assessments are designed to enable the public to see how each fire and rescue service's performance changes over time and in relation to the performance of other services.

The fire and rescue services inspections will not include an assessment of corporate governance or the accountability structures provided by the fire and rescue authority, police, fire and crime commissioner, locally elected mayors and, in London, the Mayor's Office.

Inspecting governance arrangements

The fire and rescue service inspections will focus on the service provided to the public rather than on the accountability structures that govern fire and rescue services. During inspections, HMICFRS inspectors will meet representatives from fire and rescue authorities, police, fire and crime commissioners, locally elected mayors and, in London, the Mayor's Office.

If during an inspection we identify evidence that the decisions and activities of those within the fire and rescue authority, police, fire and crime commissioner, locally elected mayors and, in London, the Mayor's Office inhibit the efficiency and effectiveness of the chief fire officer, we may carry out a separate corporate governance inspection.

Statutory requirements

This inspection programme and framework requires the approval of the Home Secretary before the inspectors act in accordance with it¹.

The Home Secretary may, at any time, require HMICFRS to carry out an inspection of a fire and rescue authority in England, all fire and rescue authorities in England, or all fire and rescue authorities in England of a particular type².

Such a requirement may limit the inspection to a particular matter³. HMICFRS may also carry out an inspection of a fire and rescue authority in England even though that inspection has not been set out in an inspection programme and has not been required by the Home Secretary⁴. Before doing so, the chief inspector must consult the Home Secretary⁵.

Consultation questions

1. What do you think of the proposed approach to FRS inspection that HMICFRS proposes to conduct in 2018/19? How could this be improved?
2. Do you agree that an integrated inspection of fire and rescue services' effectiveness and efficiency, and how they look after their people, is better than separate thematic inspections?

¹ Section 28A(2), Fire and Rescue Services Act 2004

² Section 28A(3), Fire and Rescue Services Act 2004. Available at: www.legislation.gov.uk/ukpga/2004/21/contents

³ Section 28A(4), Fire and Rescue Services Act 2004

⁴ Section 28A(5), Fire and Rescue Services Act 2004

⁵ Section 28A(6), Fire and Rescue Services Act 2004

An overview of HMICFRS' proposed inspection programme for fire and rescue services 2018/19

Fire and rescue inspection programme

In May 2016, the Home Secretary established a wide-ranging reform programme for the fire and rescue services in England. This included a proposal to establish a rigorous and independent inspection regime for fire and rescue authorities.

In July 2017, the Home Office confirmed that HMIC would take on the role of inspecting fire and rescue services in England, and of assessing and reporting on the effectiveness and efficiency of each service. To reflect these new responsibilities, HMIC's name changed to HMICFRS.

The Policing and Crime Act 2017, which amended the Fire and Rescue Services Act 2004, contains provisions to strengthen existing powers to inspect fire and rescue authorities⁶.

HMICFRS will inspect the fire and rescue services that carry out the principal functions of a fire and rescue authority: fire safety, firefighting, road traffic accidents and other emergencies⁷. We will inspect all 45 fire and rescue services in England, in three sets of 15 services, beginning in summer 2018. We will consult the fire and rescue sector on the criteria for judgment. Each inspection will result in a rounded assessment and graded judgments for each fire and rescue service. We will publish a report of our findings.

The principal questions which the fire and rescue services inspection programme is designed to answer are set out below, along with the corresponding inspection focus. The detailed draft FRS inspection methodology is provided at annex A. We ask for your views on the proposed methodology.

⁶ Section 11, Policing and Crime Act 2017

⁷ Sections 6-9, Fire and Rescue Services Act 2004

Principal question

Inspection focus

How effective is the fire and rescue service at keeping people safe and secure from fire and other risks?

How well the fire and rescue service understands its current and future risks, works to prevent fires and other risks, protects the public through the regulation of fire safety, responds to fires and other emergencies, and responds to national risks.

How efficient is the fire and rescue service at keeping people safe and secure from fire and other risks?

How well the fire and rescue service uses its resources to manage risk, and secures an affordable way of providing its service, now and in the future.

How well does the fire and rescue service look after its people?

How well the fire and rescue service promotes its values and culture, trains its staff and ensures that they have the necessary skills, ensures fairness and diversity for its workforce, and develops leaders.

Our assessment of effectiveness will consider how well the fire and rescue service is performing its principal functions in relation to fire safety, fire-fighting and road traffic collisions. The inspection will give prominence to the principal themes of how effective each service is at preventing, protecting against and responding to incidents; whether the service provides value for money; and whether the service understands its current demands and where future risks lie.

Our assessment of efficiency will consider whether the way in which each fire and rescue service operates represents value for money, and how well it is matching resources to the risks faced by the public.

Our assessment of how each fire and rescue service looks after its people will consider leadership at all levels in the organisation, including training, diversity, values and culture.

This will be the first full assessment of all 45 fire and rescue services for some years. At the end of each set of inspections, HMICFRS intends to publish a report of its assessment of each fire and rescue service inspected in that set, as well as a summary of themes emerging from the inspections. HM Chief Inspector of Fire & Rescue Services for England is required to report each year on the carrying out of inspections, including an assessment of the efficiency and effectiveness of the fire and rescue authorities in England⁸.

⁸ Section 28B, Fire and Rescue Services Act 2004

National thematic inspections

National thematic inspections are in-depth examinations of specific fire and rescue service matters, which will usually be identified through HMICFRS' monitoring processes or as a result of a commission from the Home Secretary. These inspections will identify areas of strong and weak practice in specific fire and rescue services, but will result also in recommendations that are relevant to the fire and rescue service as a whole. The Home Office can commission thematic inspections on individual issues if needed. HMICFRS is not funded to carry out thematic inspections.

Consultation questions

3. Are there any other areas of fire and rescue services' activity that should be included in the integrated inspections?
4. Does the draft inspection methodology (annex A) include the right questions to gather evidence for a rounded assessment of fire and rescue services? How could this be improved?

HMICFRS' inspection framework

Inspection framework for fire and rescue services

We will gather information to inform our assessments using a range of methods that include: analysis of documents and data; reviews of operational incidents; surveys of the public, and of fire and rescue services staff; interviews; focus groups; and observations of fire and rescue practice.

Following the first round of full inspections, HMICFRS intends to move to a risk-based inspection programme, which will be developed and consulted on separately. This allows inspection activity and resources to take account of known risks to public safety and to reflect the assessed performance of each fire and rescue service.

Graded judgments

Fire and rescue services will be assessed and given graded judgments for the three principal questions in the inspection methodology (efficiency, effectiveness and people). We may give a single overall judgment for each service. We will test this during the pilot inspections and make a final decision as to our approach when the pilots have concluded. The categories of graded judgment are:

- outstanding;
- good;
- requires improvement; and
- inadequate.

Judgment is made against how efficient and effective fire and rescue services are, and how well they look after their people.

Good is based on policy, practice or performance that meets pre-defined grading criteria that are informed by any relevant national operational guidance or standards.

If the policy, practice or performance exceeds what is expected for good, then consideration will be given to a graded judgment of outstanding.

If there are shortcomings in the policy, practice or performance of the fire and rescue service, then consideration will be given to a graded judgment of requires improvement. If there are serious critical failings of policy, practice or performance of the fire and rescue service, then consideration will be given to a graded judgment of inadequate.

Fire and rescue service authorities' priorities

Fire and rescue authorities must have regard to the Fire and Rescue National Framework for England in carrying out their functions⁹. The Fire and Rescue National Framework for England¹⁰ states that each fire and rescue authority must produce an integrated risk management plan that identifies and assesses all foreseeable fire and rescue related risks that could affect its community.

HMICFRS inspectors will consider the content of the fire and rescue authority's integrated risk management plan and how this translates into the operational practice of the fire and rescue service. The plan will be used as a source of information about the assessment of risk and vulnerability in respect of each service, the factors which affect considerations of public safety, and how each fire and rescue service will use prevention, protection and response activities to mitigate the risk to communities.

Professional standards body

Part of the Home Office reform programme for fire and rescue services is the formation of a professional standards body. It is currently in development. HMICFRS will take account of all existing and new professional standards for fire and rescue services, including national operational guidance.

Consultation questions

5. How else could HMICFRS adapt the way in which it acquires information to take full account of the circumstances of fire and rescue services and of risks to public safety?
6. What, if any, new or emerging problems for fire and rescue services should HMICFRS take into account in its inspections?
7. What else should HMICFRS consider doing to make its fire and rescue service assessments as fair as they can be?

⁹ Section 21(7), Fire and Rescue Services Act 2004

¹⁰ The Framework is prepared by the Home Secretary. It must set out priorities and objectives for fire and rescue authorities in connection with the discharge of their functions; it may contain guidance to fire and rescue authorities in connection with the discharge of any of their functions; and it may contain any other matter relating to fire and rescue authorities or their functions as the Home Secretary considers appropriate. (Section 21, Fire and Rescue Services Act 2004) Available at: www.gov.uk/government/collections/fire-and-rescue-national-framework-for-england

Methodology, monitoring, assurance and analysis

Advisory and reference groups

This inspection programme is being developed with fire and rescue services. It has been designed to promote improvements across fire and rescue services.

HMICFRS has established a fire and rescue service external reference group. Its members include those who have specific skills and experience in the areas that will be inspected such as representatives from fire and rescue services, the National Fire Chiefs Council, the Home Office, the Local Government Association and police, fire and crime commissioners. We are using their knowledge and advice to establish a sound methodology for inspections.

The HMICFRS Fire Technical Advisory Group considers how to develop appropriate methods of data collection and analysis to support the inspection methodology. The members of the Fire Technical Advisory Group include representatives of the National Fire Chiefs Council co-ordinating committees, the Home Office, representative bodies, fire and rescue services and others. It will also include representatives from the professional standards body, when it has been established.

HMICFRS' monitoring process

HM inspectors of fire and rescue services (HMIs) will regularly monitor all services in order to promote improvements. If an HMI identifies a cause of concern about practice in a particular fire and rescue service, it will be raised with the relevant chief fire officer/chief executive/commissioner and the fire authority/police fire and crime commissioner, so that they can take action.

Follow-up from previous inspections

HMICFRS conducts a number of follow-up activities throughout the year. They range from formal revisits to offering support to services in responding to our findings. Also, we track the progress that services have made against our recommendations.

Consultation questions

1. What do you think of the proposed approach to FRS inspection that HMICFRS proposes to conduct in 2018/19? How could this be improved?
2. Do you agree that an integrated inspection of fire and rescue services' effectiveness and efficiency, and how they look after their people, is better than separate thematic inspections?
3. Are there any other areas of fire and rescue services' activity that should be included in the integrated inspections?
4. Does the draft inspection methodology (annex A) include the right questions to gather evidence for a rounded assessment of fire and rescue services? How could this be improved?
5. How else could HMICFRS adapt the way in which it acquires information to take full account of the circumstances of fire and rescue services and of risks to public safety?
6. What, if any, new or emerging problems for fire and rescue services should HMICFRS take into account in its inspections?
7. What else should HMICFRS consider doing to make its fire and rescue service assessments as fair as they can be?

How to respond to this consultation

Please submit your answers to these questions, together with any other comments, by email to: HMICFRSfireinspectionprogramme@hmic.gsi.gov.uk, no later than 1700 on 19 February 2018.

If you prefer, you can post responses to the Chief Operating Officer, HMICFRS, 6th floor, Globe House, 89 Eccleston Square, London SW1V 1PN.

If you have a complaint or comment about HMICFRS' approach to consultation, you can email this to: HMICFRSfireinspectionprogramme@hmic.gsi.gov.uk

How consultation responses will be reviewed

HM Chief Inspector of Fire & Rescue Services will consider respondents' views and, if he determines it appropriate to do so, change the proposed inspection programme and framework before putting it to the Home Secretary for approval. In accordance with section 28A(2), Fire and Rescue Services Act 2004, HM Chief Inspector of Fire & Rescue Services must obtain the approval of the Secretary of State for an inspection programme or inspection framework before the inspectors act in accordance with it.

The final document, which will be appropriately revised to reflect the results of the consultation, will be made available on HMICFRS' website at: www.justiceinspectorates.gov.uk/hmicfrs/about-us/what-we-do/inspection-programmes/

You should note that HMICFRS may publish consultation responses, or summaries of them, except where they have been provided in confidence. Please indicate in your response if you do not wish it to be published.

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APPENDIX C TO REPORT DSFRA/18/5

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Service Headquarters
The Knowle
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Exeter
Devon
EX3 0NW

Your ref :

Date : 16 February 2018

Telephone : 01392 872200

Our ref : GA/FR

Please ask for : Fiona Smith

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Email : fsmith@dsfire.gov.uk

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Dear Harinda,

Re Fire & Rescue National Framework for England

Thank you for the opportunity to respond to the consultation on the 'Fire and Rescue National Framework for England' document. This was discussed by the Devon & Somerset Fire & Rescue Authority (the Authority) at its meeting on Friday 16 February 2018 and I have been asked to forward this response on behalf of the Authority to the points listed within the questionnaire.

Delivery of Core Functions

The Devon and Somerset Fire and Rescue Authority (the Authority) Community Safety Strategy has been developed using a risk based approach to identify the most vulnerable members of society and enables the Authority to effectively target services.

The Authority has developed a draft Social Value policy which assists in determining how other organisations can support our community strategy outcomes. The Authority also support the Modern Slavery Act 2015 so that our work with other agencies and Partners across the South West uses a collaborative approach to tackling the issue of modern slavery, along with ensuring responsible procurement practices to encourage fair pay and working conditions in our supply chain and to assist in the identification and elimination of modern slavery and human trafficking. The Service promotes the Act and ensures that there is no Modern Slavery in its business or in its supply chain and expects suppliers to be aware of and comply with the requirements of the Act.

The Authority recognises that engagement with other organisations is a key piece of work that relies upon 'buy in' from other relevant organisations. The

Authority's experience indicates that in some cases, there is a lack of engagement from other agencies who may not see partnership with the fire and rescue service as a priority.

The Authority's Community Safety services have been prioritised based upon Government directives and legislative requirements. This has allowed the Service to focus resources upon core functions, whilst also focusing upon other public service agendas. The Authority notes that although the document discusses prevention and protection core functions, identifying individuals' wider vulnerabilities and exposure to risks beyond fire, this is not mentioned in the context of response. 'Response' also provides a significant opportunity to identify vulnerable individuals and engage and therefore the Authority would suggest that response staff are also mentioned in point 2.6.

The Authority has made a commitment to training Community Safety staff to ensure that safeguarding and the needs of vulnerable people are at the forefront of delivery. The Authority welcomes the opportunity to participate in further joined up working and training with partners and see this as an addition to role maps across the organisation to further enhance and develop individual skills within the service.

The Authority welcomes the requirement to robustly evaluate the impact of activities, testing efficiency, effectiveness and risk reduction within communities whilst delivering value for money. The Authority welcomes the opportunity to share best practice to ensure that appropriate academic rigor is used to make these critical evaluations and currently engage with universities to ensure unbiased, advanced analysis techniques are used, as well as seeking to use technology to facilitate this within the Service.

The Authority suggests that a toolkit of evaluation measures and techniques, provided centrally and containing all necessary evaluation criteria would ensure that fire and rescue services evaluate in the same way, providing a consistent approach which would result in improved benchmarking, improved sharing of good practice and ensure that public money is used efficiently and effectively to deliver robust, consistent evaluations.

Business continuity plans prepared by individual fire and rescue services require significant investment of time and effort and therefore cost. Whilst the Authority recognises the benefit of individual fire and rescue services maintaining such plans, it is suggested that a common Business Continuity framework or toolkit would be more efficient, ensuring common terminology across the sector and provide greater resilience where multiple FRS are impacted, e.g. a flu pandemic, wide area flooding.

Along with prevention and protection, response is recognised as core business by the Authority, including collaborating where benefits are achieved. The Authority notes that within the 'Respond' section of the document there is no mention of core function and would seek confirmation that response remains a core function, including where response is carried out in partnership and in collaboration with police and others, or on occasion on behalf of others.

Clarification is also sought on what 'other emergencies' look like so it would be useful if Government could specify the range of emergencies that fire and rescue services should respond to. Through collaborative networks, experience is showing that fire and rescue services are being asked to attend a greater range of incidents than ever before.

Regarding the Integrated Risk Management Plan (IRMP), the Authority recognises the importance of reflecting upon local risk and use the IRMP to ensure that activities are focused upon delivering best possible outcomes for communities within the budget available. The Authority would suggest that the Framework should include specific reference to sprinkler schemes and the principle of invest to save, particularly for vulnerable risk groups. The Authority would welcome any academic or national research that might be available to analyse and better understand the true impact of interventions in the home and would welcome the opportunity to participate in trials related to such research.

Regarding the IRMP and reflective consultation with the community, the Authority would suggest that consultation and engagement has formed a key part in driving council service delivery plans for some time and suggest that comprehensive frameworks for this already exist. Engagement with local councils would enable FRS to benefit from local learning, whilst promotion of centralised frameworks such as the Local Government Association (LGA) Service Delivery Framework and the Role of Shared Services, would ensure consistency of approach. The Authority would welcome an example of what constitutes 'effective consultation'.

The Authority would also suggest that IRMPs include an explicit statement regarding how collaboration will reduce societal risk, with supporting statements from collaboration partners.

The Authority would welcome re-consideration of the language used to describe prevention activity given that both Community and Business Safety work is preventative and that the word "protection" means little to those stakeholders outside of the Fire sector.

Inspection, Accountability and Assurance

The Authority is in agreement with the points made regarding inspection, accountability and assurance.

When specifying accountability, mention is made of fire and rescue services being accountable to communities. The Authority would welcome clarification of how fire and rescue services will be held accountable and whether this is through HMICFRS or another function. Any examples of best practice consultation and involvement with communities would be welcomed.

The Authority would suggest that in addition to the points made 3.12 regarding accountability to communities for the service they provide, an additional bullet is added;

- To communicate with the community using multiple communication channels, sharing information relating to incidents and performance so that communities are provided with useful, accurate data

The Authority agrees with the need for transparency and whilst it recognises that there are varying governance arrangements with associated legal Codes, Acts or Orders, it suggests that checks are put in place to ensure that there is consistent statutory transparency across all fire services, regardless of governance arrangements.

The Authority welcomes the opportunity to learn from best practice as well as to gain improvements to efficiency and effectiveness from the inspection process, leading to increased protection, prevention and response for the communities we serve, alongside improved accountability and assurance.

Governance

With respect to Governance and the National Fire Chiefs Council (NFCC), experience has shown that some fire and rescue services may choose not to participate in NFCC programmes and to instead work independently outside of them. A consequence of this can be a disproportionate amount of effort, input and cost is expended by some fire and rescue services towards driving continuous improvement and development throughout the sector, whilst other fire and rescue services benefit from the result.

The Authority believes it is important that there is an equitable governance structure to ensure engagement and sustainability. Given the requirements of the National Framework, such as improvements to efficiency and effectiveness, the role of a coordinating organisation becomes ever more important and the NFCC is a 'natural fit' for such a role and it is important that there is sufficient funding in place to ensure capacity.

The Authority believe that there is therefore a requirement for agreed sustainable funding for the NFCC. Following the tested approach of police colleagues and seeking a collaborative approach, The Authority suggests that the NFCC considers being structured similarly to the National Police Chiefs Council (NPCC), whereby all fire and rescue services must contribute an agreed percentage to the NFCC annually in advance, in addition to funding from central Government. The NPCC Section 22a agreement would provide a good starting point for discussion amongst fire and rescue services on how to structure.

The Authority would be interested to understand how the NPCC ensures equitable participation and would ask whether a method of recognising the contribution made by each fire and rescue service towards a programme of work would be measured alongside the help requested by each fire and rescue service, which may be expected to fund short interventions.

The Authority also considers it essential to ensure innovation and continuous improvement can flourish across the sector, recognising that such can originate in the centre via a shared, coordinated approach and also elsewhere. The Authority therefore believe it is important that the governance of the NFCC has participation of independent, non-funding parties to ensure that the NFCC remains agile and open to change and that there is a regular rotation of key roles with an agreed maximum tenure period, to ensure all fire and rescue services have the opportunity to hold key posts over a ten year period, recognising the importance of seeking experience in key areas on both operational and non-operational subject areas. This will facilitate positive engagement by all fire and rescue services regardless of size or historical influence and could offer further opportunities for peer to peer learning within fire service leadership teams.

Regarding governance and the reporting requirements mentioned in section 4.8, where a police and crime commissioner takes on the functions and duties of a fire and rescue authority and are known as the police, fire and crime commissioner (PFCC), the Authority would suggest that for consistency across services and in particular for consistent planning and reporting information for communities, that PFCC should publish and report using the same documents as other services (regardless of governance arrangements), resulting in all services producing plans and reporting in a consistent manner.

Achieving Value for Money

The Authority is pleased to see commercial considerations forming part of the National Framework in its own right. The Authority is a strong contributor to the Commercial Transformation Programme for collaboration and procurement on the national stage, representing the Fire Sector.

The Authority is mindful of achieving value for money alongside maintaining our presence and contribution to influence the agenda. The Authority has identified issues which we consider need to be resolved at the national level;

- Resources – Professional procurement capability with the ability to lead at a national level and collaborate with the wider public sector is limited to a handful of fire and rescue services, Devon and Somerset being one of them.
- Funding of Procurement Capability - Home Office and transformation funding will end at some point. Agreement over the resources required and the funding stream needs to be agreed. The Authority currently contributes on the basis of good will and recovers some costs via Framework fees. Other fire and rescue services are looking to develop an operating model for sector procurement expertise based upon a good will only, matrix approach. The good will approach does not currently deliver value for money for the Authority and therefore the Authority would suggest a model which better reflects the amount of contribution made by each fire and rescue service to ensure engagement by all and sharing of expert skills across all fire and rescue services.

The Authority suggests now that the Commercial Programme is part of the National Framework that the NFCC reviews the positioning of the Commercial Transformation Programme, which currently sits as part of the Resources Committee, and also considers the resources and funding approach. The Authority's procurement team has well established networks and collaboration partners and suggest that the NFCC capitalise upon existing expertise within fire and rescue services to achieve best value for money. The Authority's procurement team experience has shown that it is important that there is prioritisation of work areas to achieve greatest saving and also to ensure that budget holding departments, e.g. technical, are engaged in potential collaboration opportunities in order to ensure maximum value for money is achieved and suggest the NFCC also follow this method of prioritisation.

The Authority considers the use of technology will make a significant contribution towards delivering value for money and transformation, particularly where it will have an impact regionally or nationally.

The Authority believes consideration should be given to the 'bigger picture' when considering value for money. The Authority believes fire and rescue service collaboration can improve the efficiency of UK blue light services and reduce overall cost but that may mean greater cost to fire and rescue services. Introduction of a mechanism for budget transfer between fire, police, ambulance etc. may help. Without such a mechanism, it could be the case that collaborative work does not proceed as the burden of the cost of implementation is skewed to one side.

The Authority believes consideration should be given to how FRS can bid for Clinical Commissioning Group (CCG) work to support collaboration.

With respect to ensuring that each fire and rescue service has a workforce commensurate with the risks faced, the Authority considers it would be useful for fire and rescue services to specify the cost of staff relative to outcomes and guidance to ensure continuity of reporting on this would be appreciated. Additionally, the use of predictive analytics for demand management and resourcing could assist in this process.

The Authority considers it an important requirement for strategies to identify interdependencies and cover multiple years to achieve greater transparency and make clear whole life costs.

The Authority agrees that fire and rescue authorities should publish efficiency plans on their websites and in particular, a register of savings including non-pay areas so that it can be made clear what is included in the plans and what is delivered.

The Authority agrees that collaborative work with relevant agencies and multi-agency teams with respect to vulnerable individuals is important and the Authority's Community Safety team regularly attend meetings in pursuance of the 'Prevent' agenda as well as supporting interventions involving Human

Trafficking and Modern Slavery. The Authority would suggest that some national data sharing guidance might assist and the General Data Protection Regulation (GDPR) may have an impact on agencies appetite to share data in the short to medium term.

The Authority would also appreciate a clear definition of vulnerability.

With respect to interoperability, the Authority would highlight that some areas may be subject to delay beyond fire and rescue service control, for example, being dependent upon central Government decision around Emergency Service Network (ESN) and hardware. In terms of measuring interoperability, fire and rescue services can measure this by referencing the interoperability continuum from the National Policing Improvement Programme and the Authority suggests this be considered as a measurement approach.

Regarding Research and Development (R&D), the Authority suggests that involvement of fire and rescue services in the R&D process including: scoping and prioritisation, agreeing roles and responsibilities between programmes and ensuring delivery of right objectives to agreed timeframe, will lead to better value for money and efficiency savings because of less burden upon equipment suppliers to provide prototypes for trialling. The Authority participates in a South West R&D group, which engages nationally to influence this agenda.

Regarding the power to trade, the Authority believes careful consideration is required in relation to certain activities such as patient transportation and whether this would require fire and rescue services to have clinical governance boards.

Workforce

The Authority agrees that there is a requirement to develop and maintain a workforce that is resilient, skilled, flexible and diverse and would seek confirmation that this will be supported by suggested changes to the Grey Book.

The Authority believes a specific area for consideration, as under development by the South West Emergency Services Collaboration (SWESC) and also by the NFCC Leadership working group, is that a collaborative approach to leadership and culture improvement can assist in delivering workforce reform.

In respect of workforce data, the Authority believes there would be much benefit to all fire and rescue services if workforce data publishing, amongst other indicators, information on people with protected characteristics reaching leadership and managerial positions, could be specifically identified, gathered and published.

Regarding professional standards bodies, the Authority advises that there is a growing role for volunteers and thus the options for enhancing professionalism must not be formed in a way which inhibits volunteering for FRS staff. The Authority would appreciate an indication of the timeframe for the professional

standards for fire and rescue services to facilitate planning for implementation of these.

Regarding re-appointment post retirement, the Authority suggests that any guidance should apply to all senior officer posts to ensure consistency (including non-operational posts) and that there needs to be some flexibility, given that the service cannot over establish and only once a retirement date is set can the workforce plan be put in place to ensure effective transition, but agree that any such appointment must be transparent, justifiable and time limited with decision taken at Member level and subject to a clearly articulated, transparent business case.

Regarding principal fire officer posts, the Authority believes that it is not effective or efficient to mandate that all posts must be open to competition nationally, or that this will result in improved exchange of talent and ideas. The Authority would suggest that as outlined within the Framework People Strategy, providing training and progression for workforce, including developing leadership and ensuring that the workforce represents the communities it represents are factors which demonstrate a culture of development and progression. As a result, the Authority suggests that it should be at the discretion of the Authority whether to open the recruitment to national competition. The Authority would also suggest that such national recruitment can be significantly more expensive and longer and should not, therefore, be mandated. The Authority agrees that the National Fire Chiefs Council provides coordinated professional, operational and technical advice and support, and that this is the primary forum for the exchange of talent and ideas within the sector.

National Resilience

In the light of recent bomb, knife and vehicle attacks, and the threat of fire also being used as a weapon, the Authority suggests that there may be a requirement for ballistic firefighting capability nationally and understand that currently colleagues at London Fire Brigade (LFB) represent the only fire and rescue service with this capability.

In response to responding to acts of terrorism, the Authority seeks clarification from Government regarding 7.13 as a whole. It has not been the understanding of the Authority that response to terrorism is agreed or specified within the Grey Book or elsewhere. Within the firefighter role maps National Occupational Standards (NOS) and Job Specific responsibilities for firefighters, responding to acts of terrorism is not specified and it is also not identified as an express function within the Fire and Rescue Services Act 2004 or any orders made subsequently under that act.

Our understanding is that Marauding Terrorist Firearms Attacks (MTFA) capability is a special case which has associated national funding for those fire and rescue services where such a capability is opted in. Additionally, the Authority understands that national unions have also raised questions on this matter. The Fire and Rescue Services Act 2004, Section 9 allows the

Secretary of State, following consultation, to place a duty on fire and rescue authorities to respond to particular types of emergency, as defined by order, such as flooding and terrorist incidents, however, the Authority is unaware of such a duty having been ordered by the Secretary of State.

Intervention Protocol (Annex A)

No comments

Fitness Principles (Annex C)

Regarding fitness principles, the Authority is focused upon increasing diversity and inclusion and a 'one size fits all' fitness requirement for firefighters may result in excluding some groups. These groups may, using appropriate technology or in certain roles, meet the requirement of a modern, inclusive fire and rescue service and therefore the Authority would ask Government to consider a flexible approach to fitness requirements.

The Authority recognises the responsibility that fire and rescue authorities have to ensure that firefighters remain fit and are supported in doing so. However, the existing Fitness Principles detailed in Annex C are overly prescriptive and build in significant and unnecessary cost for authorities. The existing drafting includes some ambiguity which could lead to lengthy and costly dispute and/or litigation, e.g. conflating the issues of fitness levels, ill health and good employment practice in any potential capability situation. The Authority proposes a less prescriptive statement of principles along the lines of:

Fire and rescue authorities have an important role in helping to ensure their firefighters remain fit and are supported in doing so. Each fire and rescue authority must:

- *have a process of fitness assessment and development to ensure that operational personnel are enabled to maintain the standards of personal fitness required in order to perform their role safely;*
- *ensure that all operational personnel will be provided with support to maintain their levels of fitness for the duration of their career;*
- *ensure that no individual will be automatically dismissed if they fall below the standards required for operational duties; and*
- *where operational personnel have fallen below the fitness standards required, commit to providing a development programme to support them in regaining the necessary levels of fitness.*

If an individual has been unable to regain the necessary levels of fitness following a programme of development and support, and where no underlying medical issues are identified, then, in line with good employment practice, a fire and rescue authority should consider opportunities for alternative employment.

Other comments

Regarding the publication of the final Framework, the Authority suggests that it would be useful if the outcomes of the Dame Judith Hackitt Report and the Grenfell Tower Inquiry are reflected and therefore whether a brief pause in the issuing of the final Framework might enable this to happen, given that both are significant.

I would be grateful for confirmation of receipt of this response and look forward to publication of the final document.

Yours sincerely

Glenn Askew
Chief Fire Officer

APPENDIX D TO REPORT DSFRA/18/5

**Sir Thomas P Winsor WS
HM Chief Inspector Fire & Rescue Services
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Your ref :

Date : 16 February 2018

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Our ref : GA/FR

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Website : www.dsfire.gov.uk

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Direct telephone : 01392 872201

Dear Sir Thomas,

Re Proposed Fire & Rescue Service Inspection Programme & Framework 2018/19

Thank you for the opportunity to respond to the consultation on the 'Proposed fire and rescue service inspection programme and framework 2018/19' document. This was discussed by the Devon & Somerset Fire & Rescue Authority at its meeting on Friday 16 February 2018 and I have been asked to forward this response on behalf of the Authority.

1. What do you think of the proposed approach to FRS inspection that HMICFRS proposes to conduct in 2018/19? How could this be improved?

We think that the approach is sound and would like to suggest the following points;

- Although point 2.1.6 of Annex A mentions collaboration within the fire sector and beyond the fire sector, there is no specific mention of intra-operability or collaboration beyond Blue Light Services on page 6 or elsewhere within the document. We consider this key to maximising efficiency in the delivery of services and should not be limited to police and ambulance.
- The document explains the use of graded judgements, value for money and the ability for the public to judge performance in relation to other services. In the absence of a current set of performance standards, across the sector, we suggest that HMICFRS publish a list of the guidance, standards and documents that they will be using for the graded judgement process to ensure commonality of approach across all services.

- Additionally, we would suggest that HMICFRS publish their pre-defined grading criteria to improve understanding of what 'good' looks like, what 'outstanding' looks like.
- If HMICFRS has access to national data relating to average cost by service type (e.g. cost of domestic fire, cost of statutory inspection, cost of home fire safety visit), publishing this information and its calculation methods would enable an initial benchmark for services. We would suggest that such data reflects the differences of urban and rural fire and rescue services.
- Sharing of the assessment framework used by HMICFRS inspectors would be useful to ensure services understand the pre-defined grading criteria.

2. Do you agree that an integrated inspection of fire and rescue services' effectiveness and efficiency, and how they look after their people, is better than separate thematic inspections?

Yes, we agree that this is better for the initial round of inspections and would also welcome thematic inspections as a result of the initial round, in order to share best practice and deliver improvements in key areas.

3. Are there any other areas of fire and rescue services' activity that should be included in the integrated inspections?

No, the proposed methodology should give a broad overview of services nationally and identify common areas for improvement, standardisation and best practice.

4. Does the draft inspection methodology (annex A) include the right questions to gather evidence for a rounded assessment of fire and rescue services? How could this be improved?

Yes, the document includes the right questions. Annex A could be improved by including an example of what 'good' looks like, what 'outstanding' looks like in the case of each question.

Annex A appears to focus upon 'core legislative business' and given that this is the first inspection for HMICFRS, establishing a baseline across services with this focus is a sensible approach, however, it would be useful to also ensure that innovation and collaborative activities which lie outside of core areas are similarly assessed as part of the inspection, therefore questions relating to non-core areas would be an improvement suggestion.

Further detail relating to the inspection process underlying Annex A would also be useful (e.g. inspectors handbook) as this would aid transparency, speed the process of inspection, remove uncertainty (given that this is the first inspection round and there is some uncertainty over what to expect) and quantify in further detail the factors which HMICFRS are seeking.

5. How else could HMICFRS adapt the way in which it acquires information to take full account of the circumstances of fire and rescue services and of risks to public safety?

We would suggest that taking a more direct approach to feedback from the communities we serve might provide an additional way to acquire information relating to satisfaction levels. The use of technology to establish consistent, central data collection hubs for 'quantitative data across all services, as per Incident Recording System (IRS), against common performance measures. This might include sickness absence data, home fire safety visit completion, statutory fire safety inspections, workforce diversity etc. If we were all being asked the same questions and provided information in the same way, it would allow significantly more realistic benchmarking on an ongoing basis and would allow us to seek and identify best practice. Consistent capture of data which underpins Value for Money information would also be of benefit to the sector.

HMICFRS consideration of access to data and data sharing with partners is crucial.

6. What, if any, new or emerging problems for fire and rescue services should HMICFRS take into account in its inspections?

- Increasing workloads from supporting health/ambulance, insufficiently funded and with inconsistent governance.
- Cyber security and risks posed by partnerships e.g. Emergency Services Network, joint controls etc., together with the impact of GDPR compliance.
- Demand management and non-statutory support for partners – particularly Ambulance.
- The provision of fire and rescue service response in rural areas due to changing employment profiles and availability of on-call staff.
- Increasing number of severe weather events.
- Lack of funding for non-statutory response e.g. flooding, emergency medical response, bariatric patient removal.
- Additional workload and policy change arising from decisions made by government departments e.g. HMRC changes to the taxation of business assets
- Possible impact of Brexit
- Interim recommendations suggest that there will be potential outcomes from the Grenfell Towers Inquiry and the Review of Building Regulations and Fire Safety by Dame Judith Hackitt that will result in additional workload for FRS

7. What else should HMICFRS consider doing to make its fire and rescue service assessments as fair as they can be?

In the absence of a current set of performance standards, across the sector, we suggest that HMICFRS publish a list of the guidance, standards and documents that they will be using for the graded judgement process to ensure commonality of approach across all services.

Additionally, we would suggest that HMICFRS publish their pre-defined grading criteria to improve understanding of what 'good' looks like, what 'outstanding' looks like.

If HMICFRS has access to national data relating to average cost by service type (e.g. cost of domestic fire, cost of statutory inspection, cost of home fire safety visit), publishing this information would enable an initial benchmark for services. We would suggest that such data reflects the differences of urban and rural fire and rescue services. A common approach to outcome measurement particularly regarding preventative activity would be most welcome.

Sharing of the assessment framework used by HMICFRS inspectors would be useful to ensure services understand the pre-defined grading criteria.

Having been informed that HMICFRS will carry out field work visits and 'reality testing' including visiting service stations, consideration should be given to ensuring that conclusions are not drawn for a whole service, based upon an individual station visit. This Authority ask that a fully representative sample of a service is taken, particularly recognising the spread of geographically large services with often rural dispersed populous, versus high density services with high populous and often geographically smaller spread.

I would be grateful for confirmation of receipt of this response and look forward to publication of the final document.

Yours sincerely

Glenn Askew
Chief Fire Officer