

DEVON & SOMERSET FIRE & RESCUE AUTHORITY

19 February 2016

Present:-

Councillors M Healey (Chair), K Ball, A Bown, P Burridge-Clayton, P Colthorpe, J Dyke, A Eastman, M Edmunds, V Ellery, B Greenslade (Vice-Chair), R Hill, A Horsfall, J Knight, M Leaves, R Radford, S Randall Johnson, L Redman, C Singh, D Thomas, N Way, G Wheeler, J Woodman and D Yeomans

Apologies:-

Councillors C Chugg

DSFRA/45 Minutes

RESOLVED that the Minutes of the meeting held on 14 December 2015 be signed as a correct record.

DSFRA/46 Address by the Fire Brigades Union

The Authority received for information an address by the Fire Brigades Union on the decision facing the Authority later in the meeting on setting a revenue budget and associated Council Tax levels for the forthcoming (2016-17) financial year. The FBU acknowledged that any proposed increase in Council Tax, especially during a period of austerity, was not particularly palatable but nonetheless considered that acceptance of the proposed increase of 1.99% was essential to safeguard as far as practicable the base budget of the Authority and hence the ability to deliver effective and efficient front-line fire and rescue services.

DSFRA/47 Minutes of Committees

a **Community Safety & Corporate Planning Committee**

The Chair of the Committee, Councillor Eastman, **MOVED** the Minutes of the meeting held on 12 January 2016 which had considered, amongst other things:

- the draft Authority Strategic Plan (incorporating its Integrated Risk Management Plan) – “Our Plan: 2016 – 2021”;
- a presentation reviewing progress to date against the Service Community Safety Strategy; and
- an update on proposed response arrangements to apply for the Service in future, to utilise a “tiered” approach involving different types of appliance to be mobilised according to the nature and location of the incident.

RESOLVED

- (i) that the recommendation at Minute CSCP/11 (Strategic Plan: “Our Plan: 2016 to 2021) be considered in conjunction with Minute DSFRA/ below;
- (ii) that, subject to (i) above, the Minutes be adopted in accordance with Standing Orders.

(SEE ALSO MINUTE DSFRA/49 BELOW)

b **Audit & Performance Review Committee**

The Chair of the Committee, Councillor Radford, **MOVED** the Minutes of the meeting held on 14 January 2016 which had considered, amongst other things:

- an update from the external auditor (Grant Thornton) on progress against the approved external audit plan for the current financial year and emerging issues and developments generally;
- the Annual Audit Letter for the year ended 31 March 2015;
- a report setting out progress against the approved internal audit plan for the current financial year; and
- a report setting out Service performance during the second quarter of the current financial year measured against those indicators contained in the current Strategic Plan "Our Plan: 2015 to 2020".

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

c **Commercial Services Committee**

The Chair of the Committee, Councillor Healey, **MOVED** the Minutes of the meeting held on 21 January 2016 which had considered, amongst other things:

- an update to December 2015 on commercial leads and opportunities currently being pursued; and
- a report on the current position in relation to the commercial services profit and loss accounts for the current financial year.

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

d **Resources Committee**

The Vice-Chair of the Committee, Councillor Yeomans, **MOVED** the Minutes of the meeting held on 10 February 2016 which had considered, amongst other things:

- a report setting out performance against the approved Treasury Management Strategy as at the third quarter of the current financial year;
- a report on the proposed Capital Programme 2016-17 to 2018-19;
- a report on the proposed Revenue Budget and Council Tax levels for 2016-17; and
- a report on performance approved revenue and capital budgets as at the third quarter of the current financial year.

RESOLVED

- (i) that the recommendations at Minutes RC/12 (Capital Programme 2016-17 to 2018-19) and RC/13 ((Revenue Budget and Council Tax Level 2016-17) be considered in conjunction with Minutes DSFRA/48(a) and (b) below;
- (ii) that the recommendation at Minute RC/14(a) (Financial Performance Report 2015-16: Quarter 3) to transfer a further £1.5m underspend from the 2015-16 approved revenue budget to the Earmarked Reserve for capital expenditure be approved; and
- (iii) that, subject to (i) and (ii) above, the Minutes be adopted in accordance with Standing Orders.

(SEE ALSO MINUTES DSFRA/48(a) AND DSFRA/48(b) BELOW)

Revenue and Capital Budgets**a 2016-17 Revenue Budget and Council Tax Levels**

(NOTE: this item was considered in conjunction with the item at Minute DSFRA/48(b) below – Capital Programme 2016-17 to 2018-19).

The Authority considered a joint report of the Treasurer and the Chief Fire Officer (DSFRA/16/1) on the proposed revenue budget and council tax levels for the Authority in 2016-17.

The final local government finance settlement for 2016-17 – the Settlement Funding Assessment – had been announced by central government on 8 February 2016 together with the offer of four-year settlement (to 2019-20) to those authorities who wished to take it. Authorities would have until 14 October 2016 to confirm whether or not to accept the four year settlement.

The individual settlement funding assessment figures for 2016-17, £26.873m, represented an 8.6% reduction on the Settlement Funding Assessment for 2015-16 (£29.413m). The settlement figures represented a 24.9% reduction in total over the period to 2019-20. This was the seventh worst settlement (compared to an average reduction of 20%) but was in line with figures already included in the Authority's medium term financial plans. As in previous years, this Authority responded to the provisional 2016-17 expressing disappointment with the settlement and the lack of recognition of rural sparsity and its impact on the Authority's cost base.

The provisional settlement also indicated that the Authority would receive a share (£0.104m in 2016-17, rising to £0.340m in 2019-20) of the total Rural Services Grant (£20m in 2016-17 rising to £65m in 2019-20) only made available to the most sparsely populated rural areas. The final settlement, however, indicated that the Grant total had increased from £20m to £80m in 2016-17, with this Authority's share increasing accordingly by £0.317m to £0.421m in 2016-17. This would, however, be paid as Section 31 grant meaning that it would count as income only and not be included in base funding.

Additionally, the Authority had been awarded a share (£0.149m in 2016-17 and £0.188m in 2017-18) of the £300m transitional grant allocated to local government for the two financial years concerned and paid only to those authorities suffering the most severe grants reductions in the first two years of the four year settlement.

At the same time as announcing the final Settlement Funding Assessment for 2016-17, the government had also confirmed, as part of the provisions introduced by the Localism Act 2011, that – for this Authority – an increase in Council Tax beyond 2% for that financial year would trigger the requirement to hold a referendum. For this Authority (having fifteen billing authorities), the costs associated with holding a referendum – estimated in the region of £2.3m – were considered prohibitive. For this reason, this Authority had made representations to the government to apply a cash increase limit rather than percentage increase but to date these representations had not proven successful, albeit that the flexibility to adopt a cash amount (specifically, a £5 threshold) had been afforded to some Police and Crime Commissioner areas and shire district councils.

The report set out two options in relation to the council tax and budget requirement in 2016-17:

Option A – freeze council tax at the 2015-16 level (£78.42 for a Band D property); and

Option B – increase council tax by 1.99% above 2015-16 (to £79.98 for a Band D property).

The amount of precept income was £0.859m more than anticipated as a result of a 2% increase in Council Tax base across the area of Devon and Somerset, linked to property increases e.g. the new Cranbrook development in East Devon. Additionally, following a review of Council Tax collection rates by district councils, the amount of surplus available to the Authority had increased by £0.230m.

Information received from billing authorities confirmed that, in net terms, the Authority would receive some £0.061m less in business rate income in 2016-17 than previously reported. As referred to previously, the final settlement had confirmed for this Authority an increase in Section 31 grant for 2016-17 of £0.466m which, when taken with the reduction in business rate income, nonetheless reflected a net increase in funding of £0.405m since the provisional settlement.

Even allowing for the above increases, however, both Options A and B would result in a reduction of revenue funding for the Authority in 2016-17. Option B, however, would result in a smaller reduction of £0.734m as against £1.637m for Option A, resulting in available funding for 2016-17 of £73.976m (Option B) or £73.073m (Option A). The core revenue budget requirement for 2016-17 was, however, £77.198m and consequently the report identified several savings totalling £3.222m to be delivered during the financial year and which were necessary to facilitate the setting of a balanced budget on the basis of approving Option B. Should Option A be approved, however, it would be necessary to reduce by £0.9m the proposed revenue contribution to capital spending contained in the core revenue budget requirement for 2016-17 to deliver a balanced budget. A budget book had been compiled for each identifying the net revenue budget requirement in terms of employee costs, premises costs, supplies and services etc.

The Medium Term Financial Plan modelling tool assessed the likely “base case” scenario for indicative savings likely to be required between 2017-18 and 2019-20. This indicated that further cumulative savings of circa £6.4m would be required by 2019-20. The previously-reported strategy to deliver these savings focussed on:

- cost reductions against general budget lines;
- reductions in support staff costs; and
- reductions in operational staffing costs.

Specific proposals to deliver these savings would be subject to reports to future Authority meetings.

In accordance with Section 65 of the Local Government Finance Act 1992, non-domestic ratepayers had been consulted on the proposals for expenditure as contained in the report. Additionally, limited public consultation (in the form of face-to-face surveys in Exeter, Taunton, Torquay and Plymouth) had been undertaken in line with the Authority decision on 14 December 2015 (Minute DSFRA/42 refers).

The report outlined the methodology used for the consultations for which the results indicated:

- that, of those surveyed, 61% of the business community and 85% of the public felt it reasonable to increase in council tax in 2016-17 to lessen the impact of funding cuts; and
- that, of those agreeing that an increase would be reasonable, the majority favoured a 2% increase (72% business community; 76% public).

A statement by the Authority's Chief Finance Officer on the robustness of the budget estimates and the adequacy of the levels of reserves and balances, as required by Section 25 of the Local Government Act 2003, was appended to the report.

The Resources Committee, at its meeting on 10 February 2016, had considered budget options and associated council tax levels for the Authority in 2016-17 and had resolved to recommend to the Authority (Minute RC/13 refers):

- (a). *that the level of Council Tax in 2016-17 for a Band D property be set at £79.98, as outlined in Option B of report RC/16/3, representing a 1.99% increase over 2015-16; and*
- (b). *that the additional £0.405m of Section 31 grant funding be added to the amount to be transferred into the Earmarked Reserve for future capital expenditure.*

Following a debate on the issue, Councillor Greenslade **MOVED**, with Councillor Knight seconding, that the recommendations of the Resources Committee be approved whereupon it was

RESOLVED

- (i) that, as recommended by the Resources Committee at its meeting on 10 February 2016 (Minute RC/13 refers), the level of council tax in 2016-17 for a Band D property be set at £79.98, as outlined in Option B in report DSFRA/16/1, representing a 1.99% increase over 2015-16;
- (ii) that, accordingly, a Net Revenue Budget Requirement for 2016-17 of £73,976,600 be approved;
- (iii) that, as a consequence of (i) and (ii) above:
 - (A) the tax base for payment purposes and the precept required from each billing authority for payment of a total precept of £46,325,437 as detailed on page 3 of the relevant budget book (circulated separately with the agenda for the meeting) and summarised overleaf be approved:

Billing Authority	Tax Base used for Collection	Surplus/ (Deficit) for 2016-17	Precepts due 2016-17	Total due 2016-17
		£	£	£
East Devon	56,404.00	74,780	4,511,193	4,585,972
Exeter	35,429.00	39,357	2,833,611	2,872,968
Mendip	38,545.46	106,685	3,082,866	3,189,551
Mid Devon	27,507.03	2,885	2,200,012	2,202,897
North Devon	32,210.92	2,971	2,576,229	2,579,200
Plymouth City	69,846.00	6,448	5,586,283	5,592,731
Sedgemoor	38,696.58	155,913	3,094,952	3,250,865
South Hams	37,003.99	85,000	2,959,579	3,044,579
South Somerset	58,543.00	66,336	4,682,270	4,748,605
Taunton Deane	39,072.86	67,150	3,125,047	3,192,197
Teignbridge	46,797.00	97,251	3,742,824	3,840,075
Torbay	43,180.70	130,036	3,453,592	3,583,628
Torridge	22,760.83	42,282	1,820,411	1,862, 693
West Devon	19,733.41	82,000	1,578,278	1,660,278
West Somerset	13,481.99	5300	1,078,290	1,083,590
	579,212.77	964,394	46,325,437	47,289,829

- (B) the council tax for each property bands A to H associated with the total precept of £46,325,437, as detailed on page 3 of the relevant budget book (circulated separately with the agenda for the meeting) and summarised below be approved; and

Valuation Band	Government Multiplier		Council Tax £ p
	Ratio	%	
A	6/9	0.667	53.32
B	7/9	0.778	62.21
C	8/9	0.889	71.09
D	1	1.000	79.98
E	11/9	1.222	97.75
F	13/9	1.444	115.33
G	15/9	1.667	133.30
H	18/9	2.000	159.96

- (iv) that the additional £0.405m Section 31 grant funding received for 2016-17 be transferred to the Earmarked Reserve for future capital expenditure thereby reducing the requirement to borrow;
- (v) 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 A to report DSFRA/16/1, be endorsed.

(SEE ALSO MINUTE DSFRA/47(d) ABOVE AND MINUTE DSFRA/48(b) BELOW).

b Capital Programme 2016-17 to 2018-19

(NOTE: this item was considered in conjunction with the item at Minute DSFRA/48(a) above – 2016-17 Revenue Budget and Council Tax Levels).

The Authority considered a joint report of the Chief Fire Officer and Treasurer (DSFRA/16/2) on the proposed Capital Programme for 2016-17 to 2018-19 with associated Prudential Indicators.

The report outlined the difficulties in meeting the full capital expenditure requirement for the Authority, given the number of fire stations, fire appliances and associated equipment required to be maintained and eventually replaced.

All aspects of the capital requirement had been considered and the programme constructed on the principle that debt charges emanating from external borrowing would be kept within the 5% Prudential Indicator limit (debt charges as a percentage of the Revenue Budget) set by the Authority.

The Authority has been advised over recent years of the difficulties, against a reducing revenue budget, in maintaining a programme affordable within the 5% Prudential Indicator and had indicated support for the Treasurer's recommendation that alternative sources of funding other than external borrowing should be pursued to support future capital investment. Consequently, the Authority had – in setting the revenue budget and associated Council Tax levels for 2016-17 – approved a total revenue contribution towards capital of £3.7m, with £3.048m to be utilised in 2016-17 and £0.625m transferred to the Earmarked Reserve for future capital spending.

An Estates Development Review was currently in progress which would ultimately inform an alternative strategy to provide a fit-for-purpose estate. Consequently, no major estates were scheduled to commence in 2016-17 albeit that the programme contained moderate amounts to fund minor improvements and structural maintenance.

The Authority was also committed to providing a “tiered response”, operationally, matching resource to risk. Consequently, the fleet replacement aspect of the proposed programme provided for continued funding for the Light Rescue Pump programme together with support for, pending the outcome of pilot schemes, the introduction of Rapid Intervention Vehicles.

To inform longer-term planning, the Prudential Indicators associated with the Capital Programme had been profiled for a further three years beyond 2018-19, based upon indicative capital programme levels for the years 2019-20 to 2021-22.

The Resources Committee had initially considered the draft Capital Programme 2016-17 to 2018-19 at its meeting on 10 February 2016 when it had resolved (Minute RC/12 refers) to recommend the Authority:

- (a). To approve a minimum revenue contribution of £2.407m from the 2016-17 revenue budget towards financing of the 2016-17 to 2018-19 capital programme;
- (b). To approve the draft Capital Programme 2016-17 to 2018-19 and associated Prudential Indicators as detailed [in report RC/16/2] and summarised at Appendices A and B respectively [of that report]; and
- (c). To note the forecasting impact of the proposed Capital Programme (from 2019-20 onwards) on the 5% debt ratio Prudential Indicators as indicated in [report RC/16/2].

The Resources Committee had also resolved to recommend that the Authority approve a Council Tax increase of 1.99% and that the additional £0.405m net Section 31 Grant funding made available by the government should further supplement the contribution to capital (Minute RC/13 refers).

The net effect of this was to provide for a total revenue contribution towards capital of £3.7m referred to earlier.

Following a debate on the issue, Councillor Greenslade **MOVED**, with Councillor Knight seconding, that the recommendations of the Resources Committee be approved whereupon it was

RESOLVED

- (i) that, in accordance with the recommendations made by the Resources Committee at its meeting on 10 February 2016 (Minute RC/12 refers):
 - (A). the draft Capital Programme 2016-17 to 2018-19 as detailed in report DSFRA/16/2 and summarised at Appendix B to these Minutes be approved;
 - (B). the associated Prudential Indicators as set out in the report and summarised at Appendix C to these Minutes be approved; and
 - (C). that a revenue contribution of £3.7m be made from the 2016-17 revenue budget towards financing of the 2016-17 to 2018-19 capital programme;

- (ii) that the forecast impact of the proposed Capital Programme (from 2019-20 onwards) on the 5% debt ratio Prudential Indicator, as indicated in this report, be noted.

(SEE ALSO MINUTES DSFRA/47(d) and DSFRA/48(a) ABOVE AND MINUTE DSFRA/48(c) BELOW).

c Treasury Management Strategy (including Prudential and Treasury Indicators Report 2016-17 to 2018-19)

The Authority considered a report of the Treasurer (DSFRA/16/3) setting out, amongst other things:

- a treasury management and investment strategy for 2016-17, with associated indicators; and
- a Minimum Revenue Provision statement for 2016-17.

The Local Government Act 2003 and supporting regulations required the Authority:

- to ensure that its capital investment plans were affordable, prudent and sustainable; and
- to establish a treasury management strategy setting out its policies for borrowing and managing its investments, giving priority to the security and liquidity of those investments.

In doing so, the Authority was required to “have regard to” the Prudential and Treasury Management Codes produced by the Chartered Institute for Public Finance Accountancy (CIPFA). The strategy and prudential indicators as set out in the report were compliant with the latest iterations of the CIPFA Codes.

RESOLVED

- (i). that the Treasury Management and Annual Investment Strategy for 2016-17 as detailed in report DSFRA/16/3 be approved;
- (ii). that the Treasury Management Prudential and other Indicators as detailed in the report and set out in the table at Appendix C to these Minutes be approved;
- (iii). that the Minimum Revenue Provision (MRP) statement for 2016-17, as set out in the report and attached to these Minutes as Appendix D, be approved;
- (iv). that the Treasurer be delegated authority to effect movements between the separately agreed prudential limits for borrowing; and
- (v). that the statement at paragraph 3.3 of the report that borrowing limits and the debt management strategy have been set to ensure that net borrowing remains below the Capital Financing Requirement (CFR) for 2016-17 to 2018-19, in line with the requirements of the CIPFA Prudential Code, be noted.

(SEE ALSO MINUTE DSFRA/48(c) ABOVE)

DSFRA/49 Strategic Plan - "Our Plan 2016 - 21"

The Authority considered a report of the Chief Fire Officer (DSFRA/16/4) to which was appended the next iteration of the Authority’s Strategic Plan, covering the five year time period 2016 to 2021. The Plan contents were an evolution on the previous iteration, with this flexible approach allowing the underlying strategy to be reviewed as part of the annual planning cycle and any changes accommodated as necessary.

The 2016 to 2021 Plan represented the key strategic planning document for the Service and detailed corporate strategy and planning principles.

The strategic direction aligned with the medium term financial plan to address the anticipated funding requirements. The Plan also incorporated the requirements of Integrated Risk Management Planning and presented the Service's approach for delivering its prevention, protection and response services by aligning resources to risk.

A key concept embedded within the Plan was that of continuous improvement with a focus on maintaining or improving service standards albeit against a backdrop of a diminishing funding envelope. To achieve necessary savings, the Service would change and improve the way it worked to become both more effective and efficient.

The draft Plan, which had been accredited with the Crystal Mark for clarity and plain English, had previously been considered by the Community Safety & Corporate Planning Committee which had resolved to commend the Plan to the Authority for approval (Minute CSCP/11 refers).

RESOLVED that the Authority Strategic Plan, 'Our Plan 2016-2021', as appended to report DSFRA/16/4, be approved.

(SEE ALSO MINUTE DSFRA/47(a) ABOVE).

DSFRA/50

Devon & Cornwall Police and Dorset Police Strategic Alliance - Opportunities and Options for Devon & Somerset Fire & Rescue Authority

The Authority considered a report of the Chief Fire Officer (DSFRA/16/5) on the scope for the Devon & Somerset Fire & Rescue Authority to participate in the Strategic Alliance established between the Devon & Cornwall and Dorset police forces and designed to deliver a range of financial and non-financial benefits to promote, amongst other things, sustainability, interoperability and resilience against a backdrop of reductions in funding.

The Authority had previously been advised that, as a result of further reductions in government funding, it would be required to realise additional savings of £7.5m over the next four years.

As part of meeting this significant financial challenge, preliminary work had been undertaken to explore how the resilience of the Devon & Somerset Fire & Rescue Service could be maintained and/or how further savings might be achieved as a result of participation in the Strategic Alliance. Associated with this, the recently published Police and Crime Bill would, once enacted, introduce a new statutory duty for the emergency services to collaborate.

Participation in the Strategic Alliance would, therefore, be in-keeping both with this Authority's Medium Term Financial Plan and government expectations. It was also considered that participation in the Strategic Alliance would reduce the need for staffing savings to be made from other areas of the Service thereby reducing the impact on funding reductions on services provided to the public.

The Chief Fire Officer advised the Authority that, should it be minded to approve participation in the Strategic Alliance, this would still be subject to confirmation by the Alliance to participation on the basis as envisioned in the report.

Councillor Randall Johnson **MOVED**, with Councillor Ball seconding, that the recommendations as set out in report DSFRA/16/5 be approved, subject to the addition of the words "in consultation with the Authority Chairman and Vice-Chairman" after the words "Chief Fire Officer" in recommendation (b). This was then put to the vote, whereupon it was

RESOLVED, unanimously, that participation by this Authority in the Devon & Cornwall and Dorset Police Strategic Alliance be approved on the basis as set out in report DSFRA/16/5 and summarised below:

- (a) that the Authority retains full governance arrangements over changes to the number, nature and disposition of Devon & Somerset Fire and Rescue Service staff, resources and services; and
- (b) that the Chief Fire Officer, in consultation with the Authority Chairman and Vice-Chairman, be delegated authority to develop business cases to inform decision making by the Authority on proposals for Service staff, resources and services intended to come under the auspices of the Strategic Alliance, attending such meetings as deemed necessary to facilitate the production of such business cases.

DSFRA/51 Emergency Services Mobile Communications Programme

(Chris Hall, Department for Communities and Local Government, in attendance for this item).

The Authority considered a report of the Chief Fire Officer (DSFRA/16/6) on the Emergency Services Mobile Communications Programme (ESMCP), the preferred option of the Department for Communities and Local Government (DCLG) to replace the existing contract for a mobile communications service (Firelink for the fire service) which would expire between 2016 and 2020.

ESMCP was being mandated for police services, with no transitional funding provided. This was not currently the case for fire and rescue authorities, however, and DCLG had indicated that it would meet all reasonable transition costs in moving between the contracts. The effect of this was that, while other options were available to fire and rescue authorities, there would be significant risks in not joining the nationally preferred contract and DCLG would not provide funding for transition to any alternative selected.

The following points were made in response to questions and concerns raised by the Authority:

- that the coverage provided by ESMCP would be as good as that delivered under the current system (Airwave). Work was in hand with the other emergency services to verify the coverage and the new system would not be signed off until each of the emergency services was satisfied; and
- linked to that, while the Airwave contract had already been extended once (to December 2019), it was highly likely that further extensions would be granted in the event of any emergency service being dissatisfied with the effectiveness of the new system.

To take advantage of the transitional funding being offered by DCLG, fire and rescue authorities were required to indicate their intention to migrate to ESMCP by 25 March 2016

RESOLVED that, subject to receipt of satisfactory assurances to the risks identified in paragraph 4.2 of report DSFRA/16/6 (relating to full funding of transitional costs and to coverage for the new system), the Chief Fire Officer be delegated authority, in consultation with the Chairman of the Resources Committee, to confirm this Authority's intention to migrate to the new Emergency Services Network as part of the ESMCP.

DSFRA/52 Localism Act 2011 - Pay Policy Statement 2016-17

The Authority considered a report of the Chief Fire Officer (DSFRA/16/7) to which was attached the proposed Pay Policy Statement to operate for the Authority for the forthcoming (2016-17) 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 the principal change in the proposed Pay Policy Statement when compared to future iterations. This related to the process to be adopted in determining the salary of Executive Board officers other than the Chief Fire Officer.

RESOLVED that the Authority Pay Policy Statement to operate for the forthcoming (2016-17) financial year, as appended to report DSFRA/16/7, be approved and published in accordance with the requirements of the Localism Act 2011.

DSFRA/53 Appointment of Authority Non-Executive Directors to the Board of Red One Ltd.

The Authority considered a report of the Chief Fire Officer (DSFRA/16/8), on behalf Mr. Tony Rowe OBE (Independent Chairman of the Board of Red One Ltd. – the Authority's commercial trading arm) on the appointment of three Authority Members as non-executive directors on the Board of Red One.

The Authority had, over the past several meetings, considered and approved revised governance arrangements for its commercial activities including the appointment of an independent, non-executive director to act as Chair of the Board of Red One Ltd. and ultimately the replacement of the Commercial Services Committee by a revised Board to feature three Authority Members appointed as non-executive directors. In this respect, the Authority had specifically, at its last meeting, approved a process (to be undertaken by the independent Chair) to identify and recommend to the Authority the three Members to serve as non-executive directors (Minute DSFRA/40 refers).

The Chief Fire Officer asked to have placed on record his appreciation for significant contributions made by Members past and present and officers in supporting the work of the Commercial Services Committee.

RESOLVED

- (a). that the Authority approves the appointment of the following as non-executive directors to the Board of Red One Ltd. with immediate effect and for an initial Term of Office to run until the Annual Meeting of the Authority in May 2017:

Councillor Mark Healey

Councillor David Thomas

Councillor John Woodman

- (b). that, as a consequence of (a) above and in line with the decision of the Authority at its last meeting (Minute DSFRA/40 refers):
- (i). the Commercial Services Committee be formally dissolved with immediate effect;

- (ii). the Clerk be authorised to make those consequential amendments to the Authority's approved Financial Regulations, Scheme of Delegations and to the Terms of Reference of the Resources Committee, as set out in Section 5 of report DSFRA/15/28 to the Authority meeting held on 14 December 2015; and
- (iii). those powers previously exercised by the Commercial Services Committee be exercised as indicated paragraphs 5.9 and 5.10 of report DSFRA/15/28.

DSFRA/54 Chairman's Announcements

The Authority received, for information, a list (circulated at the meeting) of events undertaken by the Chairman on behalf of the Authority since its last meeting including:

- attendance, accompanied by CFO Lee Howell, at an All-Party Parliamentary Group meeting on 26 January 2016;
- Chairing the second meeting of the Emergency Services Forum on 8 February 2016. The Forum was established following a suggestion by this Authority to explore the scope for regional collaboration; and
- attendance at the launch of the PCSO/RDS pilot initiative, accompanied by the Vice-Chairman (Councillor Brian Greenslade), Councillor Mike Edmunds and CFO Lee Howell. The launch was also attended by Tony Hogg, Police and Crime Commissioner for Devon & Cornwall.

The Authority also received, for information, a list circulated by the Vice-Chairman on activities undertaken since his election to the role in May 2015.

DSFRA/55 Chief Fire Officer's Announcements

The Chief Fire Officer reported on his involvement in a range of issues since the last Authority meeting including:

- attendance at an emergency services sub group meeting
- attendance at the Blue light carol service, Exeter Cathedral, 17 December 2015
- meeting with Hugo Swire MP
- attended Blue Light MIND (mental health) training
- hosting a delegation from Abu Dhabi with potential for commercial benefits
- meeting with Spotlight Editor, John Gipton
- attendance at a meeting of the Devon Strategic Partnership chaired by Cllr John Hart
- accompanied the Authority Chair, Cllr. Mark Healey, to an All-Party Parliamentary Group meeting to discuss fire and rescue issues
- accompanied the Authority Chair, Councillor Mark Healey, at a meeting with Ian More (Fire Industry Association)
- meeting with Chief Constable (Devon and Cornwall) & Mayor of Torbay (Gordon Oliver)

- meeting with Councillor Smith (Deputy Leader, Plymouth City Council)
- visit to Hinckley Point Sites A, B and C
- attendance at the second meeting of the Emergency Services Forum, chaired by Councillor Mark Healey. The meeting was also attended by Tony Hogg and Sue Mountstevens (Police and Crime Commissioners for Devon & Cornwall and Avon & Somerset respectively), Chief Constable Andy Marsh (Avon & Somerset Constabulary), Assistant Chief Constable Paul Netherton (Devon & Cornwall Constabulary), CFO Paul Walker (Cornwall Fire & Rescue Service), CFO Kevin Pearson (Avon Fire & Rescue Service), Cllr Peter Abraham (Avon Fire & Rescue Authority), Cllr Geoff brown (Cornwall), Ken Wenman and Heather Strawbridge (SWAST)
- attendance at the launch of the Fire/PCSO initiative at Barnstable, accompanying Tony Hogg and Councillor Mark Healey
- meeting with Hugo Swire (Foreign Office Minister)
- meeting with Andrew White, Chief Executive Officer, Devon & Cornwall Office of the Police and Crime Commissioner
- media opportunities including:
 - interview on the Strategic Alliance for the BBC;
 - interviews on the proposed budget for the BBC and ITV;
 - interview on the flooding clear-up at Tipton St. John for the BBC and ITV; and
 - interview with the Western Morning News.

DSFRA/56 Exclusion of the Press and Public

RESOLVED that 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 Paragraphs of Part 1 of Schedule 12(A) (as amended) to the Local Government Act 1972:

- 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 a particular person).

DSFRA/57 Firefighters' Pensions Scheme Issue

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

The Authority considered a report of the Chief Fire Officer (DSFRA/16/9) on a request for the Authority, as Scheme Manager for Firefighters' Pensions Schemes, to exercise, in relation to the terms and conditions of the particular Firefighters Pensions Scheme, its discretion in relation to an application for reinstatement of a widow's pension.

RESOLVED that reinstatement of the widow's pension be approved with effect from the date of the decree absolute and on the basis of the full award permissible.

**APPENDIX A TO THE MINUTES OF THE BUDGET MEETING OF THE
AUTHORITY HELD ON 19 FEBRUARY 2016**

**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 2016-17 BUDGET

The net revenue budget requirement for 2016-17 has been assessed as £73.977m (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 31st March 2017, 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 2016-17 to 2019-20. 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.

**APPENDIX B TO THE MINUTES OF THE BUDGET MEETING OF THE
AUTHORITY HELD ON 19 FEBRUARY 2016**

Capital Programme 2016/17 to 2021/22			2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
2015/16	2015/16	Item PROJECT	£000	£000	£000	£000	£000	£000
Budget	Forecast Outturn		Budget	Budget	Budget	Indicative Budget	Indicative Budget	Indicative Budget
		Estate Development						
421	421	1 Major Projects	0	0	0	0	0	0
1,620	1,015	2 Minor improvements & structural maintenance	1,768	2,412	1,505	1,115	785	1,750
2,041	1,436	Estates Sub Total	1,768	2,412	1,505	1,115	785	1,750
		Fleet & Equipment						
4,502	4,502	3 Appliance replacement	1,350	2,220	2,220	2,530	2,740	2,740
0	0	4 Community Fire Safety	0	0	0	0	0	0
344	219	5 Specialist Operational Vehicles	125	0	200	200	0	0
953	953	6 Equipment	1,019	351	570	210	200	200
245	251	7 ICT Department	800	0	0	0	0	0
93	93	8 Water Rescue Boats	0	0	0	0	0	0
6,137	6,018	Fleet & Equipment Sub Total	3,294	2,571	2,990	2,940	2,940	2,940
8,178	7,454	Overall Capital Totals	5,062	4,983	4,495	4,055	3,725	4,690
		Programme funding - 1.99% increase in CT						
1,047	463	Earmarked Reserves:	47	1,094	680	212	388	860
2,134	1,994	Revenue funds:	3,048	2,000	2,000	2,000	2,000	2,000
4,997	4,997	Capital Receipts:	0	0	0	0	0	0
		Application of existing borrowing	1,967	1,889	1,815	1,843	1,337	1,830
8,178	7,454	Total Funding	5,062	4,983	4,495	4,055	3,725	4,690
		Programme funding - 0% increase						
1,047	463	Earmarked Reserves:	688	1,094	680	212	388	860
2,134	1,994	Revenue funds:	2,407	2,000	2,000	2,000	2,000	2,000
4,997	4,997	Capital Receipts:			0			
		Application of existing borrowing	1,967	1,889	1,815	1,843	1,337	1,830
8,178	7,454		5,062	4,983	4,495	4,055	3,725	4,690

**APPENDIX D TO THE MINUTES OF THE BUDGET MEETING OF THE
AUTHORITY HELD ON 19 FEBRUARY 2016**

MINIMUM REVENUE PROVISION STATEMENT (MRP) 2016-17

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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