



HEREFORD & WORCESTER Fire and Rescue Authority

AGENDA

10.30 am Wednesday 16 February 2011

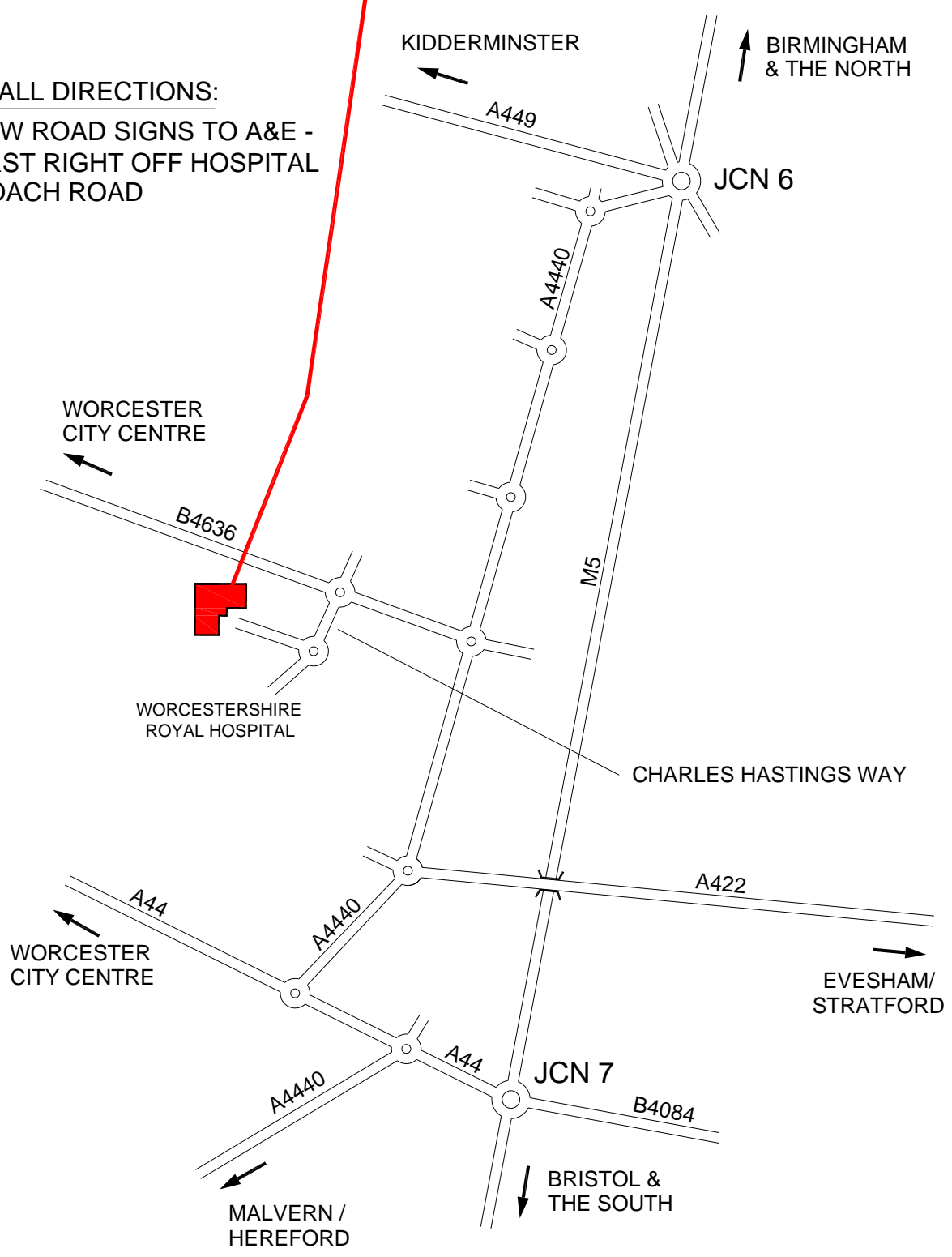
Headquarters,
2 Kings Court,
Charles Hastings Way,
Worcester
WR5 1JR



Awarded for excellence

HEREFORD & WORCESTER FIRE AND RESCUE SERVICE
 HEADQUARTERS
 2 KINGS COURT
 CHARLES HASTINGS WAY
 WORCESTER. WR5 1JR
 TEL: 0845 12 24454

FROM ALL DIRECTIONS:
 FOLLOW ROAD SIGNS TO A&E -
 HQ FIRST RIGHT OFF HOSPITAL
 APPROACH ROAD



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ACTION ON DISCOVERING A FIRE

- 1 Break the glass at the nearest **FIRE ALARM POINT**.
(This will alert Control and other Personnel)
- 2 Tackle the fire with the appliances available – **IF SAFE TO DO SO**.
- 3 Proceed to the Assembly Point for a Roll Call –

CAR PARK OF THE OPTIMUM BUILDING ADJACENT TO THE CYCLE SHED TO THE LEFT OF THE ENTRANCE BARRIER TO 2 KINGS COURT.

- 4 Never re-enter the building – **GET OUT STAY OUT**.

ACTION ON HEARING THE ALARM

- 1 Proceed immediately to the Assembly Point

CAR PARK OF THE OPTIMUM BUILDING ADJACENT TO THE CYCLE SHED TO THE LEFT OF THE ENTRANCE BARRIER TO 2 KINGS COURT.

- 2 Close all doors en route. The senior person present will ensure all personnel have left the room.
- 3 Never re-enter the building – **GET OUT STAY OUT**.

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Wheelchair access

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Smoking is not permitted.

First Aid -please ask at reception to contact a trained First Aider.

Toilets – please ask at reception.

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- Automatic right to attend all Authority and Committee meetings unless the business if transacted would disclose “confidential information” or “exempt information”.
- Automatic right to inspect agenda and public reports at least five days before the date of the meeting.
- Automatic right to inspect minutes of the Authority and Committees (or summaries of business undertaken in private) for up to six years following the meeting.
- Automatic right to inspect background papers used in the preparation of public reports.
- Access, on request, to the background papers on which reports are based for a period of up to four years from the date of the meeting.
- Access to a public register stating the names and addresses and electoral divisions of members of the Authority with details of membership of Committees.
- A reasonable number of copies of agenda and reports relating to items to be considered in public must be made available to the public attending the meetings of the Authority and Committees.

If you have any queries regarding this agenda or any of the decisions taken or wish to exercise any of these rights of access to information please contact Committee Services on 0845 12 244554 or by email at committeeservices@hwfire.org.uk.

WELCOME AND GUIDE TO TODAY’S MEETING

These notes are written to assist you to follow the meeting. Decisions at the meeting will be taken by the **Councillors** who are democratically elected representatives and they will be advised by **Officers** who are paid professionals. The Fire and Rescue Authority comprises 25 Councillors and appoints committees to undertake various functions on behalf of the Authority. There are 19 Worcestershire County Councillors on the Authority and 6 Herefordshire Council Councillors.

Agenda Papers

Attached is the Agenda which is a summary of the issues to be discussed and the related reports by Officers.

Chairman

The Chairman, who is responsible for the proper conduct of the meeting, sits at the head of the table.

Officers

Accompanying the Chairman is the Chief Fire Officer and other Officers of the Fire and Rescue Authority who will advise on legal and procedural matters and record the proceedings. These include the Clerk and the Treasurer to the Authority.

The Business

The Chairman will conduct the business of the meeting. The items listed on the agenda will be discussed.

Decisions

At the end of the discussion on each item the Chairman will put any amendments or motions to the meeting and then ask the Councillors to vote. The Officers do not have a vote.

Agenda

Members

Herefordshire:

Mrs. P A Andrews, Mr. J H R Goodwin, Brigadier P Jones CBE (Chair), Mr. D Greenow, Mr. D C Taylor, Mr. P J Watts.

Worcestershire:

Mr. T J Bean, Mrs. M Bunker, Mr. J Campion, Mr. J Cairns, Mr. S J Clee (Vice Chair), Mrs. L Duffy, Mrs. L Eyre, Mr. A I Hardman, Mrs. L Hodgson, Mrs. G Hopkins, Mrs. F Oborski, Mrs. J Potter, Mr. D W Prodger MBE, Mr. C T Smith, Mr. T Spencer, Mr. K Taylor, Mr. J Thomas, Mr. R M Udall and Mr. G C Yarranton.

No.	Item	Pages
1.	Apologies for Absence To receive any apologies for absence.	
2.	Declaration of Interests (if any) The Members' Code of Conduct requires Councillors to declare any interests against an Agenda item, the nature of an interest and whether the interest is personal or prejudicial. If a Councillor has a personal interest, they must declare it but can stay, take part and vote in the meeting. If a Councillor has a prejudicial interest then they must declare what that interest is and leave the meeting room for the duration of the item. This item allows the Chairman to invite any Councillor to declare an interest in any of the items on this Agenda.	
3.	Chairman's Announcements	
4.	Confirmation of Minutes To confirm the minutes of the meeting of the Fire and Rescue Authority held on 17 December 2010 (copy attached).	1 - 6
5.	Questions from Members of the Public To receive questions previously submitted by members of the public more than five clear working days before the meeting of the Authority.	
6.	The Chief Fire Officer's Service Report To inform The Authority of recent key developments and activities together with performance information for the period 1 October 2010 to 31 December 2010.	7 - 14

No.	Item	Pages
7.	<p>Review of the Roles of the Treasurer and the Clerk/Monitoring Officer</p> <p>To update Members on the current position relating to the review of Clerking and Treasurer roles.</p>	15 - 16
8.	<p>Proposed minor amendments to Constitutional Arrangements</p> <p>To inform Members of a small number of proposed changes to the Terms of Reference to Committees and delegated authorities.</p>	17 - 18
9.	<p>The Independent Members of the Standards Committee</p> <p>To extend the term of appointment of the Independent Members of the Standards Committee.</p>	19 - 26
10.	<p>Audit Committee Report</p> <p>To inform the Authority of the proceedings of the Audit Committee Meeting held on 26 January and to note the Annual Audit letter.</p>	27 - 50
11.	<p>Policy and Resources Committee Report</p> <p>To inform the Authority of the proceedings of the Committee Meeting held on 28 January 2011.</p>	51 - 52
12.	<p>Urgent Decision No. 01/10</p> <p>To inform the Authority of the Urgent Decision of 16 December 2010 (UD 1/10).</p>	53 - 57
13.	<p>Budget and Precept 2011/12 and Medium Term Financial Plan</p> <ol style="list-style-type: none"> 1. To determine Revenue and Capital Budgets for 2011/12 and the consequential Council Tax Precept. 2. To approve the Prudential Indicators and to set a Minimum Revenue Provision (MRP) policy for 2011/12. 3. To identify potential future resources and their consequential impact on future year budgets. 	58 - 83
14.	<p>In the opinion of the Clerk to the Authority, the meeting will not be, or is likely not to be, open to the public and press at the time item 15 is considered, for the reason stated:</p> <p>Item 15 is likely to disclose information relating to the financial or business affairs of the Authority.</p>	
15.	<p>Fire Control Project Update</p> <p>Glossary</p>	84 - 87



Members Present

Brigadier P Jones CBE (Chair), Mrs P Andrews, Mr T Bean, Mrs M Bunker, Mr J Cairns, Mrs L Duffy, Mrs L Eyre Mr J Goodwin, Mr A Hardman, Mrs L Hodgson, Mrs F Oborski, Mr D Prodger MBE, Mr T Spencer, Mr D Taylor, Mr J Thomas, Mr R Udall, Mr P J Watts and Mr G Yarranton.

1. Apologies for Absence

Mr J Champion, Mr S Clee (Vice Chair), Mr D Greenow, Mrs G Hopkins, Mrs J Potter, Mr C Smith and Mr K Taylor.

2. Declaration of Interests (if any)

The Chairman invited any Member to declare an interest in any of the items on this Agenda.

2.1 The Chairman declared a personal interest in Item no. 9. IRMP Consultation and approval of Annual Action Plan 2011/12, recommendation no. 4 re crewing arrangements at Bromsgrove Fire Station as his step-son was employed at that station.

2.2 The Clerk, Anne Brown, declared a personal and prejudicial interest in item 11. Appointment of Clerk/Monitoring Officer.

3. Chairman's Announcements

3.1 Assistant Chief Fire Officer Post

The Chairman announced that Mr Richard Lawrence had been appointed Assistant Chief Fire Officer on a long-term temporary basis and would assume the role of Director of Service Delivery from 1 January 2011.

He also thanked Tony Prosser for all his hard work for the Service over the past few months and wished him well on his return to West Midlands FRS.

3.2 Celebration of Success

Hereford & Worcester Fire and Rescue Service celebrated the achievements of nearly 50 members of staff at a Celebration of Success event held at the Guildhall in Worcester on Tuesday 30 November.

3.3 Awards Ceremonies

Firefighters and staff were honoured at an Awards Ceremony held at Hereford Town Hall on Friday 15 October. Lady Susan Darnley, the Lord Lieutenant of Herefordshire, joined Chief Fire Officer Mark Yates and Councillor Brigadier Peter Jones CBE, Chairman of Hereford & Worcester Fire and Rescue Authority, to present the awards.

3.4 Carol Service

The Chairman, on behalf of those who attended, congratulated the organisers of this year's Carol Service in Pershore Abbey on 16 December, which he said was well organised and very enjoyable.

4. Confirmation of Minutes

RESOLVED

- 4.1 *That the minutes of the meeting of the Fire and Rescue Authority held on 28 September 2010 be confirmed as a correct record and signed by the Chairman.*
- 4.2 *That the minutes of the meeting of the Best Value, Policy and Performance Committee held on 8 September 2010 be confirmed as a correct record and signed by the Chairman.*
- 4.3 *That the minutes of the meeting of the Budget Committee held on 29 July 2010 be confirmed as a correct record and signed by the Chairman.*

5. Questions from Members of the Public

There were no questions submitted by members of the public to be addressed at this meeting.

6. The Chief Fire Officer's Service Report

The Chief Fire Officer informed the Authority of recent key developments and activities together with performance information for the period 1 July to 30 September 2010.

He told the meeting that there had been a slight rise in incidents during the quarter due to an increase in the number of fires and the number of false alarms from automated fire alarms. The meeting noted the continuing fall in the number of attendances to malicious false alarms.

The Service had been complimented on the manner in which it had responded to a major fire in Hereford City Centre in October and following this incident there had been an intensive fire safety campaign aimed at other business premises in the area.

The meeting welcomed Sue Taylor and Daniel Preece of the Young Firefighters' Association and noted that the Service had been operating a YFA scheme for almost 10 years. The Service was introducing a fully consulted policy for the Scheme and copies were available for Members. The Scheme operated branches in Droitwich and Redditch and was planning another in Evesham. The CFO said that it was an aspiration to expand the Scheme into Herefordshire if suitable volunteers could be found to organise and instruct the YFA there. The meeting heard that Members would receive further details of the joint passing out parade next May for Droitwich and Redditch YFAs. The Chairman and members thanked the YFA representatives for attending and complimented the Association on the work it was doing for young people in the community.

The Service launched its annual Christmas Safety campaign in November at a number of key events in Herefordshire and Worcestershire.

The CFO told Members that the new Draeger Breather Apparatus set is now in operation throughout the Service and the Chairman welcomed the news that Service personnel now use the best BA available, which will improve their own protection and the safety of the communities they serve.

RESOLVED that the Chief Fire Officer's Service Report be noted.

7. Financial Prospects and Future Planning

The Director of Finance presented revised financial estimates based on the Grant Settlement announced on Monday 13 December 2010. He told the meeting that the formula grant and distribution had been rebalanced and that the outcome for this Service was not as bad as had been expected. He felt that this may be partly as a result of the lobbying of local MPs and the Fire Minister by the CFO and the case put forward by officers of the Service. While the overall reduction for stand alone Fire and Rescue Services was -6.7% for 2011/2012, the reduction for HWFRS was -2.4%, but this would still present a challenge for the coming year. The settlement for 2012/2013 was an increase in grant of +1.7%.

He told the Meeting that a Budget Planning Seminar for Members would be held in mid January 2011 and the proposed budget considered in more detail by the Policy and Resources Committee on 28 January, before being considered for approval by the Authority on 16 February 2011.

RESOLVED that the Report be noted.

8. Fees and Charges

The CFO told the Meeting that as part of the comprehensive review of the Authority's finances that options for charges for Special Services were under consideration. The main areas for consideration were:

- Large Animal Rescues
- Lift Rescues
- Assistance to the Environment Agency

The Policy and Resources Committee had considered these options on 8 December and recommended as follows:

- a) ***The Authority does not introduce charges for Large Animal Rescues;***
- b) ***The Authority consider the proposals to charge for all rescues from lifts or only after the first rescue in any year; and***
- c) ***The Authority puts in place protocols for FRA costs when assisting the Environment Agency to be invoiced for onward recovery.***

The Authority unanimously agreed with recommendations a) and c) and

RESOLVED

- i) ***That the Authority does not introduce charges for Large Animal Rescues; and***
- ii) ***The Authority puts in place protocols for recovery of FRA costs when assisting the Environment Agency to be invoiced for onward recovery.***

The Authority considered options for charging for lift rescues and heard that some Services do not respond to such calls. Members felt that the Authority should continue to carry out lift rescues but that there should be a charge on the owners and/or management companies who were repeat "offenders", in order to encourage better lift maintenance and more efficient use of the resources of the Authority.

It was proposed and seconded that the Authority should attend all calls for lift rescues and introduce a scheme for charging for repeat calls to the same building.

Ten Members voted in favour of the proposal, 2 against and 4 Members abstained.

RESOLVED that the Authority continues to attend all calls for lift rescues and introduces charges for repeat calls to the same premises.

9. IRMP Consultation and Approval of Annual Action Plan 2011/12

The Deputy Chief Fire Officer provided the Authority with details of the consultation process for the 2011/12 IRMP Action Plan and a summary of the key themes from the feedback received. She said that these had been considered by Principal Officers, Group Leaders and the IRMP Steering Group and at the Policy and Resources Committee on 8 December, which recommended that the Authority approve the draft proposals as presented.

RESOLVED

- i) That the Authority notes the consultation process and the feedback received; and***
- ii) That the Authority approves the amended 2011/12 IRMP Action Plan.***

10. Strategic Risk Register

The Deputy Chief Fire Officer presented the Draft Strategic Risk Register for approval by the Authority.

The meeting heard that the reviewed and updated Strategic Risk Register was shared with Mr Peter Watts, Risk Management Member Champion and Group Leaders for their input on 18 October 2010, advised by Principal Officers. The draft Register was considered by the Policy and Resources Committee on 8 December and recommended for approval by the Authority.

The DCFO was pleased to report that the direction of travel for Strategic Risk was moving downwards, which was a credit to the hard work that had taken place across the Service in strengthening key control measures where necessary.

In summary, 10 items on the Strategic Risk Register had reduced scores and only two items saw the risk score revised upwards, namely unavailability of a key item of equipment (No 13) and change in economic and/or political environment causing a reduction in real terms of grants and/or other income.

The Authority noted that the live Strategic Risk Register would be monitored and updated on an ongoing basis with exception reporting to Principal Management Officers and would be formally reported to Members annually, with significant changes reported to the Audit Committee as appropriate.

RESOLVED that the Authority approve the revised Strategic Risk Register.

11. **Appointment of Clerk/Monitoring Officer**

Mrs Anne Brown, Acting Clerk to the Authority, having declared a personal and prejudicial interest in this item, left the meeting.

The Chief Fire Officer told the meeting that in June 2009, the Authority confirmed the appointment of Ms Charlie Adan (Interim Deputy Chief Executive of Herefordshire Council) as Clerk/Monitoring Officer to the Authority and that she delegated her clerking duties to Herefordshire Council's Interim Head of Governance, Mrs Anne Brown.

Ms Adan was due to leave her interim position with Herefordshire Council on 13 December 2010 and Herefordshire Council suggested that the Interim Head of Law and Governance (Mrs Anne Brown) formally took over the role of Clerk, rather than the new post-holder, to ensure consistency and continuity of service.

It was proposed to the Authority that Mrs Anne Brown continue to undertake clerking duties and be formally appointed to replace Ms Adan as Clerk/Monitoring Officer to the Authority. The Chief Fire Officer said that Mrs Brown was ideally placed to act as Clerk/Monitoring Officer, due to her previous experience in Local Government generally and this Authority in particular.

It was also proposed that the appointment be made for a three month period, which would provide an opportunity to carry out a review of the provision of the Clerk/Monitoring Officer role to ensure that it was the most effective method of meeting the Authority's statutory requirements. The interim arrangement and this review would be considered by the Authority at its meeting in February 2011.

RESOLVED

- i) That the Authority confirm the appointment of Mrs Anne Brown as an Interim Clerk/Monitoring Officer to the Authority with immediate effect, for a three month period;*
- ii) That the Authority carry out a review of the provision of the Clerk/Monitoring Officer role; and*
- iii) That the review and the interim arrangement be considered at the Authority meeting in February 2011.*

12. **The Information Commissioner's Office Model Publication Scheme Review**

The Clerk presented the revised Publication Scheme for approval by the Authority.

The meeting heard that Officers had reviewed the Publication Scheme and amended it in accordance with the Service's governance arrangements. The draft review was considered by the Policy and Resources Committee on 8 December and recommended for approval by the Authority. The Clerk told the meeting that the amended Scheme would go live in January 2011.

RESOLVED that the Authority approve the revised Publication Scheme.

13. Policy and Resources Committee Report

The Chairman of the Policy and Resources Committee, Cllr Adrian Hardman, presented the report of proceedings of the Committee Meetings held on 1 November and 8 December 2010.

RESOLVED *that the report be noted.*

14. Audit Committee Report

The Chairman of the Audit Committee, Cllr Derek Prodger, informed the Authority of the proceedings of the Committee Meeting held on 7 October 2010.

The Meeting finished at 12.02 pm

Signed: _____

Date: _____

Chairman

6. Chief Fire Officer's Service Report

Purpose of Report

- To inform The Authority of recent key developments and activities together with performance information for the period 1 October 2010 to 31 December 2010.

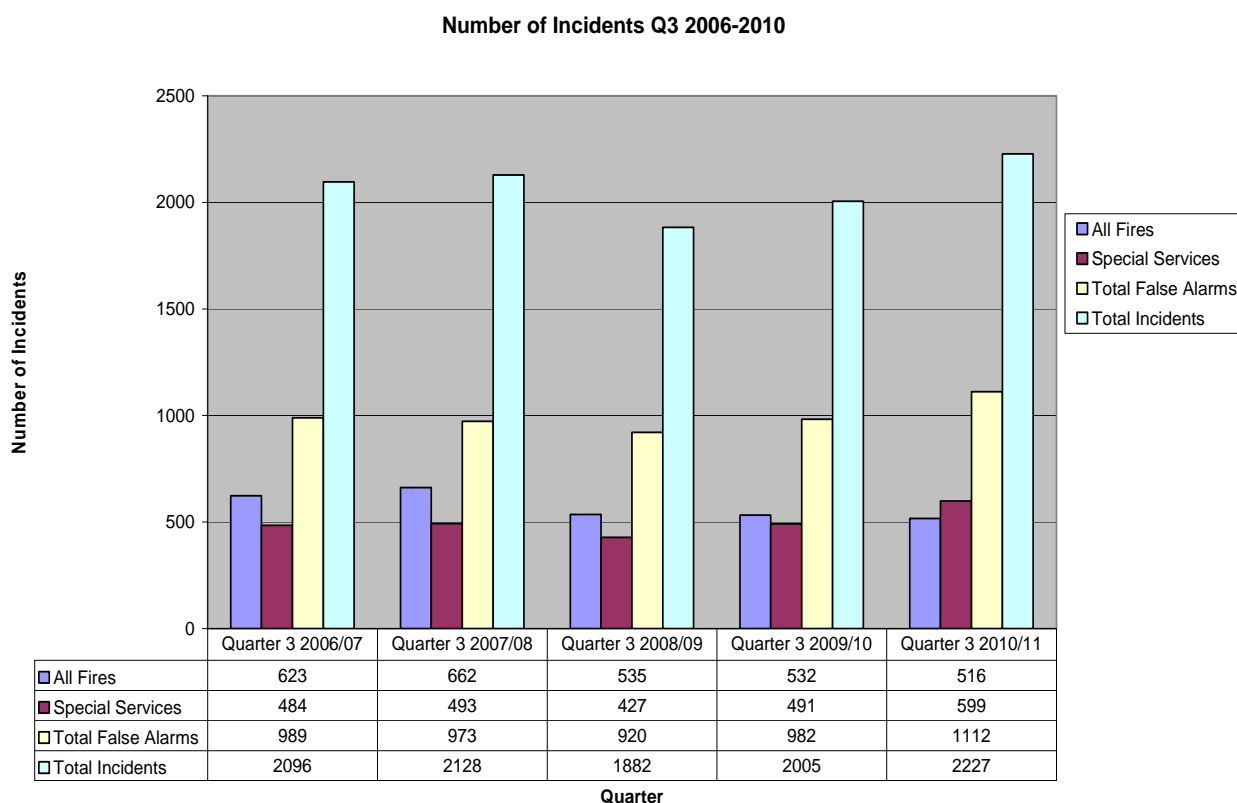
Recommendation

The Chief Fire Officer recommends that the report be noted.

Performance

Operational Incidents and Total Number of Fires Attended

- Figure 1 below demonstrates overall operational activity during Quarter 3 2010-2011 compared with the third quarter in the previous 4 years:



(Figure 1 – Comparative number of incidents Q3 2006-2010)

- Total incident numbers for Quarter 3 2010-2011 show an increase on the same quarter last year. This is due to increases in the number of false alarms and special services attended. The total number of incidents has increased from 2005 in Quarter 3 2009-2010 to 2227 in Quarter 3 2010-2011, (+11.1%).

4. The number of fires has decreased from 532 in Quarter 3 2009-2010 to 516 in Quarter 3 2010-2011, (-3.01%).

	Quarter 3 2009-10	Quarter 3 2010-11	Percentage change
Primary Fires	299	277	-7.4%
Secondary Fires	152	135	-11.2%
Chimney Fires	81	104	28.4%
Total Fires	532	516	-3.01%

(Table 1 – Total Fires Q3 09-10 and Q3 10-11)

5. Table 1 above demonstrates that although overall total fires have decreased, there has been an increase in chimney fires in Quarter 3 2010-2011 compared with Quarter 3 2009-2010. This increase is perceived to be due to the severe weather conditions in December 2010 together with the previously reported autumn/winter increase in chimney fires starting earlier than in previous years. Our Press Office has issued monthly media releases warning of the dangers of chimney fires during this period.
6. The number of special service incidents has increased with 599 incidents attended in Quarter 3 2010-2011 compared with 491 in Quarter 3 2009-2010, (+22.0%).

	Quarter 3 2009-10	Quarter 3 2010-11	Percentage change
RTC Incidents	234	178	-23.9%
Flooding	19	178	836.8%
Other Special Services	238	243	2.1%
All Special Services	491	599	22.0%

(Table 2 – Special Services Q3 09-10 and Q3 10-11)

7. Table 2 above demonstrates that flooding is the main reason for the increase in special services incidents in Quarter 3 2010-2011 compared with Quarter 3 2009-2010. A total of 178 flooding incidents were attended compared with 19 in the same quarter last year. The severe cold weather conditions in December led to 155 out of the 178 flooding incidents and the majority of incidents required the isolation of water and/or electricity supplies to properties. Table 3 below shows a breakdown on the actions required as a result of all 178 flooding incidents in Quarter 3 2010-11:

	Quarter 3 - 2010-11
Flooding – Isolation of Supplies	116
Flooding – Pumping Out	17
Flooding – Isolation of Supplies and Salvage of Goods	16
Flooding – Advice only	12
Flooding – Isolation of Supplies and Water Removal	8
Flooding – Salvage of Goods only	6
Flooding – Evacuation	2
Flooding – Standby – no action	1
Total Flooding Incidents	178

(Table 3 – Flooding incidents by action taken Q3 10-11)

8. The number of false alarm incidents has increased with 1112 incidents attended in Quarter 3 2010-2011 compared with 982 in Quarter 3 2009-2010, an increase of 13.2%:

	Quarter 3 2009-10	Quarter 3 2010-11	Percentage change
Malicious False Alarms	20	13	-35.0%
False Alarm Good Intent	199	222	11.6%
Automatic False Alarms	763	877	14.9%
Total False Alarms	982	1112	13.2%

(Table 4 – False Alarms Q3 09-10 and Q3 10-11)

9. The overall increase in total false alarms is mainly due to a 14.9% increase in the number of automatic false alarms attended compared with Quarter 3 2009-2010 as these make up the largest part of the total alarms figure.

	Oct	Nov	Dec	Quarterly Total
Auto False Alarms Q3 09-10	276	259	228	763
Auto False Alarms Q3 10-11	279	271	327	877
Percentage Change	1.1%	4.6%	43.4%	14.9%

(Table 5 – Automatic False Alarms per month Q3 09-10 and Q3 10-11)

10. Table 5 above illustrates that the largest monthly increase of automatic false alarms when comparing the two quarters was in December and this was partially due to a spike of incidents occurring over the Christmas period. There were 33 incidents on 26 December 2010 alone. The majority of these attendances were due to faulty systems which could have been exacerbated by buildings left empty over the Christmas period.
11. There was a smaller increase in false alarm good intent in Quarter 3 2010-11 compared with the same quarter last year which also contributed to the overall increase in false alarms. 222 incidents were attended in Quarter 3 2010-11 compared with 199 in the same quarter last year, an increase of 11.6%. Further analysis indicates that the increase is mainly from incidents that do not fall within the categories of false alarm good intent set by the CLG. There have been 82 incidents categorised as 'other' on the IRS system in Quarter 3 2010-11 compared with 64 in Quarter 3 2009-10. Other incidents include suspected car engine fires and alarms mistaken for fire alarms which do not fall within the main IRS categories.

Health and Safety

Health and Safety Training

12. Eleven staff were trained in Managing Hazardous Substances, 13 were trained in conducting risk assessments and 7 completed a course in Managing Safely during the last quarter. These courses equip staff with the skills and knowledge they require and form part of the Service's direction to promote the training and safety of all our personnel. This in turn will assist in reducing injuries and loss.

Incidents and Injuries

	Oct	Nov	Dec	This Quarter Total	Previous Quarter Total
Serious Incidents ¹	5	1	3	9	7
Near Hit/Cause for Concern ²	6	0	1	7	11
Potential Exposure ³	2	5	1	8	9
Total Incidents	24	26	19	69	52
Specialist Investigations ⁴	2	2	3	7	3

Analysis

13. Of the 69 reported Health and Safety incidents this quarter, only 9 were or had the potential to be 'serious incidents'. However, when compared with the previous quarter the number of serious incidents has increased by two.
14. Furthermore, the number of near hits and causes for concern continues to represent a fraction of all reported incidents. This is disappointing as these incidents present an opportunity for the organisation to take action to prevent the circumstances deteriorating and resulting in injury or loss.
15. The serious incidents this quarter comprised of the following:
 - An individual undertaking a Home Fire Safety Check was subjected to suggestive comments and briefly locked in the room by the householder;
 - A fleet technician hit himself in the face with the winding handle of a press;
 - The roller-shutter door came down on to the Water Rescue Vehicle;
 - A group of Property Technicians were exposed to brown asbestos when they inadvertently damaged a panel at one of our premises;
 - A firefighter slipped and broke his foot when responding to his alerter. This incident was not investigated as a specialist investigation due to a delay in the incident being reported to us;
 - A firefighter broke his wrist when attempting to start the light portable pump using the pull start during a drill.
 - Smoke issuing from an appliance at an incident;
 - An appliance skidding on black ice into a third party whilst responding; and
 - The Combined Aerial Rescue Pump (CARP) double jacked during training causing it to lean precariously.

¹ Incidents either actually resulting in, or having the potential to result in a fatality, serious personal injury or significant loss or damage.

² Incidents that almost resulted in an injury or conditions identified that have the potential to cause injury, loss or a near hit but have not done so up to the time of reporting – e.g. items falling from shelf near to people or unbalanced and overhanging items stored on a shelf.

³ Incidents where persons were potentially exposed to hazardous substances (usually during operational duties) – e.g. exposure to river water during swift water rescue training, exposure to asbestos during fire fighting.

⁴ Of incidents either actually resulting in, or having the potential to result in serious injuries or losses and incidents involving Breathing Apparatus.

16. The Specialist investigations mobilised this quarter comprise of the following:
- A fleet technician hit himself in the face with the winding handle of a press;
 - The roller-shutter door came down on to the Water Rescue Vehicle;
 - A firefighter broke his wrist when attempting to start the light portable pump using the pull start during a drill;
 - Smoke issuing from an appliance at an incident;
 - An appliance skidding on black ice into a third party whilst responding;
 - The Combined Aerial Rescue Pump (CARP) double jacked during training causing it to lean precariously;
 - One other investigation was instigated but stood down shortly after as it did not warrant this level of investigation.
17. This quarter, our potential exposure records indicate that only one incident occurred during operational activities, whilst 7 occurred during operational training. A further 2 incidents involved non operational staff: one as a result of disturbing brown asbestos, the other as a result of exposure to firefighting foam when working on the engine.

Items of Interest

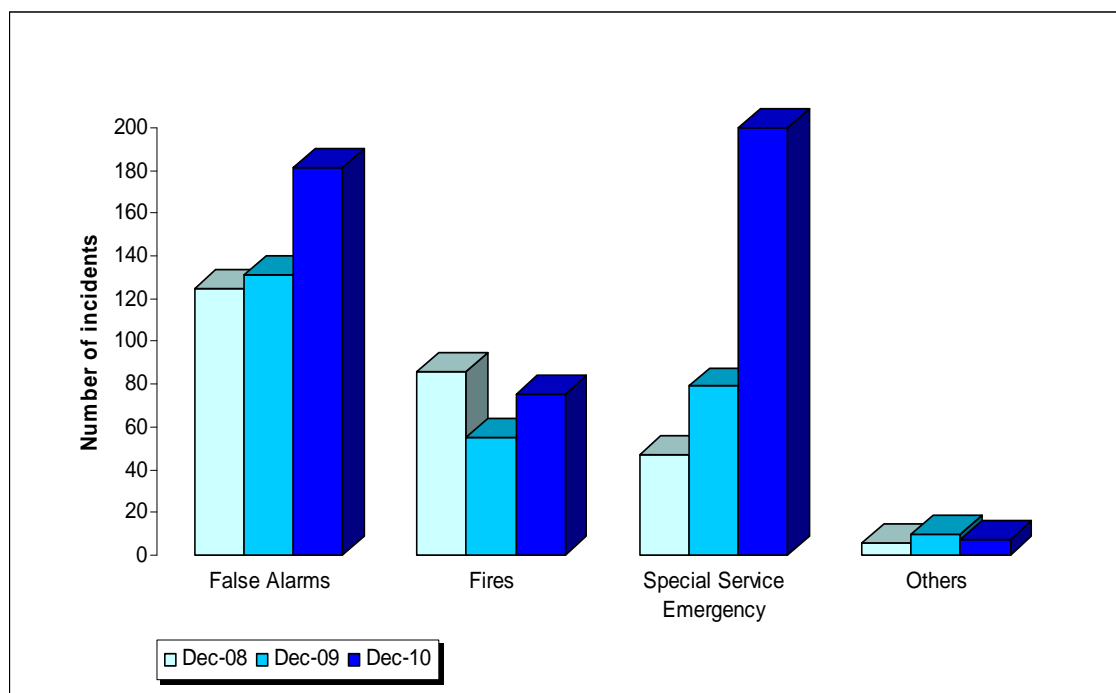
Operational activity report during snow disruption period 19 December to 31 December 2010

18. December 2010 proved to be an exceptionally cold month, mean temperatures were 5°C below the 1971-2000 average and it was the coldest December for over 100 years. There were some severe frosts and the number of days with air frost was the highest in December for over 50 years. On Saturday 18 December a band of snow swept across the two Counties causing widespread disruption. Further snowfalls coupled with freezing temperatures meant that many roads were impassable. The Service has been exposed to similar weather conditions in the past, (albeit not so severe or prolonged), and contingencies regarding mobilising and vehicle allocations were instigated.
19. During the period 19 - 31 December the Service responded to 463 incidents compared with 275 and 264 during the same period in 2009 and 2008 respectively. There has been a significant increase in the total of all incidents compared with previous years, the biggest increase being the attendance at Special Service Emergencies highlighted in Figures 1 and 2 below.

Fig 1.

Incident type	19- 31 Dec-08	19- 31 Dec-09	19 – 31 Dec-10
False Alarms	125	131 ↗ 5%	181 ↗ 38%
Fires	86	55 ↘ 36%	75 ↗ 36%
SSE	47	79 ↗ 68%	200 ↗ 153%
Others	6	10 ↗ 66%	7 ↘ 30%
Total	264	275 ↗ 4%	463 ↗ 68%

Fig 2.



20. The increase in Special Service Emergency incidents can be attributed to the effect of the severe cold on water pipes and the associated flooding of properties that often affects the electrical supply. The response to flooding incidents was 123 which accounted for 21% of incidents during this period.
21. On 19 December the Duty Operations Commander instigated the Service's severe weather response protocol which is detailed in Appendix 1. The rationale behind this is to provide a minimum level of response but takes into consideration the hazardous driving conditions for personnel turning into a Fire Station from home and for those driving to incidents.
22. The Service has several specialist emergency four wheel drive vehicles based at Stations that respond to incidents including Water Rescue, Environmental Protection, off-road firefighting and incidents with restricted access. These vehicles responded to 27 incidents during the severe weather. Assistance was provided to other agencies on 11 occasions during the icy conditions. In addition, there are four Toyota Hilux vehicles which can be used for personnel and equipment transportation when there is limited traction due to flooding or ice.
23. Following the snow disruption in the winter of 2009/10, the Service has made additional 4x4 provision for Officers through its fleet replacement programme. This has greatly improved the resilience and response capability of the Service. In the recent period of significant snow which impacted our two counties Officers' Land Rover Freelanders proved invaluable in maintaining the effective running of the Service. This included effective response to incidents during extremely challenging road conditions and the transportation of Fire Control personnel, Firefighters and support staff to and from their places of work. The immediate availability of sufficient 4x4 vehicles has proven to be of immense operational benefit and is now considered to be an important component of the Service's fleet provision.

Freedom of Information/Data Protection Act and Environmental Information Regulations Requests

24. These will now be reported to the Policy and Resources Committee as part of the Quarterly Performance Report.

Complaints, Concerns, Compliments and Donations

25. These will now be reported to Members via a monthly Members' Bulletin.

Local Incidents to note

26. These will now be reported to Members via a monthly Members' Bulletin. In addition all incidents are reported to the Chair, Vice Chair and Group Leaders on a daily basis.

Supporting information:

Appendix 1: The Severe Weather Response Protocol

Contact Officer

Mark Yates
Chief Fire Officer (0845 1224454)
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The Severe Weather Response Protocol

Severe weather response may be introduced if weather conditions, such as snow and ice, make driving conditions extremely hazardous for personnel turning in and for appliances responding to incidents. This must be authorised by the Duty Operations Commander and the Duty Principal Officer will be informed. Severe weather response will cover all of the Service area until rescinded by the Duty Principal Officer.

It is anticipated that this protocol will only be instigated in exceptional conditions and would only last as long as it is necessary. Severe weather response can mean that no appliance or a reduced attendance is mobilised, which in normal circumstances would not be the case.

When severe weather response is sanctioned by the Duty Principal Officer the following reduced attendances and rules will apply:

- No mobilising to AFAs in occupied premises unless backed up by a 999 telephone call confirming fire when the standard pre-determined attendance will apply.
- Mobilising to AFAs in unoccupied buildings at night – 1 Pump.
- Mobilising to Sleeping Risk AFAs – 1 Pump.
- Mobilise to confirmed fires and rescues only.
- No attendance at RTCs make safe. (Unless risk of fire, personnel require assistance or no other emergency service present or able to attend).
- Only FDS Officers with four wheel drive capability mobilised.
- Nearest FDS Officer including Principal Officers with four wheel drive capability notified of mobilisations and respond where appropriate.
- Fire all out - FDS Officer.
- Smell of burning - 1 pump.
- Smoke detector operating - 1 pump.
- Unknown fire - 1 pump.
- Woodburning stove - 1 pump.
- Other incidents at the discretion of the mobilising officer in consultation with the Duty Ops Commander.

When doubt exists the full PDA should be mobilised.

7. Review of roles of the Treasurer and Clerk

Purpose of report

1. To update Members on the current position relating to the review of Clerking and Treasurer roles.

Recommendation

The Chief Fire Officer recommends that the Authority continue the appointment of Mr Tony Wood and Mrs Anne Brown as an Interim Treasurer and Interim Clerk to the Authority until 30 September 2011 or until the completion of the review and finalisation of permanent arrangements, whichever is the earlier.

Introduction and Background

2. In September 2010 the Authority appointed Mr Tony Wood as Treasurer on a temporary basis until the end of March 2011 and in December 2010 Mrs Anne Brown was appointed on a temporary basis as Clerk to the Authority.
3. Members will recall that it was intended to review the Authority's requirements for the permanent appointments following the receipt of the Audit Commission's report on the retirement of the previous Chief Fire Officer. That report has yet to be completed although it is anticipated in the near future. Both officers have agreed to continue their appointment on a temporary basis pending receipt of the report and completion of the review.
4. The cost of the Treasurer and Clerk will be met from the existing budget that was agreed for 2010/11. Herefordshire Council currently provides support for the Clerk in terms of IT, training and development and secretarial assistance.

Conclusion/Summary

5. The Authority is recommended to continue with the appointment of Mr Tony Wood as Treasurer and Mrs Anne Brown as Clerk to the Authority until 30 September or until the review is completed and permanent arrangements put in place.

Financial Considerations

Consideration	Yes/No	Reference in Report i.e. paragraph no.
There are financial issues that require consideration	Yes	Para. 4

Legal Considerations

Consideration	Yes/No	Reference in Report i.e. paragraph no.
There are legal issues e.g. contractual and procurement, reputational issues that require consideration	Yes	Para. 3

Additional Considerations

6. The table below sets out any additional issues arising from the proposals contained in this report and identifies the relevant paragraphs in the report where such issues are addressed.

Consideration	Yes/No	Reference in Report i.e. paragraph no.
Resources (e.g. Assets, ICT, Human Resources, Training & Development, Sustainability).	Yes	Para. 4
Strategic Policy Links (e.g. IRMP, Authority Plan, Equality & Diversity, Partnerships, Environmental Impact).	No	
Risk Management / Health & Safety (e.g. risk management and control measures, risk register score).	No	
Consultation with Representative Bodies	No	

Contact Officer

Mark Yates, Chief Fire Officer

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8. Proposed Minor Amendments to Constitutional Arrangements

Purpose of report

1. To approve proposed minor amendments to constitutional arrangements following the review of the Authority's Committee structure in September 2010.
-

Recommendation

The Clerk recommends that the Authority approves the changes proposed to the constitutional arrangements as set out in the report.

Introduction and Background

2. Members will recall that the Authority agreed the introduction of the revised committee structure at its meeting in September 2010. The changes appear to be working well at this time. However, there are a small number of amendments that it is suggested are made, following the experience of implementing the changes in the last 6 months.

The Scheme of Delegations to Officers and the Urgent Decisions process

3. The September changes replaced the Urgent Decisions Committee with a delegation to the Chief Fire Officer in consultation with Group Leaders. The delegation was subject to the requirement that any use of the delegation is reported back to the FRA. It is proposed this limitation be changed so that the use of this power is reported back to the actual decision-making committee or the FRA. This change reflects the fact that the Policy and Resources Committee now has limited decision-making powers.

Policy and Resources Committee Terms of Reference

4. The Policy and Resources Committee currently has a provision which provides:-
"in conjunction with the Audit Committee to scrutinise reports from the Authority's External Auditors (including the management letter) to determine where appropriate the Authority's response or appropriate action."
5. This provision was originally included to cover very limited situations where Members considered that it would be beneficial to obtain the views of the Policy and Resources Committee before agreeing a response to the External Auditor on behalf of the Authority.
6. In practice this provision is causing confusion at both Member and Officer level and it is suggested that this provision is removed. In any event the Audit Committee may still refer any item to the Policy and Resources Committee for their comment.

Conclusion

7. That the Authority consider and agree the proposals set out above.

Financial Considerations

Consideration	Yes/No	Reference in Report i.e. paragraph no.
There are financial issues that require consideration	No	

Legal Considerations

Consideration	Yes/No	Reference in Report i.e. paragraph no.
There are legal issues e.g. contractual and procurement, reputational issues that require consideration	Yes	The whole report

Additional Considerations

8. The table below sets out any additional issues arising from the proposals contained in this report and identifies the relevant paragraphs in the report where such issues are addressed.

Consideration	Yes/No	Reference in Report i.e. paragraph no.
Resources (e.g. Assets, ICT, Human Resources, Training & Development, Sustainability).	No	
Strategic Policy Links (e.g. IRMP, Authority Plan, Equality & Diversity, Partnerships, Environmental Impact).	No	
Risk Management / Health & Safety (e.g. risk management and control measures, risk register score).	No	
Consultation with Representative Bodies	No	

Supporting Information

Background Papers: Terms of Reference of Committees
Minutes of the meeting of the Authority on 28 September 2010.

Contact Officer

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9. The Independent Members of the Standards Committee

Purpose of report

1. To extend the term of appointment of the Independent Members of the Standards Committee.
-

Recommendation

The Clerk recommends that the Authority extends the term of appointment of the Independent Members of the Standards Committee until 30 June 2012 or until the Standards Committee is disbanded, whichever is the sooner.

Introduction and Background

2. Standards Committees were introduced throughout the local government sector under the Local Government Act 2000 and required the appointment of at least one "Independent" Member to Standards Committees.
3. The Standards Committee (England) Regulations 2008 set out the procedure for the recruitment and appointment of Independent Members and required that at least 25% of the Membership of Standards Committees should be Independent Members. The Local Government and Public Involvement in Health Act 2007 stipulated that the Chair of the Standards Committee should be an Independent Member.
4. It is acknowledged that Independent Members are important in helping to increase public confidence in the local Standards framework. They provide a clear signal that the Standards Committee is acting fairly and impartially. Independent Members also bring a wider perspective from their outside experiences.

The Localism Bill

5. The government set out its intention to abolish the 'Standards Board Regime' in the coalition agreement published in May. It is to effect the abolition through the Localism Bill which was introduced to Parliament on 13 December 2010. The Bill passed its second reading on 17 January 2011. It is likely that Standards for England will cease to investigate complaints in late 2011 and will be formally abolished in early 2012.
6. In summary the government's proposals are:
 - to abolish Standards for England;
 - to remove the national Code of Conduct for councillors and the requirement to have a Standards Committee;
 - to allow authorities to choose whether or not they wish to have a local code or a Standards Committee; and
 - to create a criminal offence relating to failure to register or declare interests.

The Hereford & Worcester Fire and Rescue Authority Standards Committee

7. Hereford & Worcester Fire and Rescue Authority's Standards Committee comprises 5 Independent Members and 2 Members appointed from the Authority. The 5 Independent Members are as follows:
 - Mr R Gething; (Chairman)
 - Mr C Emeny;
 - Dr M Mylechreest;
 - Mr R Rogers; and
 - Mr D Stevens.
8. In June 2008 the Authority resolved to extend the term of the Independent Members until the Annual General Meeting this year (22 June 2011).

The Extension of the Appointment of the Independent Members of the Standards Committee

9. Each Authority decides how to select Independent Members and how long an Independent Member should sit on the Committee. This period of time should be long enough for them to gain an understanding of the Committee, the Authority and its workings, but not so long that independence is lost. Standards for England normally recommend that Independent Members should serve no longer than two four-year terms, however, this is at the discretion of each Authority.
10. The recruitment of Independent Members requires publication of the vacancies in the press, followed by an application and interview process, after which suitable applicants would be nominated for approval by the Authority.
11. Prior to the government's announcement of proposals to abolish the Standards' regime as it currently exists, it was the intention of the Authority to proceed with the normal recruitment process for the selection of Independent Members for the Standards Committee and to present nominations for approval at the Annual General Meeting.
12. Standards for England, recognising the difficulties now facing Authorities considering appointing Independent Members to Standards Committees, published the following guidance:

"We have been asked if an Authority has to follow our recommendation that Independent Members serve no more than two terms of four years after which new Members should be recruited. Some authorities are concerned that, given the current uncertainty regarding the future of the Standards regime, it may be preferable to retain those who have been trained and understand their role rather than to try to recruit and appoint new Members.

In light of the uncertain future of the Standards framework we advise that, as long as the original appointment was carried out in accordance with all the correct legal requirements at the time (e.g. approved by full council, after being openly advertised and having assessed the suitability of all the

applicants) an Authority can extend that term for a further period. This can only be done during the term of office of an existing Independent Member and by approval from full council. Once the Independent Member's term has expired the full recruitment procedures must be followed again."

(Standards for England - Bulletin No. 48, August 2010 – see appendix 1 attached).

13. The Chairman of Standards for England has written to the Chairs of Standards Committees, including the following advice:

"The Government also intends to remove the national Code of Conduct for councillors and the requirement to have a Standards Committee. Instead it would be for councils themselves to choose whether or not they wish to have a local code or a Standards Committee (which would be an 'ordinary Committee' of the Authority and therefore not need to have Independent representation)".

14. The Clerk, having regard to the above, and considering the following factors:

- The likely abolition of the Standards regime in early 2012;
- The uncertain future for Standards Committees;
- The time and expense required to recruit and train Independent Members; and
- The knowledge, skills and experience of our existing Independent Members.

recommends to the Authority that the term of appointment of the current Independent Members of the Standards Committee be extended until 30 June 2012, or until the Standards Committee is disbanded, whichever is the sooner.

Conclusion

15. All of the 5 Independent Members of the Authority's Standards Committee have confirmed that they are willing to continue to serve, subject to approval by the Authority.

Financial Considerations

Consideration	Yes/No	Reference in Report i.e. paragraph no.
There are financial issues that require consideration	Y	10 and 13

Legal Considerations

Consideration	Yes/No	Reference in Report i.e. paragraph no.
There are legal issues e.g. contractual and procurement, reputational issues that require consideration	Y	The whole report

Additional Considerations

16. The table below sets out any additional issues arising from the proposals contained in this report and identifies the relevant paragraphs in the report where such issues are addressed.

Consideration	Yes/No	Reference in Report i.e. paragraph no.
Resources (e.g. Assets, ICT, Human Resources, Training & Development, Sustainability).	Y	13
Strategic Policy Links (e.g. IRMP, Authority Plan, Equality & Diversity, Partnerships, Environmental Impact).	N	
Risk Management / Health & Safety (e.g. risk management and control measures, risk register score).	N	
Consultation with Representative Bodies	N	

Supporting Information

Appendix 1 – Bulletin No. 48, published by Standards for England, August 2010.

Background papers – Minutes of the Annual General Meeting of Hereford & Worcester Fire and Rescue Authority held on 16 June 2008.

Contact Officer

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Introduction

This Bulletin comes at a time of big change for us following the Government's announcement of its intention 'to abolish the Standards Board regime'. Whilst we still await the detail of this policy, we will share with you what we know about what is proposed, and outline the timetable for our closure.

Although we have had to modify our work programme in light of this proposal, we remain 'open for business' and set out in this Bulletin our schedule of activities for the coming year. We are committed to continuing to work with you and support you in operating the standards framework successfully.

This is a sad month for us as we say goodbye to many valued staff leaving the organisation in our first wave of redundancies. We are losing people who have contributed much to this organisation, and many of whom have worked for us for some time. They will be much missed. We wish them all well in their future endeavours and thank them sincerely for their hard work.

The Future of Standards for England and the Standards Framework

The Government's 'Programme for Government' of 20 May 2010 contained the commitment to "abolish the Standards Board regime". Primary legislation is needed to abolish Standards for England, and we expect the provisions to be included in the planned Decentralisation and Localism Bill which is due to be presented in late 2010, with Royal Assent anticipated between July and October 2011. This is likely to lead to final closure of this organisation sometime between 31 December 2011 and 31 March 2012. We have not seen any transitional provisions at this stage but will provide an update in a later Bulletin, when we know more.

In the light of these circumstances we have reviewed our business plan for this year and next. Our current priorities are to fulfil our statutory duties, to support local authorities in maintaining high standards and to assist the government in developing and implementing any new arrangements they may choose to put in place.

In the meantime, the local standards framework still exists and standards committees and monitoring officers have an obligation to keep the system operating.

In order to assist you we will:

- Continue to provide advice and information to those who phone or write to us with queries about the standards regime via our enquiries helpline, monitoring officer helpline or press helpline. We will respond immediately where we can by telephone or in writing by post or email.
- Update our guidance on the framework to make it easier to use.

There will be changes to the content of the guidance where sections may be out of date, inaccurate or incorrect. We have received several suggestions from stakeholders and will incorporate these in the guidance where appropriate.

The format of the guidance is changing to make it easier to use and more helpful. It will highlight all statutory requirements and provide a link to the relevant legislation.

We are not proposing to produce any other new guidance products, unless a specific need is identified. All revised guidance will only be available via our website.

- Produce an updated case review.

As a result of a request from the Association of Council Secretaries and Solicitors, and to assist the standards community as a whole, we are updating the Case Review 2007 to reflect cases decided by the First Tier and Upper Tribunals since the Case Review was last updated in 2008.

- Continue to carry out investigations referred to us by standards committees.

See the article towards the end of this bulletin on the factors we take into account when deciding whether to accept cases for investigation

- Maintain existing relationships with key stakeholder organisations.

Standards for England will continue to provide support to those in the regulated and standards community who have requested our help with ethical issues.

- Meet requests for staff to give presentations or attend training events.

We will continue to provide staff and material for presentations and training events where we are requested to attend and where it fits in with our current business plan.

- Maintain our web site as a resource to support standards committees.

We will carry out routine maintenance of our website and the guidance we provide on it. We have published our Annual Report and Annual Accounts online but we will not be printing these publications.

An update on monitoring returns

In June 2010 we sent out an email to all monitoring officers explaining that we had decided to postpone the return for the April to June quarter. As part of the review of the Business Plan we considered our requests for local authorities to complete quarterly monitoring. There will be no further requests for the submission of quarterly or annual returns. We do not anticipate re-establishing these procedures, unless a specific monitoring need arises in which we have to play a part.

The online questionnaires have been removed from our website and are now inaccessible. However, the information submitted by local authorities is available on request. If any authority wishes to obtain a copy we can provide them with pdf versions of any of the following:

- The standards committee composition details, correct as of the last date of monitoring (31 March 2010)
- Two years of case information, listed in chronological order by date received
- Annual Return 2008/09
- Annual Return 2009/10

Please email requests to authorityreturns@standardsforengland.gov.uk

Aggregated summary statistics of the quarterly return information are still available online at

<http://www.standardsforengland.gov.uk/CaseinformationReporting/Localstatistics/>

We will shortly be publishing an online report of the annual return information collected for 2009/10. This includes an introduction to the data, a key figures page, a summary of the findings and a full list of all the most common responses to each question.

Acceptance of Complaints by SfE

We have reviewed the factors we take into account when assessing if we will accept cases in the public interest, referred to us by local standards committees, for investigation. We reviewed the factors to see whether they were still appropriate taking into account the Government's stated policy, its localist approach to regulation of local government and our reduced budget.

We concluded that both the underlying criterion of public interest and the relating factors are consistent with our statutory purpose and continue to be valid while the current standards framework remains in place. Therefore we have not made any changes to the factors or criterion. However, when considering whether to accept cases we will have to have regard to the resources we have available and take account of the relative importance of cases.

Reappointment of Independent members

We have been asked if an authority has to follow our recommendation that independent members serve no more than two terms of four years after which new members should be recruited. Some authorities are concerned that, given the current uncertainty regarding the future of the standards regime, it may be preferable to retain those who have been trained and understand their role rather than to try to recruit and appoint new members. In light of the uncertain future of the standards framework we advise that, as long as the original appointment was carried out in accordance with all the correct legal requirements at the time (e.g. approved by full council, after being openly advertised and having assessed the suitability of all the applicants) an authority can extend that term for a further period. This can only be done during the term of office of an existing independent member and by approval from full council. Once the independent member's term has expired the full recruitment procedures must be followed again.

Tell us how it should be done

The Standards Forum now has more than 1,100 users and over 200 posts on almost 70 different topics. The subjects of vexatious complaints, informing the subject member about a complaint and promoting ethical behaviour continue to be popular. More recently posts about subject members resigning before an election and discussions about the future of the standards regime have been generating interest.

If you have anything to say about these issues or if you want to share good practice, seek advice from your peers or simply draw attention to something you think might be relevant to others, do it on the Forum. To have your say, visit:

www.standardsforengland.gov.uk/resources/TheStandardsForum/

The Forum is open to members of standards committees, monitoring officers and other relevant council officers. If you are not currently registered for the Forum and would like to have access, please email: forum@standardsforengland.gov.uk

10. Audit Committee Report

Purpose of report

1. To inform the Authority of the proceedings of the Audit Committee Meeting held on 26 January and to note the Annual Audit Letter
-

Recommendation

The Audit Committee recommends that the Authority note the proceedings of the Committee Meeting held on 26 January 2011 and the annual Audit Letter 2009/10.

Business conducted at the Meeting

2. The main items for consideration at the meeting were presented by the Audit Commission and included:
 - Audit 2009/10 – The Annual Audit Letter from the Audit Commission to the Authority; and
 - Audit 2010/11 – The Audit Strategy.

Audit 2009/10 – The Annual Audit Letter

3. The Letter summarises the findings by the Audit Commission in relation to the audit 2009/10, comprising 2 elements:
 - i. The Audit of Financial Statements; and
 - ii. The Value for Money Assessment.
4. The Committee noted that in 2009/10 the Authority reported its best ever annual performance in terms of the lowest total number of incidents, together with delivering a number of five-year performance records in key areas. There was also a further reduction in the number of accidental fire-related deaths and non-fatal injuries in the home compared to the previous year.
5. The Commission reported that through centralised control of crewing the Service had achieved annual savings whilst at the same time increasing firefighter availability.
6. However, at the time of writing the Annual Audit Letter investigations into the matter of the retirement of the previous Chief Fire Officer were ongoing and, as a result, the Commission had not issued the statutory Value for Money (VFM) conclusion for 2009/10. It was hoped to finalise this matter in the near future and close the 2009/10 audit. (A copy of the Annual Audit Letter 2009/10 is attached at appendix 1).

Audit 2010/11 – The Audit Strategy

7. The Audit Commission presented the Audit Strategy for 2010/11, which outlined the following:
- The Fee for the Audit;
 - Audit risks and testing strategy;
 - The proposed timetable for the audit;
 - The Value for Money conclusion;
 - The Audit Team;
 - The planned output; and
 - The proposed meetings with Officers of the Authority.

Other Business

8. The Clerk presented an update on the work of the Governance Review Group which is currently reviewing the Whistleblowing Policy, the Anti-Money Laundering Policy and the Anti-Fraud and Corruption Policy.
9. The Committee noted an update on the work of the Internal Auditor.

Financial Considerations

Consideration	Yes/No	Reference in Report i.e. paragraph no.
There are financial issues that require consideration	Y	7

Legal Considerations

Consideration	Yes/No	Reference in Report i.e. paragraph no.
There are legal issues e.g. contractual and procurement, reputational issues that require consideration	Y	6

Additional Considerations

10. The table below sets out any additional issues arising from the proposals contained in this report and identifies the relevant paragraphs in the report where such issues are addressed.

Consideration	Yes/No	Reference in Report i.e. paragraph no.
Resources (e.g. Assets, ICT, Human Resources, Training & Development, Sustainability).	N	
Strategic Policy Links (e.g. IRMP, Authority Plan, Equality & Diversity, Partnerships, Environmental Impact).	N	
Risk Management / Health & Safety (e.g. risk management and control measures, risk register score).	N	
Consultation with Representative Bodies	N	

Supporting Information:

Appendix 1: The Annual Audit Letter 2009/10

Background Papers: Agenda and Reports for the Audit Committee Meeting on 26 January 2010. (see www.hwfire.org.uk).

Contact Officer

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Annual Audit Letter

Hereford and Worcester Fire and Rescue Authority
Audit 2009/10

The Audit Commission is an independent watchdog, driving economy, efficiency and effectiveness in local public services to deliver better outcomes for everyone.

Our work across local government, health, housing, community safety and fire and rescue services means that we have a unique perspective. We promote value for money for taxpayers, auditing the £200 billion spent by 11,000 local public bodies.

As a force for improvement, we work in partnership to assess local public services and make practical recommendations for promoting a better quality of life for local people.

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Key messages

This report summarises my findings from the 2009/10 audit. My audit comprises two elements:

- **the audit of your financial statements (pages 8 to 11); and**
- **my assessment of your arrangements to achieve value for money in your use of resources (pages 12 to 15).**

I have included only significant recommendations in this report. The Authority has accepted these recommendations.

Overview

1 You have continued to focus on delivering good value services in line with your plans and priorities. The Authority has reported its best ever annual performance in terms of the lowest total number of incidents together with delivering a number of five year performance records in key areas. You have reported a further reduction in 2009/10 in the number of accidental fire related deaths and non-fatal injuries in the home compared to last year.

2 There has been a sustained focus on achieving your priorities through challenging resource use. Through centralised control of crewing annual savings have been achieved whilst at the same time increasing firefighter availability.

3 However there are challenging times ahead. Unprecedented Government funding cuts will mean that Fire and Rescue authorities, councils and other public services will need to work both harder and smarter. You have already been proactive in recognising the need for change through a restructuring of roles and responsibilities at a senior level in the Authority and Meeting the Challenge project. However, maintaining financial resilience in the light of these pressures will be key. The robustness of your financial management and the future service and financial strategy will be key to the Authority in achieving its priorities. I will continue to work closely with you during this period.

4 At the time of writing this letter my investigations into the matter of the retirement of the previous Chief Fire Officer are ongoing and I will look to report my findings in the near future. As a result I have not yet been able to issue the statutory Value for Money (VFM) conclusion for 2009/10 or close the audit.

5 The Authority appointed a new Chief Fire Officer in April 2010. You have undertaken a thorough review of your governance arrangements and implemented changes to improve them where necessary.

Current and future challenges

6 The Coalition Government's Comprehensive Spending Review (CSR) announced on 20 October 2010 that over the four year period 2011/12 to 2014/15 the reduction to formula grant will be 25 per cent. This reduction is likely to be back-loaded by the Government so that in the first year the formula grant reduction will be single figures (in percentage terms) with the larger proportion of the cuts falling to years three and four.

7 The Authority has recognised the reductions in funding and preparations have commenced in several areas to minimise their impact. The scale of reductions in funding announced in the CSR is greater than included within the authority's medium term financial plan approved early in 2010. In light of this the Authority will have to make difficult decisions to reduce its costs and maintain its financial standing position. The Chief Fire Officer has recently met with Government ministers to explain the challenges facing the service. There will undoubtedly be uncertainties for staff during this period and senior management will play a key role in managing its impact on staff and in ensuring high quality services are maintained.

Audit opinion and financial statements

8 I issued an unqualified opinion on the Authority's accounts on 30 September 2010. In my opinion the accounts give a true and fair view of your financial affairs and those of the firefighters' pension fund for the year.

9 The financial statements were presented for audit on 21 May 2010 significantly before the statutory deadlines. Whilst there was a significant improvement from last year I identified errors in the draft financial statements (other than those of a trivial nature) and reported these to management. All of these were amended for in the final financial statements. Full details of the findings from my audit have been reported to members in the Annual Governance Report I presented to the Audit Committee on 30 June 2010.

Value for money

10 As well as issuing an opinion on the financial statements, I am required to assess your arrangements to achieve economy, efficiency and effectiveness in your use of money, time and people against criteria specified by the Audit Commission. From the work I have completed on the criteria which are not affected by the matter of the retirement of the outgoing Chief Fire Officer I was able to conclude that your overall performance had been maintained.

11 Until my work into the circumstances of the retirement of the outgoing Chief Fire Officer is complete I am unable to reach an overall VFM conclusion on the Authority's arrangements for securing economy, efficiency and effectiveness in the use of resources or to close the audit of the accounts. I would hope to issue my report and conclusion shortly.

Financial statements and annual governance statement

The Authority's financial statements and annual governance statement are an important means by which the Authority accounts for its stewardship of public funds.

I gave an unqualified opinion on the Authority's 2009/10 financial statements on 30 September 2010, in line with the statutory target date.

Overall conclusion from the audit

12 I issued an unqualified opinion on the Authority's accounts on 30 September 2010. This was in line with the statutory deadline. In my opinion the accounts give a true and fair view of your financial affairs and those of the firefighters' pension fund for the year.

13 Before giving my opinion I reported to those charged with governance, the Audit Committee, on the issues arising from the 2009/10 audit. I presented my Annual Governance Report on 30 June 2010 and only the most significant issues arising are repeated in this letter.

Amendments to the financial statements

14 The financial statements were presented for audit on 21 May 2010 significantly before the statutory deadline. The early closure of accounts is in line with good practice however it does present challenges for the Authority in having robust preparation and quality assurance processes in place.

15 I am pleased to report that the financial statements and working papers presented for audit were a significant improvement upon those presented last year. However, as part of my audit I did identify errors (other than those of a trivial nature) and reported these to management. All of these were amended. The three significant amendments that I wish to bring to your attention are summarised in paragraphs 16 to 18.

Inclusion of contingent asset

16 An amendment was made for the removal of income from the Authority's income and expenditure account and subsequent inclusion as a contingent asset note to the financial statements. This was in respect of potential income relating to the potential liabilities of the constituent authorities in the matter of the outgoing Chief Fire Officer.

Disclosure of accounting for Council Tax debtors

17 The Statement of Recommended Practice (SORP) issued by CIPFA included a new requirement for the accounting for council tax debtors. Your financial statements now need to reflect the fact that cash collected by the major billing authorities (which are Herefordshire Council and the six district councils in Worcestershire) from Council Tax payers belongs proportionately to the billing authorities and the major preceptors (which include the Authority together with Worcestershire County Council and West Mercia Police Authority). My audit found that the entries in 2009/10 and those restated for 2008/09 were incorrect. The amendments were not material to my opinion and there was no impact on the deficit shown on the Income and Expenditure Account for the year.

Disclosure of the Firefighters' Pension Fund

18 I reviewed the disclosure of your Firefighters' pension fund in line with the requirements of the SORP and discussed its presentation with your officers. As a result changes were made to the disclosures within the authority's cash flow statement and your firefighters' pension fund financial statements. The changes had no impact upon the deficit shown on the authority's Income and Expenditure account for the year.

Significant weaknesses in internal control

19 I did not identify any significant weaknesses in your internal control arrangements. However a number of control and process weaknesses have impacted upon the efficiency of my audit and required additional audit testing. These are detailed in paragraphs 20 to 22.

Data submission to the Government's Actuary Department

20 A weakness was identified in the arrangements for the review of data sent to the Government's Actuary Department for the calculation of the Firefighters' Pension Fund accounting entries. Following the identification of the issue at last year's audit improvements to the arrangements were expected to be made however this was found not to be the case. I undertook additional audit testing on the data submitted and was satisfied that no material error had occurred.

Self-certification of journals

21 During my audit I identified six journals processed through the ledger to the value of £1.85million which had been created and authorised by the same person. These journals related to the transfer of amounts between general ledger codes and did not impact on the Authority's cash balances. From the additional tests undertaken I was satisfied that these journals had not given rise to a misstatement in the financial statements.

Asset management module of the general ledger

22 At the time of the audit only one member of the finance team had detailed knowledge of the recently implemented asset management module. Although this did not result in any errors being identified in your financial statements this knowledge should be shared across the finance team and the authority is improving its arrangements in this area.

Outgoing Chief Fire Officer

23 I was able to satisfy myself that the provision for costs associated with the outgoing chief fire officer included in the authority's financial statements was not materially misstated.

24 At the time of writing this letter my investigations into the matter of the retirement of the previous Chief Fire Officer are ongoing and I will look to report my findings in the near future. As a result I have not yet been able to issue the statutory Value for Money (VFM) conclusion for 2009/10 or close the audit.

25 The Authority appointed a new Chief Fire Officer in April 2010. It has undertaken a thorough review of its governance arrangements and implemented changes to improve its arrangements.

Audit fees

26 The Authority is addressing the weaknesses identified above. However, as a result of them I have had to undertake further audit testing beyond that originally planned, specifically in the area of detailed checking of the data submitted to the Government's Actuary's Department for the calculation of the Firefighters' pension fund accounting entries. This has resulted in an additional fee of £2,235. The costs relating to my investigation in the retirement of the outgoing Chief Fire Officer will be reported separately to the Authority. Appendix 1 summarises the current position.

Whole of Government Accounts

27 The Whole of Government Accounts (WGA) cover approximately 1,300 bodies. They aim to provide commercial style accounts for the public sector and are prepared by HM Treasury.

28 To support these accounts I am required to submit a consolidation pack which summarises the Authority's financial statements in a consistent way with other local government bodies. I submitted this consolidation pack with a statement confirming that it was consistent with the Authority's audited financial statements on 1 October 2010.

National Fraud Initiative

29 The Audit Commission runs the National Fraud Initiative exercise which matches electronic data within and between audited bodies to prevent and detect fraud every two years. The Authority submitted data returns for the 2008/9 exercise in line with timescales, followed up any identified matches and received full reports throughout the process. It has provided data for the current exercise and has arrangements in place to review any identified matches in early 2011.

International Financial Reporting Standards

30 Implementation of IFRS is a major challenge for all authorities and requires substantial preparatory work. Important milestones are:

- restating 2009/10 balances on an IFRS basis;
- completing skeleton accounts and updating accounting policies; and
- continuing to ensure the Audit Committee is appropriately informed and engaged in the process.

31 I am in regular dialogue with you over your progress. When I last updated my assessment, you had some minor issues in respect the determination of the treatment of a material lease, the introduction of a new requirement for the componentisation of non current assets and the level of engagement of members but were on-track to meet the targets set. The national picture is broadly similar, advising that authorities need to maintain or increase the momentum in identifying and resolving any remaining issues (available through the Audit Commission website <http://www.audit-commission.gov.uk/localgov/audit/auditmethodology/financialmanagement/ifrs/Pages/20101005ifrsprogresstransition.aspx>.)

32 I will continue to monitor your progress and undertake a review of the restated balances once complete.

33 As noted above, the introduction of IFRS will lead to significant changes to the content and format of the financial statements. I have asked the Audit Committee to consider whether it will have the necessary skills and knowledge to fulfil its duties when presented with the accounts in June 2011. I would be happy to assist the Authority with this if you believe it would be helpful.

Value for money

I considered whether the Authority is managing and using its money, time and people to deliver value for money.

I assessed your performance against the criteria specified by the Audit Commission and will report the outcome as the value for money (VFM) conclusion.

2009/10 use of resources assessments

34 At the end of May 2010, the Commission wrote to all chief executives to inform them that following the government's announcement, work on CAA would cease with immediate effect and the Commission would no longer issue scores for its use of resources assessments.

35 However, I am still required by the Code of Audit Practice to issue a value for money conclusion. I have therefore used the results of the work completed on the use of resources assessment up to the end of May to inform my 2009/10 conclusion.

36 I report the significant findings from the work I have carried out to support the vfm conclusion.

VFM conclusion

37 I assessed your arrangements to achieve economy, efficiency and effectiveness in your use of money, time and people against criteria specified by the Audit Commission. The Audit Commission specifies each year, which Key Lines of Enquiry (KLOE) are the relevant criteria for the VFM conclusion at each type of audited body.

38 I am currently considering matters relating to the retirement of the outgoing Chief Fire Officer. Until my work here is complete, I am unable to reach an overall VFM conclusion on the Authority's arrangements for securing economy, efficiency and effectiveness in the use of resources. However, I would hope to issue my conclusion shortly.

39 In order to assist you I have summarised my findings to date below.

Criteria	Adequate arrangements?
Managing finances	
Planning for financial health	Yes
Understanding costs and achieving efficiencies	Yes
Financial Reporting	Yes
Governing the business	
Commissioning and procurement	Yes
Use of information	Yes
Good governance ²	Under review
Risk management and internal control ²	Under review
Managing resources	
Natural Resources	Yes
Workforce ¹	Yes
¹ Brought forward from 2008/09	
² currently subject to review as part of outgoing CFO investigation	

Managing Finances

40 The Authority has robust processes for the monitoring its finances, performance and managing its budgets. The budget is approved in a timely and efficient manner having been subjected to robust challenge on linkages between finance and service planning by members.

41 There has been a sustained focus on achieving priorities through challenging resource use. This has resulted in redirection of some resources. Centralised coordination of crewing was introduced, with a reduction in firefighter posts and introduction of a resilience register. These arrangements have enabled annual savings of £420K and increased firefighter availability. These savings have contributed to the Authority being on course to deliver the planned cashable efficiency savings of over £700K over the three year period 2008/09 to 2010/11. The introduction of a revised sickness management policy has had impact and delivered non cashable efficiency savings estimated to be worth £133K per annum.

42 There is a track record of performing within budget while achieving good service performance. The arrangements for the production of the 2009/10 financial statements were improved from last year.

Governing the Business

43 The Authority engages with communities through its community safety work and educational activities. You are an active partner to the compact agreements between public sector organisations and the voluntary community services in both constituent county areas. The consultation process for your Integrated Risk Management Plan continues to improve leading to better engagement with the shaping of future plans for service delivery. The Authority takes the lead with its other public service partners on road safety in Herefordshire to reduce the number of injuries and deaths.

44 For purchases whole life costs are considered. You work with neighbouring authorities not only to take advantage of lower costs but also on equipment to obtain compatibility of procedures, share training costs and obtain improved functionality. The Authority complies with requirements on the use of national procurement arrangements and sources purchases locally.

45 The performance management framework is robust and produces reliable data. Performance data is shared with the Authority's partners to improve services throughout the constituent county areas.

46 The Authority identified in 2009/10 that improvements could be made to its committee arrangements for example by bringing together the functions of its Budget Committee and its Best Value Committee. The review that has been undertaken has covered arrangements and terms of reference for all committees. The results of this review have been implemented in the 2010/11 year.

47 In particular the terms of reference for the Standards committee required that it meet as a minimum once in the financial year 2009/10 with additional meetings being called if issues arose. The Authority recognised that the annual frequency of meeting limited the ability of this committee to influence arrangements and so deliver its objectives. These arrangements have been reviewed by the authority.

48 The Authority is party to many partnerships and has recognised that arrangements have developed over time. A Partnership working group has been established to improve the framework in place and review the cost/benefit of its participation.

49 There is an extensive robust operational risk management framework which has been further improved in the year. A Code of Corporate Governance based on the CIPFA/SOLACE model is in place.

Managing Resources

50 The Authority is in the early stages of developing and implementing its procedures to monitor its use of natural resources. An environmental policy is in place and a strategy is being developed. The process for decisions on capital acquisitions includes consideration of environmental impact.

Approach to local value for money work from 2010/11

51 Given the scale of pressures facing public bodies in the current economic climate, the Audit Commission has been reviewing its work programme for 2010/11 onwards. This review has included discussions with key stakeholders of possible options for a new approach to local value for money (VFM) audit work. The Commission aims to introduce a new, more targeted and better value approach to local VFM audit work.

52 My work will be based on a reduced number reporting criteria, specified by the Commission, concentrating on:

- securing financial resilience; and
- prioritising resources within tighter budgets.

53 I will determine a local programme of VFM audit work based on my audit risk assessment, informed by these criteria and my statutory responsibilities. I will no longer be required to provide an annual scored judgement relating to my local VFM audit work. Instead I will report the results of all my local VFM audit work and the key messages for the Authority in my annual report to those charged with governance and in my annual audit letter.

Current and future challenges

Public sector finances

54 The authority's three year Medium Term Financial plan (MTFP) approved in February 2010 identified a shortfall of £2.5million in the period 2011/12 to 2013/4 based on a suite of assumptions including a minimum level of reserves of £1.5million.

55 The Government's Comprehensive Spending Review (CSR) announced on 20 October 2010 that over the four year period 2011/12 to 2014/15 the reduction to formula grant will be 25 per cent. This reduction is likely to be back-loaded by the Government so that in the first year the formula grant reduction will be single figures (in percentage terms) with the larger proportion of the cuts falling to years three and four.

56 The robustness of your financial management together with future service and financial strategies will be key to the Authority in achieving its priorities and maintaining financial resilience.

57 The Authority has recognised the reductions in funding and preparations have commenced to minimise their impact. You have already been proactive in recognising the need for change through a restructuring of roles and responsibilities at a senior level in the Authority and Meeting the Challenge project.

58 The scale of reductions in funding announced in the CSR is greater than included within the authority's MTFP. For effective financial management the Authority will have to make difficult decisions to reduce its costs, to maintain its financial standing position and to continue to closely monitor its financial position. The Chief Fire Officer has recently met with Government ministers to explain the challenges facing the service. There will undoubtedly be uncertainties for staff during this period and senior management will play a key role in managing its impact on staff and in ensuring high quality services are maintained.

59 The impact of the pressures on public sector finances will continue to present the Authority with significant challenges. I will continue to monitor the Authority's response and actions in this key area.

Business continuity in the fire and rescue service

60 In September 2010 the Audit Commission reported upon business continuity in the fire and rescue service³. The scope of the report was limited to a survey by the Audit Commission and self-assessment by fire services. The findings were subject to some targeted verification work and overview by expert peers. It concluded that all fire and rescue services had adequate business continuity plans in place and that resilience, nationally, was improving. Specifically for Hereford and Worcester Fire and Rescue Service it concluded:

Overall, Hereford and Worcester FRS has satisfactory business continuity management arrangements in place. The FRS has good plans in place to deal with a mass absence of staff. The Service identifies all critical activities and managers give good support for plans. It exercises the majority of plans, learning is captured and changes made as a result. Stakeholders have a high awareness of the Service's BC plans. The FRS is fully aligned to the British Standard and has undergone third-party audit. There are good arrangements in place for communicating to the public that are recently exercised and tested. The FRS identifies what capacity it needs to deal with disruptions to services. Its degradation arrangements are outlined in its Operational Intervention Resilience Plan which divides the Service in three sections that include flexi-duty, whole-time and the retained duty system (RDS). All sections are tested for all three scenarios – flu pandemic, industrial action and severe weather.

3 - Business continuity management - The fire and rescue service, Local Government Report September 2010, The Audit Commission

Closing remarks

61 I have discussed and agreed this letter with the Chief Fire Officer and the Treasurer. I will present this letter at the Audit Committee on 26 January 2011 and will provide copies to all Authority members.

62 Full detailed findings, conclusions and recommendations in the areas covered by our audit were included in the reports I issued to the Authority during the year.

Report	Date issued
Opinion Audit plan	January 2010
Annual Governance Report	June 2010
Whole of Government Accounts Opinion	October 2010

63 The Authority has taken a positive and helpful approach to our audit. I wish to thank the Hereford and Worcester Fire and Rescue Authority staff for their support and cooperation during the audit.

64 Following the Government's announcement of the abolition of the Audit Commission, I would like to re-assure Authority members that we will deliver the Authority's 2010/11 and 2011/12 audits. The Audit Commission is writing to all the organisations we audit to explain that current audit arrangements will continue up to and including 2011/12 audits.

Grant Patterson
District Auditor
November 2010

Appendix 1 – Audit fees

	Actual	Proposed	Variance
Financial statements and annual governance statement	£ 52,019	£ 49,784	£ 2,235 ⁴
Value for money	22,086	22,086	0
Total audit fees	74,105	71,870	2,235
Non-audit work	0	0	0
Total	£74105	£71870	£2235

⁴ - additional fees for additional audit procedures (paragraph 19)

Appendix 2 – Glossary

Annual governance statement

Governance is about how local government bodies ensure that they are doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner.

It comprises the systems and processes, cultures and values, by which local government bodies are directed and controlled and through which they account to, engage with and where appropriate, lead their communities.

The annual governance statement is a public report by the Authority on the extent to which it complies with its own local governance code, including how it has monitored the effectiveness of its governance arrangements in the year, and on any planned changes in the coming period.

Audit opinion

On completion of the audit of the accounts, auditors must give their opinion on the financial statements, including:

- whether they give a true and fair view of the financial position of the audited body and its spending and income for the year in question;
- whether they have been prepared properly, following the relevant accounting rules; and
- for local probation boards and trusts, on the regularity of their spending and income.

Financial statements

The annual accounts and accompanying notes.

Qualified

The auditor has some reservations or concerns.

Unqualified

The auditor does not have any reservations.

Value for money conclusion

The auditor's conclusion on whether the audited body has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of money, people and time.

Whole of Government Accounts (WGA)

Whole of Government Accounts (WGA) are commercial-style accounts covering all the public sector and include some 1,700 separate bodies. HM Treasury coordinates WGA who decides the form and content of the accounts and chooses the bodies to be included in the accounts for any financial year.

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November 2010

11. Policy and Resources Committee Report

Purpose of report

1. To inform the Authority of the proceedings of the Committee Meeting held on 28 January 2011.

Recommendation

The Policy and Resources Committee recommends that the Authority note the proceedings of the Committee Meeting held on 28 January 2011.

The Business of the Meeting

2. The Committee noted that the Chief Fire Officer had used the Urgent Decision procedure in December 2010 following the government's announcement that it was not proceeding with the Regional Control Centre proposals. (See item 12 on Fire and Rescue Authority agenda 16 February 2011.)
3. The Committee considered draft proposals for the Authority's budget 2011/12 based on the Grant Settlement and Council tax figures as known at the time of the meeting and recommended the draft budget for approval by the Authority on 16 February 2011. (See item 13 on Fire and Rescue Authority agenda 16 February 2011.)

Financial Considerations

Consideration	Yes/No	Reference in Report i.e. paragraph no.
There are financial issues that require consideration	N	

Legal Considerations

Consideration	Yes/No	Reference in Report i.e. paragraph no.
There are legal issues e.g. contractual and procurement, reputational issues that require consideration	N	

Additional Considerations

4. The table below sets out any additional issues arising from the proposals contained in this report and identifies the relevant paragraphs in the report where such issues are addressed.

Consideration	Yes/No	Reference in Report i.e. paragraph no.
Resources (e.g. Assets, ICT, Human Resources, Training & Development, Sustainability).	N	
Strategic Policy Links (e.g. IRMP, Authority Plan, Equality & Diversity, Partnerships, Environmental Impact).	N	
Risk Management / Health & Safety (e.g. risk management and control measures, risk register score).	N	
Consultation with Representative Bodies	N	

Supporting Information

None

Background Papers

Agenda and Reports for the Meetings of the Policy and Resources Committee held on 28 January 2011.

(The background papers can be viewed on the Service website: www.hwfire.org.uk).

Contact

Committee Services
01905 368367

12. Urgent Decision No. 1/10

Purpose of report

1. To inform the Authority of the Urgent Decision of 16 December 2010 (UD 1/10).
-

Recommendation

The Chief Fire Officer and the Clerk recommend that the Authority notes the Urgent Decision made on 16 December 2010.

Introduction and Background

2. The Authority reviewed the structure and the Terms of Reference of all of its Committees on 28 September 2010.
3. Within that review it was decided to replace the role and functions of the Urgent Decisions Committee with a new procedure to deal with any matters which were urgent and where it would be impractical to call a meeting of the Authority.

The Urgent Decisions Procedure

4. The Authority agreed on 28 September 2010 that the Urgent Decisions Committee be disbanded and that decisions be delegated to the Chief Fire Officer in consultation with Group Leaders, where the Monitoring Officer, in consultation with the Chairman, agreed that the decision was urgent and that it would be impractical to call a meeting of the Authority.
5. The Authority further resolved that ***“The use of the proposed Urgent Decision procedure is reported at full Authority meetings”***.
6. In December 2010 the Chief Fire Officer and the senior management of the Service grew increasingly concerned regarding the future of the Regional Control Centre (RCC) project and the probability that the Government might abandon the proposed Centre. The Chief Fire Officer felt that there was an urgent need to put in place procedures to tender for new centre equipment should the RCC project be abandoned.
7. In order to address these concerns, the Urgent Decision procedure was used to permit the Service to go to tender for a replacement mobilising system.
8. The Urgent Decision record is attached (Appendix 1) and the case for the Decision is attached at Appendix 2.

Financial Considerations

Consideration	Yes/No	Reference in Report i.e. paragraph no.
There are financial issues that require consideration	Y	The whole report

Legal Considerations

Consideration	Yes/No	Reference in Report i.e. paragraph no.
There are legal issues e.g. contractual and procurement, reputational issues that require consideration	Y	The whole report

Additional Considerations

9. The table below sets out any additional issues arising from the proposals contained in this report and identifies the relevant paragraphs in the report where such issues are addressed.

Consideration	Yes/No	Reference in Report i.e. paragraph no.
Resources (e.g. Assets, ICT, Human Resources, Training & Development, Sustainability).	N	
Strategic Policy Links (e.g. IRMP, Authority Plan, Equality & Diversity, Partnerships, Environmental Impact).	N	
Risk Management / Health & Safety (e.g. risk management and control measures, risk register score).	Y	The whole report
Consultation with Representative Bodies	N	

Supporting Information

- Appendix 1 – Urgent Decision Record No. 01/10
- Appendix 2 - Fire Control Resilience Project Urgent Decision Proposal
- Background Papers – Minutes of the Hereford & Worcester Fire and Rescue Authority meeting 28 September 2010

Contact Officer

Anne Brown – Clerk to the Authority
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HEREFORD AND WORCESTER FIRE AUTHORITY

URGENT DECISIONS RECORD

URGENT DECISION NUMBER: 01/10

1. Outline of the issue to be decided

Tendering process for new control centre equipment

2. The Monitoring Officer, in consultation with the Chairman, shall agree that the matter is urgent and that it would be impractical to call a meeting of the Authority

Given the increasing likelihood of a change in government policy in this area and the impact and demand that is likely to immediately hit the market thereafter both the Chairman and Monitoring Officer are agreed that it would be potentially detrimental to the Authority's finances and resilience interests to delay deciding the issue as to whether a tendering process for new control room equipment should go ahead. Both the Chairman and the Monitoring Officer are agreed that it would be impractical to call a meeting if there is a Government announcement, especially taking into consideration the limited availability for a further meeting of the Policy and Resources Committee before the Christmas period.

Dated

Signed Anne Brown
Monitoring Officer

Signed [Signature]
Chairman of the Authority

16/12/2010.

3. Record of decision of the Chief Fire Officer, having regard to the consultation, with Group Leaders.

Group Leaders present on 16 December 2010: Cllrs. Jones, Taylor and Bean, with Cllr. Udall also in attendance, agreed that the tendering process for new control centre equipment as recommended in the attached briefing note be undertaken. The Chief Fire Officer's decision is that the Service can go to tender for a replacement mobilising system.

Dated

16/12/2010
Signed [Signature]
Chief Fire Officer and Chief Executive

Appendix: Fire Control Resilience Project Urgent Decision Proposal

HEREFORD AND WORCESTER FIRE AND RESCUE AUTHORITY

URGENT DECISIONS RECORD

URGENT DECISION NO. 01/10

Appendix: Fire Control Resilience Project Urgent Decision Proposal

Purpose

1. To request an urgent decision to allow the Service to proceed to tender for a replacement mobilising system.

Proposal

2. H&W FRS has been working for many years now to support progress on the national FireControl Project in accordance with the Service's National Framework document. Unfortunately, the project continues to be subject to delay, increasing cost and uncertainty driving increasing risks to the Service's current call-handling capability. It should be remembered that the RCC project was initially due to be delivered in 2007.
3. The Service's mobilising system is now 15 years old and has already been kept running 5 years beyond its originally anticipated renewal date. Whilst the equipment maker has agreed to support the system until December 2014 and the system supplier is renewing its commitment to support the system on an annual basis, at present costs attached to this are increasing year on year with system spares now very scarce across the country. In addition, annual maintenance extensions are now subject to increasing demands from the supplier for additional component renewals and replacements which are proving increasingly expensive.
4. During the past few months uncertainty over the future of the national project has grown. A Government announcement following the issuing of a letter of material breach of contract against Cassidian is imminent, and has been promised before the Christmas break. The Minister referenced this at his meeting with Chiefs and Chairmen on 15th December.
5. In August 2010 a project was commenced to scope the options available to the Service to reduce the risk attached to running an increasingly obsolete system and explore opportunities to deliver an interim solution. A detailed specification for an interim system has been developed and market tested for pricing through OCG buying solutions. The outcome of this process has suggested that the Authority could procure a replacement for its ageing system. This approach would:
 - significantly improve the functionality of current mobilising arrangements
 - provide a resilient transitional system should the national project continue but be subject to further delays
 - provide a viable, robust alternative solution should the national project be cancelled, and

- offer improved efficiency and resilience options through significantly strengthened fallback and potential shared call-handling arrangements with neighbouring FRSs
6. Replacing the mobilising system would also provide an opportunity for the Control function to be moved into FRA Headquarters. This would provide significantly improved working conditions for Control staff as well as delivering increased flexibility for the Asset Management Plan as regards the Worcester fire station site.
 7. The initial market testing process and financial analysis compares favourably with current indicative costings for the RCC. The final costing will not be able to be established until the proposal has been put through a full tender process.
 8. An urgent decision is requested to allow the project to proceed to a formal tender process to provide final, firm costings to support a decision regarding the options available to the Authority at the earliest opportunity.

13. Budget and Precept 2011/12 and Medium Term Financial Strategy

Purpose of report

1. To determine Revenue and Capital Budgets for 2011/12 and the consequential Council Tax Precept.
 2. To approve the Prudential Indicators and to set a Minimum Revenue Provision (MRP) policy for 2011/12.
 3. To identify potential future resources and their consequential impact on future year budgets.
-

Recommendations

The Treasurer recommends that the Authority:

- ***Approve the Capital Budget and Programme as set out at Appendix 5;***
- ***Approve the Statement of Prudential Code Indicators set out in Appendix 8;***
- ***Approve the Minimum Revenue Provision (MRP) policy for 2011-12 as set out in Appendix 9;***
- ***Approve the Revenue Budget, Net Budget Requirement and consequential precept as set out in Appendix 6; and***
- ***Note the MTFs as set out in appendices 7 and 7a with differing indicative levels of council tax precept.***

Background

4. In December 2010 the FRA considered the 2011/12 budget based on the provisional grant settlement, in conjunction with the Service need. The P&R Committee considered further progress at its meeting in January 2011 and in addition, a workshop was held for all Members in that month to ensure the widest and most up-to-date information was given to Members. The budget and council tax strategy outlined in this report are based on the paper received and discussion at the P&R Committee meeting in January 2011.
5. The grant settlement for 2011/12 has been confirmed as £10.407m, a 2.4% reduction on 2010/11. This is £0.002m less than the provisional grant announced in December.
6. Although this reduction is favourable compared to the average FRA reduction of 6.7%, it comes after several years of poor settlements and represents a slowing down rather than a halting of the deterioration in grant settlements.

7. Taken over the period 2004/05 to 2011/12 average FRA grant has declined by 0.7% whilst H&W grant has fallen by 2.1%. Other non-Metropolitan neighbours have benefited from substantial grant increase over the same period.

	04/05 to 10/11	10/11 to 11/12	04/05 to 11/12
H&W	0.3%	-2.4%	-2.1%
Shrops	17.5%	-9.5%	6.3%
Staffs	9.0%	-0.3%	8.7%
W Mids	4.9%	-9.5%	-5.1%
All FRA	5.7%	-6.7%	-0.7%

8. The Authority's grant settlement continues to be well below average at 69% of all FRAs and is now the second lowest per head in England.
9. For planning purposes the Senior Management Board has been working on an assumption that the tax-base would remain static in 2011/12. The final tax-base figures are more buoyant showing a 0.6% increase and a net surplus of £0.031m on collection funds was declared. A slightly higher net surplus figure was reported verbally to the P&R Committee on 28 January, pending information from one Billing Authority.
10. In accordance with government guidance and the FRA strategy on precept increases, the proposal for no increase in the precept entitles the FRA to receive a government grant equal to 2.5% (£0.519m) of the total precept. This is deducted from the core budget requirement (see appendix 1) to arrive at the recommended Net Budget Requirement.
11. The recommended 2011/12 Net Budget Requirement is £31.195m, representing a reduction of 0.6% over the previous year and requires no increase in the Council Tax. Details are set out in Appendices 1 to 4.

Efficiency Gains

12. The FRA has made significant efficiencies over the last 6 years to counter the consistently poor grant settlements and these have significantly exceeded the targets set by the previous government. Members will be aware of the details of these efficiencies, from previous FRA and Committee reports.

Capital Programme

13. The Capital Programme, using prudent financing assumptions and based on the agreed Asset Management Plan and Fleet Strategy and with the usual annual provision of £0.600m for minor buildings and IT schemes etc; is included as Appendix 5. The revenue consequences of the schemes, including financing costs, are included in the revenue budget projections in Appendices 1, 2 and 4, and the review of Prudential Indicators in Appendix 8.
14. In accordance with P&R Committee capital budget monitoring arrangements, the Capital Strategy provides for the proposed Major Buildings block in an illustrative and flexible way, but expenditure will only be incurred when a specific Business Case is approved by the P&R Committee.

15. In accordance with the FRA requirements a similar limitation applies to the non-routine vehicle replacements and a specific business case will be produced for the replacement Command Unit in 2013/14.

Capital Grant

16. Preparation of the Capital Programme and revenue budget consequences was based on the provisional grant settlement statement that Fire Capital Grant was not to be an automatic allocation to individual FRA, but was to be the subject of a form of bidding process. However on 3rd February DCLG allocated these sums directly to FRAs and H&W FRA will now receive an additional £1.173m of capital resource.
17. As this has been notified so late in the process, proposals for using this resource will be brought to P&R Committee in the usual way.

Investment of Surplus Funds

18. In accordance with the FRA Treasury Management Strategy, surplus funds are invested by, and with Worcestershire County Council.
19. Given the current situation in financial markets the Treasurer has advised that investment should primarily be focussed on security. As a consequence all surplus funds are invested with the Bank of England, and the corresponding low return continues to be factored into the budget.
20. Since October 2008 the FRA has adopted a policy of avoiding new long term borrowing, where working capital balances permit. It is likely that during 2011/12 this source will be effectively exhausted and long term borrowing will again be required to fund the capital programme.
21. The FRA will only extend long term borrowing when cash-flow requirements dictate that it is necessary.

Budget Risks

22. Setting a net budget requirement at **£31.195m** as referred to in paragraph 11 still presents risks, for example:
 - Pay Award – In accordance with the Chancellors stated policy on public sector pay, no provision has been made for increases in 2011/12. However, although Pay Awards are negotiated at a national level, central government is not a direct negotiating partner for local Government employees, and provision for a potential future award (averaging 2%) is made from 2012/13 onwards.
 - General Inflation – Provision for average inflation has been made at 3% (with higher increase for fuel, rates and utilities); current projections are for potentially higher levels. Each additional 1% costs £0.100m.
 - NI Rate Changes – Although the Chancellor announced that the % rise in Employer NI rates (due in April 2011) would be offset by changes in banding, it is not clear if this is entirely cost neutral for the mix of staff employed by the FRA.

- Firelink and FiReControl – Although the latter project has been cancelled, significant un-resolved legacy issues remain which officers are currently working to resolve. In the absence of clarity, the previous provision for RCC costs remains in future years' budgets, (2012/13 onwards).

23. These risks highlight the need to maintain a prudent level of revenue balances for purposes in addition to the potential operational impact.

Council Tax Capping

24. In order to qualify for the 2.5% Council Tax Freeze Grant the FRA must set a budget requirement that does not increase the Band D equivalent tax above the 2010/11 level.
25. For 2011/12 any Band D increase that is above 0% but less than 2.5% would yield less net spending power for the FRA, and levels above 2.5% would probably be subject to some type of capping regime, as this is the indicative "norm" for 2011/12.
26. The proposed Localism Bill contains provisions for an Authority to hold a referendum where that Authority wishes to increase council tax by more than a central government set "norm". This will apply from 2012/13 onwards but it is not yet clear how it will apply to a standalone FRA, nor is it clear what "norm" the government will set.

Business Consultation

27. In accordance with established practice, statutory consultation with business rate-payers has been initiated by correspondence with appropriate representatives of business. (The Chamber of Commerce, the local branches of the Confederation of Small Businesses and the National Farmers' Union). To date no responses have been received.

Precept Implications

28. Having regard to the government's grant allocation and the council tax base figures supplied by the billing authorities, the budget requirement results in a Band D council tax of £73.64, as in 2010/11. This equates roughly to a cost of 20 pence per day per Band D.

Medium Term Financial Strategy (MTFS)

29. In the Spending Review the Chancellor announced a 25% real terms cut in Fire and Rescue Service grant, which was to be back loaded to the latter 2 years of the 4 year Spending Review period.
30. Although grant figures have been given for 2011/12 and 2012/13, a prediction of resources beyond is speculative. In the absence of any further information it is assumed that the balance of the overall reduction is spread evenly over the latter 2 years proportionate to grant received. (8% of grant per year in real terms).

31. Other assumptions, as below, are incorporated into the MTFS projections at Appendix 7; although it is accepted that some or all could change:
- 2012/13 onwards – no Council Tax increase
 - Pay awards averaging 2% from 2012/13
 - General inflation averaging 3% - with additional specific increase for fuel, business rates and utilities
 - Council Tax Freeze Grant remains at the 2011/12 cash level throughout – *Although government’s intentions for this grant at the end of the Spending Review period are not known*
 - No increase in the tax-base above 2011/12 level

32. The resulting resource and expenditure need projections are shown in Appendix 7 and demonstrate significant future budget gaps which are summarised below:

	2012/13 £m	2013/14 £m	2014/15 £m
Gap	1.306	3.069	4.714

33. Beyond 2011/12 the FRA will have control of Council Tax policy and may wish to use increases in future Council tax to reduce these budget gaps. The impact of a 2.5% per year increase, (which is equal to less than four pence per week for a Band D Tax-payer) as discussed by P&R Committee, is shown in Appendix 7a, and summarised as follows:

	2012/13 £m	2013/14 £m	2014/15 £m
Raw Gap	1.306	3.069	4.714
Extra Precept	0.519	1.051	1.596
Net Gap	0.787	2.018	3.118

34. Even after increasing council tax there is still a significant budget gap to be closed. The savings required cannot be met from back office reductions alone and changes to service levels cannot be ruled out.
35. Members, officers and staff shared initial ideas on areas to seek efficiencies through the “Meeting the Challenge” workshops in 2010 and these have informed the 2011/12 IRMP Action Plan proposals and the other emerging plans to address the financial challenges ahead.

Revenue Balances Strategy

36. The level of general balances at 31 March 2010, as shown in the Statement of Accounts has been artificially reduced to reflect the requirements of the External Auditor in accounting for the retirement of the previous Chief Fire Officer. In order to give a more appropriate position on balances this reduction has now been restored.

37. The table below shows the projected position in relation to balances compared to the budget requirement over the MTFS period. Particular attention is drawn to:
- The planned increase in 2010/11 and usage in 2011/12 relates to the potential costs of RDS Part Time Workers compensation, referred to in the Financial Results paper to the June 2010 FRA, and in the Statement of Accounts 2009/10. Details are still awaited from DCLG.
 - The budget requirement figure is based on the projection of future resources (see Appendix 7) available rather than the budget need as this will be the determinant of future budget requirements.

	2010/11	2011/12	2012/13	2013/14	2014/15
	£m	£m	£m	£m	£m
Balance at 1 April	0.642	1.401	1.151	1.151	1.151
Adjustment	0.488				
Planned Increase	0.271				
Planned Usage		(0.250)			
Balance at 31 March	1.401	1.151	1.151	1.151	1.151
Budget Requirement		31.195	31.339	30.687	30.075
% of Budget Requirement		3.7%	3.7%	3.8%	3.8%

38. Whilst this level of balances is desirable (see also paragraph 22 above), there is an opportunity cost of holding balances. They could be used to finance one off expenditure or temporarily reduce the council tax precept. The risk is, however, that any unforeseen expenditure could not be met.
39. Ear-marked balances, listed below, are held for specific purposes and at the end of 2010/11 are estimated to be:

	2010/11
	£m
New Dimensions Reserve	0.756
Pensions Reserve	0.167
Training Reserve	0.083
FiReControl (RCC) New Burdens Reserve	0.158
ICP-Workwear Reserve	0.060
	1.269

- New Dimensions funding is given by DCLG for special activities e.g. USAR and represents funding in advance of expenditure.
- Pension Reserve is held pending final resolution of the pension element of the RDS Part-time Workers Tribunal Agreement.
- Training Reserve is used to phase training as required.
- FiReControl (RCC) New Burdens monies are held pending final agreement that the FRA may use these funds to deal with legacy issues following cancellation of the project.

- ICP-Workwear matches the expenditure profile and core budget provision over the contract life.
40. Following budget monitoring reports during the year, Members will be aware of the creation of an Organisational Development Reserve in 2010/11, as a result of prudent reduction in expenditure in anticipation of dealing with a significant projected budget gap in 2011/12. This Report demonstrates that the gap has now slipped by a year but still remains for future years. It is intended that this reserve will be used on an “invest to save” basis or to create capacity in the Service; to help prepare the FRA for these future reductions.
 41. The reserve was initially established at £0.300m, but continued prudence by budget holders and other managers indicates that the level at the end of the year will be nearer £0.650m. The final level will be reported following closure of the 2010/11 accounts.
 42. There is a possibility that grant £0.090m expected from the EU in respect of Floodex, may be significantly delayed or at worst not forthcoming. If the grant is not received the Organisational Development Reserve will be reduced to £0.560m.

Prudential Code Indicators

43. Since 1 April 2004, the Local Authority capital finance system has been one of self-regulation based on a Prudential Code drawn up by the Chartered Institute of Public Finance and Accountancy (CIPFA).
44. The key objectives of the Prudential Code are to ensure, within a clear framework, that the capital investment plans of Local Authorities are affordable, prudent and sustainable or, in exceptional cases, to demonstrate that there is a danger of not ensuring this, so that the Local Authority concerned can take timely remedial action.
45. A further key objective is to ensure that treasury management decisions are taken in accordance with good professional practice and in a manner that supports prudence, affordability and sustainability. The Prudential Code also has the objectives of being consistent with, and supporting, local strategic planning, local asset management planning and proper option appraisal.
46. To demonstrate that Authorities have fulfilled these objectives, the Prudential Code sets out indicators that must be used and the factors that must be taken into account. The Code does not include suggested indicative limits or ratios. These are for a Local Authority to set itself, subject only to any controls under section 4 of the Local Government Act 2003 (Government reserve powers).
47. The prudential indicators required by the Code are designed to support and record local decision making. They are not designed to be comparative performance indicators and use of them in this way would be likely to be misleading and counter productive. In particular, Local Authorities had widely differing debt positions at the start of the Prudential system and the differences are likely to increase over time as a result of the exercise of local choices. The system is specifically designed to support such local decision making in a manner that is publicly accountable.

48. In setting or revising the prudential indicators, the FRA is required to have regard to the following matters:
- Affordability, e.g. implications for Council Tax;
 - Prudence and sustainability, e.g. implications for external borrowing;
 - Value for money, e.g. options appraisal;
 - Stewardship of assets, e.g. asset management planning;
 - Service Objectives, e.g. strategic planning for the Authority; and
 - Practicality e.g. achievability of the forward plan.
49. The Treasurer has prepared the prudential indicators having considered the matters above and these are set out at Appendix 8.

Minimum Revenue Provision (MRP)

50. Minimum Revenue Provision is the amount set aside in the revenue budget to meet the future repayment of borrowing incurred to pay for capital investment.
51. The Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2008 now require that an Authority sets its own prudent level of MRP, rather than being a specific calculation, by adopting an MRP policy in advance of the year to which it relates.
52. Appendix 9 sets out the proposed position.

Budget Calculations: Personal Assurance Statement by the Treasurer

53. Section 25 of the Local Government Act 2003 requires the Treasurer to report to the Authority when it is setting the budget and precept (council tax). The Authority is required to take this report into account when making its budget and precept (council tax) decision. The report of the Treasurer must deal with the robustness of the estimates included in the budget and the adequacy of the reserves for which the budget provides.
54. The Treasurer states that to the best of his knowledge and belief these budget calculations are robust and have full regard to:
- the Fire and Rescue Authority budget policy;
 - the need to protect the Fire and Rescue Authority's financial standing and to manage risk;
 - the current year's financial performance;
 - the financial policies of the Government;
 - the Fire and Rescue Authority's Medium Term Financial Strategy and Planning framework;
 - capital programme obligations;
 - Treasury Management best practice;
 - the strengths of the Fire and Rescue Authority's financial control procedures including audit consideration;
 - the extent of the Fire and Rescue Authority's balances and reserves; and
 - the prevailing economic climate and future prospects.

Equality and Diversity Impact

55. The immediate impact on recruitment activities means that progress against equality and diversity targets for the recruitment of wholetime female and BME firefighters will not be achievable. However, retained recruitment will continue based on need and in this area the Service will continue to do all it can to address our diversity targets.
56. This budget settlement coincides with the removal of the requirement to report such targets at government level, and subsequently employment levels will continue to be monitored to ensure that although limited positive progress can be made in this period, what recruitment does take place happens in an environment of good equalities practice.

Financial Considerations

Consideration	Yes/No	Reference in Report i.e. paragraph no.
There are financial issues that require consideration	✓	Whole report

Legal Considerations

Consideration	Yes/No	Reference in Report i.e. paragraph no.
There are legal issues e.g. contractual and procurement, reputational issues that require consideration	✓	Refer to recommendations – FRA has statutory duty to make these decisions.

Additional Considerations

57. The table below sets out any additional issues arising from the proposals contained in this report and identifies the relevant paragraphs in the report where such issues are addressed.

Consideration	Yes/No	Reference in Report i.e. paragraph no.
Resources (e.g. Assets, ICT, Human Resources, Training & Development, Sustainability).	✓	
Strategic Policy Links (e.g. IRMP, Authority Plan, Equality & Diversity, Partnerships, Environmental Impact).	✓	
Risk Management / Health & Safety (e.g. risk management and control measures, risk register score).		
Consultation with Representative Bodies		

Supporting Information

- Appendix 1: Revenue Budget 2011/12
- Appendix 2: Explanation of variations in Appendix 1
- Appendix 3: Personnel Budget
- Appendix 4: Revenue Budget Allocation 2011/12
- Appendix 5: Capital Programme
- Appendix 6: Precept Calculation 2011/12
- Appendix 7: Medium Term Financial Forecasts
- Appendix 8: Statement of Prudential Code Indicators
- Appendix 9: Minimum Revenue Provision policy 2011/12

Background papers:

- Report: Financial Prospects & Future Planning – Fire and Rescue Authority – 17 December 2010
- Report: 2011/12 Budget Preparation – FRA Policy & Resources Committee – 28 January 2011

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Hereford & Worcester Fire and Rescue Authority Budget 2011/12 : Revenue Budget

	£m
<u>2010/11 Net Budget Requirement</u>	31.394
<u>Base changes</u>	
less one off strengthening of balances in 2010/11	(0.271)
Impact of 2010/11 Pay Award	(0.150)
LGPS Increased Contribution Rate	0.020
Non-Pay Inflation (average 3%)	0.308
	(0.093)
<u>Other Increases</u>	
Impact of Asset Management Plan & Fleet Strategy	0.201
Expiry of Grant	0.090
Additional RDS Training	0.095
Property Maintenance	0.055
Firelink net Service Costs	0.046
Fire Control Pay - Staff returned from cancelled RCC Project	0.046
One Off - Additional Public Holiday	0.020
	0.553
<u>Other Savings</u>	
Reduction in ACFO post	(0.140)
Council Tax Freeze Grant	(0.519)
	(0.659)
RECOMMENDED NET BUDGET REQUIREMENT	31.195

Hereford & Worcester Fire and Rescue Authority

Budget 2011/12 : Explanation of Variations in Appendix 1

Less : One-Off Strengthening of Balances

As the final tax-base figures from Billing Authorities were significantly better than forecast, and there was a considerable net surplus on the collection fund, the additional resource was used to increase revenue balances as a one off measure.

Impact of 2010/11 Pay Awards

As there were no pay awards in 2010/11 the base budget provision has a consequential saving in 2011/12 budgets.

LGPS - Increased Contribution Rate

The latest valuation of the Worcestershire Pension Fund requires an increase in annual employer contributions.

Non-pay inflation

Averages 3% overall, with higher provision for fuel, business rates and utilities.

Impact of Asset Management Plan & Vehicle Strategy

The changes reflect the overall additional capital financing charges arising from the capital programme. The impact shown includes interest, provision for repayment and vehicle lease rentals. It is net of the current Treasury Management position in relation to risk and consequent interest receivable.

Expiry of Grant

Planned ending of use of LPSA1 Reward Grant to support Community Safety Initiatives.

Additional RDS Training

Provision to increase RDS staff training time

Property Maintenance

Provision for additional maintenance costs as investment in major refurbishment is over a longer timescale than was previously expected,

Firelink Net Service Costs

The FRA begins to pay for the significant cost of the new radio system (Firelink) in 2011/12. Although this is partially offset by grant from DCLG, the figure represents the net extra cost after grant and savings from the old system are taken into account.

Reduction in ACFO post

The removal of 20% of the senior management team (25% of the operational posts) and redistribution of roles, tasks and responsibilities amongst the remaining staff, without any compensating salary increases.

Fire Control Pay

During 2010/11 a small number of Control staff were working on preparation for the introduction of a regional Control Centre. Part of the costs of these staff were funded by the national RCC project. As this project has now been cancelled, this funding is no longer available.

Additional Public Holiday

Staff actually working on public holidays are paid a premium rate for work on that day; the extra public holiday in 2011 has a direct financial cost.

Council Tax Freeze Grant

As a consequence of not increasing the Council Tax Precept the FRA is eligible for this government grant, equal to 2.5% of the 2011/12 precept. Regulations require that it is shown as income in the Net Budget Requirement figure rather than with other government grants.

Hereford & Worcester Fire and Rescue Authority**Budget 2011/12 : Personnel Budget**

	Wholetime Firefighters FTE	Retained Firefighters H/C	Control Room Staff FTE	Non- Uniformed Support FTE	TOTAL
Core Budget 2010-11	314.0	369.0	25.0	130.7	838.7
Removal of ACFO and PA posts	(1.0)			(1.0)	(2.0)
Included in Budget 2011-12	313.0	369.0	25.0	129.7	836.7

Hereford & Worcester Fire and Rescue Authority
Budget 2011/12 : Revenue Budget Allocation

	2010/11 Budget FRA Feb 10 £m	Internal Re-Alloc £m	Base Changes £m	Other Increases £m	Other Savings £m	2011/12 Budget FRA Feb 11 £m
Wholetime Pay	14.031	(0.018)		0.018	(0.108)	13.923
Retained Duty Staff Pay	3.038			0.097		3.135
Control Pay	0.711	0.038	0.003	0.046		0.798
Support Pay	3.918	0.014	0.017	0.090	(0.025)	4.014
Pay Contingency	0.170	(0.020)	(0.150)			0.000
	21.868	0.014	(0.130)	0.251	(0.133)	21.870
Other Employee Costs	0.036					0.036
FF Pensions - Non Funded Costs	0.738					0.738
SUB-TOTAL : Employee Costs	22.642	0.014	(0.130)	0.251	(0.133)	22.644
Urban Search & Rescue (USAR) - total cost	0.880					0.880
SUB-TOTAL : USAR	0.880	0.000	0.000	0.000	0.000	0.880
Performance Management	0.132	(0.005)	0.004			0.131
Organisational Development	0.240		0.007			0.247
FRA Costs	0.126		0.004			0.130
Personnel	0.304		0.009			0.313
	0.802	(0.005)	0.024	0.000	0.000	0.821
Community Safety - Prevention	0.343	(0.014)	0.010			0.339
Community Safety - Technical Fire Safety	0.031		0.001			0.032
Community Safety - Intervention Policy	0.068		0.002			0.070
Approved Centre	0.009		0.000			0.009
Training	0.627	(0.031)	0.020			0.616
	1.078	(0.045)	0.034	0.000	0.000	1.067
Operational Logistics	0.949	0.033	0.029		(0.000)	1.010
Fleet	0.527	(0.026)	0.050		(0.001)	0.550
IT	0.563		0.017			0.580
Comms	0.368		0.011			0.379
Insurances	0.312					0.312
Legal Services	0.061	(0.003)	0.002			0.060
Facilities Management	1.363	0.027	0.131	0.055		1.576
Finance	0.301	(0.008)	0.010			0.303
	4.443	0.024	0.249	0.055	(0.002)	4.770
Capital Financing	2.205			0.201	(0.006)	2.400
RCC Project	0.238	(0.238)				0.000
Firelink - Net Running Costs	0.000			0.046		0.046
Senior Management Board	0.020	0.013	0.001			0.033
	2.463	(0.226)	0.001	0.247	(0.006)	2.479
SUB-TOTAL : Other Running Costs	8.787	(0.252)	0.308	0.302	(0.007)	9.138
Special Grants	(1.186)	0.238			(0.519)	(1.467)
	(1.186)	0.238	0.000	0.000	(0.519)	(1.467)
CORE-BUDGET	31.123	(0.000)	0.178	0.553	(0.659)	31.195
Strengthening of Balances	0.271		(0.271)			0.000
NET BUDGET REQUIREMENT	31.394	(0.000)	(0.093)	0.553	(0.659)	31.195

Consolidation of Budget Movements from Appendix 1

Less One-off Strengthening of Balances	(0.271)			
impact of 2010/11 Pay Award	(0.150)			
LGPS Increased Contrib. Rate	0.020			
Non-Pay Inflation	0.308			
Impact of Asset Management Plan & Fleet Strategy			0.201	
Expiry of Grant			0.090	
Additional RDS Training			0.095	
Property Maintenance			0.055	
Firelink net Service Costs			0.046	
Reduction in ACFO post				(0.140)
Fire Control Pay - Staff returned from cancelled RCC Project			0.046	
One Off - Additional Public Holiday			0.020	
Council Tax Freeze Grant				(0.519)
	(0.093)		0.553	(0.659)

Hereford & Worcester Fire and Rescue Authority Budget 2011/12 : Capital Programme

	BUDGET	PROGRAMME			TOTAL £m
	2011/12 £m	2012/13 £m	2013/14 £m	2014/15 £m	
Vehicle Programme					
Routine Replacements (Pumps)	0.820	0.615	0.615	0.615	2.665
Routine Replacements (4WD)		0.150			0.150
Routine Replacements (Off-Road)			0.020		0.020
Command Unit			0.350		0.350
	0.820	0.765	0.985	0.615	3.185
Major Building Schemes					
Provision for future Business Cases	3.000	2.500	3.500	3.500	12.500
	3.000	2.500	3.500	3.500	12.500
Other Schemes					
Property, Information Technology, Communications etc.	0.600	0.600	0.600	0.600	2.400
	0.600	0.600	0.600	0.600	2.400
Annual Total	4.420	3.865	5.085	4.715	18.085

Excludes impact of any slippage from 2010/11

Hereford & Worcester Fire and Rescue Authority

Budget 2011/12 : Precept Calculation

Tax-base : Band D Equivalent		
Bromsgrove		36,548.42
Herefordshire		71,465.84
Malvern Hills		30,529.59
Redditch		27,569.18
Worcester		32,991.00
Wychavon		47,651.91
Wyre Forest		35,105.00
		281,860.94
		£
Net Budget Requirement		31,195,400.00
Share of National Non-Domestic Rates (Business Rates)		7,949,813.00
Revenue Support Grant		2,457,310.00
Total Financing Grants		10,407,123.00
Gross Precept Requirement		20,788,277.00
Collection Fund Surpluses		(30,789.93)
Net Precept Requirement		20,757,487.07
Tax-base - Band D Equivalent		281,860.94
Precept - Band D Equivalent	£	73.6444
	£	73.64
Total Precept on Billing Authorities		£
Bromsgrove		2,691,587.40
Herefordshire		5,263,060.75
Malvern Hills		2,248,334.12
Redditch		2,030,316.43
Worcester		2,429,603.25
Wychavon		3,509,297.55
Wyre Forest		2,585,287.57
		20,757,487.07

2010/11	£ 73.64
change	0.00%

Equivalent to Tax at Band	Ratio to Band D	£
A	6/9	£ 49.1000
B	7/9	£ 57.2800
C	8/9	£ 65.4600
D	9/9	£ 73.6400
E	11/9	£ 90.0100
F	13/9	£ 106.3800
G	15/9	£ 122.7400
H	18/9	£ 147.2800

2010/11 Tax	change
£ 49.10	0.00%
£ 57.28	0.00%
£ 65.46	0.00%
£ 73.64	0.00%
£ 90.01	0.00%
£ 106.38	0.00%
£ 122.74	0.00%
£ 147.28	0.00%

Hereford & Worcester Fire and Rescue Authority

Medium Term Financial Forecasts

		2012/13 Forecast £m	2013/14 Forecast £m	2014/15 Forecast £m	
Prior Year Net Budget Requirement		31.195	32.645	33.756	
Less one-off 2011/12 Public Holiday		(0.020)			
		31.175	32.645	33.756	
Cost Pressures					
Contingency for Pay Awards (average 2%)		0.356	0.452	0.456	
General Inflation Contingency (average 3%)		0.300	0.300	0.300	
LGPS - Increased Contribution Rate		0.020	0.020	0.020	
		0.676	0.772	0.776	
Capital Programme					
Impact of Asset Management Plan & Fleet Strategy		0.229	0.250	0.250	
		0.229	0.250	0.250	
Consequences of National Projects					
Firelink - Net Cost				0.007	
Firelink - ending of Special Grant			0.289		
FiReControl - Legacy issues		0.565	(0.200)		
		0.565	0.089	0.007	
PROJECTED NET BUDGET REQUIREMENT NEED		32.645	33.756	34.789	
		2011/12 Budget	2012/13 Forecast	2013/14 Forecast	2014/15 Forecast
Band D Increase			0.0%	0.0%	0.0%
Tax-base Increase			0.0%	0.0%	0.0%
Grant Change			1.7%	-6.2%	-6.2%
Band D Tax		£ 73.64	£ 73.64	£ 73.64	£ 73.64
Tax-base		281,860.94	281,860.94	281,860.94	281,860.94
Council Tax Yield	£m	(20.757)	(20.755)	(20.755)	(20.755)
Formula Grant	£m	(10.407)	(10.584)	(9.932)	(9.320)
Collection Fund Surpluses	£m	(0.031)	0.000	0.000	0.000
Gross Resources	£m	(31.195)	(31.339)	(30.687)	(30.075)
BUDGET GAP			1.306	3.069	4.714

Hereford & Worcester Fire and Rescue Authority

Medium Term Financial Forecasts - with future precept increases

		2012/13 Forecast £m	2013/14 Forecast £m	2014/15 Forecast £m	
Prior Year Net Budget Requirement		31.195	32.645	33.756	
Less one-off 2011/12 Public Holiday		(0.020)			
		31.175	32.645	33.756	
Cost Pressures					
Contingency for Pay Awards (average 2%)		0.356	0.452	0.456	
General Inflation Contingency (average 3%)		0.300	0.300	0.300	
LGPS - Increased Contribution Rate		0.020	0.020	0.020	
		0.676	0.772	0.776	
Capital Programme					
Impact of Asset Management Plan & Fleet Strategy		0.229	0.250	0.250	
		0.229	0.250	0.250	
Consequences of National Projects					
Firelink - Net Cost				0.007	
Firelink - ending of Special Grant			0.289		
FiReControl - Legacy issues		0.565	(0.200)		
		0.565	0.089	0.007	
PROJECTED NET BUDGET REQUIREMENT NEED		32.645	33.756	34.789	
		2011/12 Budget	2012/13 Forecast	2013/14 Forecast	2014/15 Forecast
Band D Increase			2.5%	2.5%	2.5%
Tax-base Increase			0.0%	0.0%	0.0%
Grant Change			1.7%	-6.2%	-6.2%
Band D Tax		£ 73.64	£ 75.48	£ 77.37	£ 79.30
Tax-base		281,860.94	281,860.94	281,860.94	281,860.94
Council Tax Yield	£m	(20.757)	(21.274)	(21.806)	(22.351)
Formula Grant	£m	(10.407)	(10.584)	(9.932)	(9.320)
Collection Fund Surpluses	£m	(0.031)	0.000	0.000	0.000
Gross Resources	£m	(31.195)	(31.858)	(31.738)	(31.671)
BUDGET GAP			0.787	2.018	3.118

Statement of Prudential Indicators

Introduction

The Prudential Code for Capital Finance in Local Authorities (Prudential Code) has been developed by the Chartered Institute of Public Finance and Accountancy (CIPFA) to provide a code of practice to underpin the new system of capital finance embodied in Part 1 of the Local Government Act 2003. Since 1 April 2004, Local Authorities are no longer subject to government controlled borrowing approvals and are free to determine their own level of capital investment controlled by self-regulation.

The key objectives of the Prudential Code are to ensure that capital investment plans are affordable, prudent and sustainable.

The Prudential Code supports a system of self-regulation that is achieved by the setting and monitoring of a suite of Prudential Indicators that directly relate to each other. The indicators establish parameters within which the FRA should operate to ensure the objectives of the Prudential Code are met.

Prudential Indicators

The Prudential Indicators for which the Fire and Rescue Authority is required to set limits are as follows:

1. Net Borrowing and the Capital Financing Requirement

This Prudential Indicator provides an overarching requirement that all the indicators operate within and is described in the Prudential Code as follows:

“In order to ensure that over the medium term net borrowing will only be for a capital purpose, the local authority should ensure that net external borrowing does not, except in the short term, exceed the total of capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years”.

The Treasurer reports that the Fire and Rescue Authority had no difficulty meeting this requirement since 2002/03, nor are any difficulties envisaged for the current or future years. This view takes into account all plans and commitments included in the 2011-12 Budget.

2. Capital Expenditure

The actual amount of capital expenditure that was incurred since 2008/09, and the estimates of capital expenditure to be incurred for the current and future years that are proposed in the 2011/12 Budget are as follows:

	2009/10 Actual £000	2010/11 Estimate £000	2011/12 Estimate £000	2012/13 Estimate £000	2013/14 Estimate £000	2014/15 Estimate £000
Capital Expenditure	2,967	2,600	8,938	3,865	5,085	4,715
Operationally Leased Assets	268	204	303	93	412	406
	3,235	2,804	9,241	3,958	5,497	5,121

The apparent increase in 2011/12 relates to significant slippage of previous years' allocated monies in respect of major building works. Appropriate funding for the financing costs has always been included in relevant budgets.

3. Ratio of Financing Costs to Net Revenue Stream

Financing Costs include the amount of interest payable in respect of borrowing or other long term liabilities and the amount the Fire and Rescue Authority is required to set aside to repay debt, less interest and investments income.

The actual Net Revenue Stream is the 'amount to be met from government grants and local taxation' taken from the annual Statement of Accounts, and the estimated figure is the Fire and Rescue Authority's budget net of any transfers to or from the balances.

The prediction of the Net Revenue Stream in this Prudential Indicator for future years assumes increases in the Fire and Rescue Authority's funding from government and the local taxpayer consistent with expectations in the Medium Term Financial Strategy. This is indicative only and in no way meant to influence the actual future years' funding or in particular the funding from Precepts.

The indicator only requires that the costs associated with capital expenditure are measured in this way. However the Fire and Rescue Authority has used, and may continue to use, Operational Leasing as a cost effective method of acquiring vehicles. In the spirit of the Prudential Code these costs are included for comparative purposes.

The rise in this ratio is partially due to the fact that capital expenditure prior to the formation of the FRA is not charged to the Fire and Rescue Authority. In other words, the Fire and Rescue Authority inherited all its assets without any cost. Thus, as investment is made in vehicles, for example, the increased costs are in the Fire and Rescue Authority accounts but the savings are elsewhere.

The estimates of the ratio of financing costs to net revenue stream are as follows:

	2009/10 Actual £000	2010/11 Estimate £000	2011/12 Estimate £000	2012/13 Estimate £000	2013/14 Estimate £000	2014/15 Estimate £000
Financing Costs	1,861	2,205	2,406	2,635	2,885	2,885
Net Revenue Stream	30,451	31,394	31,195	31,339	30,687	30,075
Ratio	6.11%	7.02%	7.71%	8.41%	9.40%	9.59%

4. Capital Financing Requirement

The capital financing requirement is a measure of the extent to which the Fire and Rescue Authority needs to borrow to support capital expenditure. It does not necessarily relate to the actual amount of borrowing at any one point in time. The Fire and Rescue Authority arranges its treasury management activity via a Service Level Agreement (SLA) with Worcestershire County Council (WCC) which has an integrated treasury management strategy where there is no distinction between revenue and capital cash flows and the day to day position of external borrowing and investments can change constantly.

The capital financing requirement concerns only those transactions arising from capital spending, whereas the amount of external borrowing is a consequence of all revenue and capital cash transactions combined together following recommended treasury management practice.

The estimates of the end of year capital financing requirement are as follows:

	2009/10 Actual £000	2010/11 Estimate £000	2011/12 Estimate £000	2012/13 Estimate £000	2013/14 Estimate £000	2014/15 Estimate £000
Capital Financing Requirement at 31st March	14,761	15,581	23,406	25,971	29,895	33,240

5. **Authorised Limit**

The Authorised Limit represents an upper limit of borrowing that could be afforded in the short term but may not be sustainable. This limit includes a risk assessment of exceptional events taking into account the demands of revenue and capital cash flows. The Authorised Limit gauges events that may occur over and above those transactions which have been included in the Operational Boundary.

These limits are higher than set in previous years to reflect the decisions taken by the Fire and Rescue Authority to switch from leasing to more cost effective borrowing for the acquisition of operational vehicles.

The Fire and Rescue Authority should note that the Authorised Limit represents the limit specified in section 3 (1) of the Local Government Act 2003 (Duty to determine affordable borrowing limit).

The following Authorised Limits for external debt, excluding temporary investments are recommended:

Authorized Limit	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000
External Borrowing	29,000	31,000	35,000	38,000

6. **Operational Boundary**

The Operational Boundary represents an estimate of the most likely, prudent, but not worst case scenario and provides a parameter against which day to day treasury management activity can be monitored.

The Treasurer reports that procedures are in place to monitor the Operational Boundary on a daily basis, via the SLA with WCC and that sufficient authorisation is in place to take whatever action is necessary to ensure that, in line with the Treasury Management Strategy, the cash flows of the Fire and Rescue Authority are managed prudently.

Occasionally, the Operational Boundary may be exceeded (but still not breach the Authorised Limit) following variations in cash flow. Such an occurrence would follow controlled treasury management action and may not have a significant impact on the prudential indicators when viewed all together.

Both the Authorised Limit and the Operational Boundary include an element relating to debt restructuring where, for the short term only, external borrowing may be made in advance of the repayment of loans. In this circumstance External Borrowing is increased temporarily until the replaced loans are repaid. The converse can also apply where loans are repaid in advance of borrowings.

The following limits (shown overleaf) for each year's Operational Boundary, excluding temporary investments are recommended:

Operational Boundary	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000
External Borrowing	26,000	28,000	32,000	36,000

7. Actual External Debt

The Fire and Rescue Authority's actual external debt as at 31 March 2010 was £14.963 million; comprising £14.963 million External Borrowing and £0 (zero) Other Long Term Liabilities.

8. The Incremental Impact of Capital Investment Decisions on the Council Tax

This indicator identifies specifically the additional cost to the taxpayer of the **new** capital investment proposed in the 2011/12 – 2014/15 Capital Programme. As the indicator deals only with new investment the impact of the previously approved programme was included in the equivalent report provided to the FRA in Feb 2010.

The incremental impact identifies transactions that will occur **over and above** what has already been provided for in the 2010/11 revenue budget and assumes the funding available in 2010/11 will be carried forward in the future years' base budgets.

The incremental impact has been calculated using forward estimates of funding consistent with expectations in the Medium Term Financial Strategy.

The impact on the revenue budget, and therefore the Council Tax, is felt by a combination of the following: debt costs of the new borrowing, the amount set aside from revenue to repay the principal element of external borrowing (Minimum Revenue Provision) and the revenue impact of a capital project

It should be noted that borrowing itself does not fund capital expenditure since the loans have to be repaid eventually. The actual funding comes from the Minimum Revenue Provision which is statutorily charged to revenue each year.

The estimate of the incremental impact of the capital investment detailed in the 2011/12 Budget on the Council Tax is as follows:

	2011/12	2012/13	2013/14	2014/15	2015/16
Incremental Impact on Band D Council Tax	£ -	£ -	£ -	£ 0.19	£ 0.83

PRUDENTIAL INDICATORS FOR TREASURY MANAGEMENT

9. Treasury Management Code of Practice

The Fire and Rescue Authority has adopted the Chartered Institute of Public Finance and Accountancy (CIPFA): Code of Practice for Treasury Management in the Public Services.

The Treasury Management function is carried out on behalf of the Authority by Worcestershire County Council, who have also adopted the Treasury Management Code of Practice.

10. Fixed Interest Rate Exposures

It is recommended that the Fire and Rescue Authority sets an upper limit on its fixed interest rate exposures as follows.

Upper limits for net principal sums outstanding at fixed rates

	2011/12	2012/13	2013/14	2014/15
Fixed Interest Rate Exposure	£000	£000	£000	£000
Upper Limit	29,000	31,000	35,000	38,000

This represents the position that all of the Fire and Rescue Authority's authorised external borrowing may be at a fixed rate at any one time.

11. Variable Interest Rate Exposures

It is recommended that the Fire and Rescue Authority sets an upper limit on its variable interest rate exposures as follows.

Upper limits for net principal sums outstanding at variable rates

Variable Interest Rate Exposure	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000
Upper Limit	7,000	8,000	9,000	9,000

This is the maximum external borrowing judged prudent by the Treasurer that the Fire and Rescue Authority should expose to variable rates.

12. Maturity Structure of Borrowing

It is recommended that the upper and lower limits for the maturity structure of borrowings are as follows:

Amount of projected borrowing that is fixed rate maturing in each period as a percentage of total projected borrowing that is fixed rate.

Period of Maturity	Upper Limit %	Lower Limit %
Under 12 months	25	0
12 months and within 24 months	25	0
24 months and within 5 years	50	0
5 years and within 10 years	75	0
10 years and above	95	25

13. Investments for longer than 364 days

It is recommended that the upper limits of total principal sums invested for periods longer than 364 days are £5 million for each year.

Hereford & Worcester Fire and Rescue Authority **Minimum Revenue Provision (MRP) Policy**

Background

This is the amount charged every year to provide for the repayment of long term loans used to finance capital assets.

Prior to 2008/09 the calculation was determined by statute, but for 2008/09 onwards under the Local Authorities (Capital Finance and Accounting) (England) Amendment) Regulations 2008, the FRA is required merely to “determine an amount of MRP which is considered to be prudent”.

The FRA has a statutory requirement to determine an MRP policy prior to the start of the financial year.

Guidance

In considering a prudent MRP policy the FRA needs to take into account the statutory guidance provided by CLG, and the issue of affordability. The guidance states that “provision for the borrowing which financed the acquisition of an asset should be made over a period bearing some relation to that over which the asset continues to provide a service” – the “Asset Life” method.

The guidance, however, reflects the fact that for short life assets there is a considerable difference between the revenue charge arising from an “Asset Life” method and the old 4% method.

Since the advent of the Prudential Code from 2004/05 the FRA has provided MRP for significant shorter life assets (i.e. vehicles) broadly on an “Asset life” basis (albeit commencing charges a year earlier than the new guidance required). Whilst this results in a greater charge than the 4% method required, the affordability of this more prudent approach was considered at the time as part of the Prudential Code Indicators.

Recommendation

To continue the policy already i.e.:

1. All expenditure from 2008/09 onwards - MRP using an Asset life basis:-
 - Buildings over 50 years – per depreciation policy;
 - IT equipment over 5 years - reflecting average life
 - Other Equipment over 7 years – reflecting actual average usage within the FRS;
 - Vehicles – on actual estimated life of each vehicle
2. Vehicle Expenditure before 2008/09 – MRP on a proxy Asset Life basis using original cost, less cumulative MRP, over the remaining useful life of the individual vehicle.
3. Expenditure before 2008/09, (other than vehicles) - MRP on a proxy Asset Life basis using original cost, less cumulative MRP over average asset life as above

Hereford & Worcester Fire and Rescue Authority

GLOSSARY OF TERMS

ACAS	Advisory Conciliation and Arbitration Service
ACFO	Assistant Chief Fire Officer
AFA	Automatic Fire Alarm
AFD	Automatic Fire Detection
ALP	Aerial Ladder Platform
AM	Area Manager
AMP	Asset Management Plan
ARCC	Aeronautical Rescue Co-ordination Centre
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BA	Breathing Apparatus
BACS	Bankers' Automated Clearance System
BCM	Business Continuity Management
BCP	Business Continuity Plan
BME	Black and Minority Ethnic
BVPI	Best Value Performance Indicator
BVPP	Best Value Performance Plan
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CAA	Combined Area Assessment
CAFS	Compressed Air Foam Systems
CARP	Combined Aerial Rescue Pump
CBRN	Chemical Biological Radiological Nuclear
CCA	Civil Contingencies Act
CDRP	Crime and Disorder Reduction Partnership
CERMIG	County Emergency Response to Major Incidents Group
CFA	Combined Fire Authority
CFO	Chief Fire Officer
CFOA	Chief Fire Officers Association
CFRMIS	Community Fire Risk Management System
CFS	Community Fire Safety
CIMAH	Control of Industrial Major Accident Hazards
CIPFA	The Chartered Institute of Public Finance and Accountancy
CLG	Department for Communities and Local Government
CM	Crew Manager
COSHH	Control of Substances Hazardous to Health
CPA	Comprehensive Performance Assessment
CPS	Chemical Protection Suits
CRE	Commission for Racial Equality
CRR	Community Risk Register
CS	Community Safety
CSR	Current Spending Review
CSU	Command Support Unit
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DC	District Commander
DCFO	Deputy Chief Fire Officer
DDA	Disability Discrimination Act
DIM	Detection, Identification and Monitoring
DOF	Director of Finance
DoH	Department of Health
DoT	Direction of Travel
DPA	Data Protection Act

Hereford & Worcester Fire and Rescue Authority

GLOSSARY OF TERMS

EA	Environment Agency
EAS	Electronic Availability System
ECS	Enhanced Command Support
EIR	Environmental Information Regulations
EPU	Environmental Protection Unit
ESLG	Equality Standard for Local Government
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FBU	Fire Brigades Union
FDR	Fire Damage Report
FDS	Flexible Duty System
FireLink	The National Project for the introduction of a National Fire Service Radio System
FOIA	Freedom of Information Act
FRA	Fire and Rescue Authority
FRD	Fire Resilience Directorate
FRS	Fire and Rescue Service
FRSNCC	Fire and Rescue Service National Co-ordination Centre
FSC	Fire Service College
FSCA	Fire Service Consultation Association
FSEC	Fire Services Emergency Cover
FSNBF	Fire Service National Benevolent Fund
FSPA	Fire Service Procurement Association
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GM	Group Manager
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HAZMAT	Hazardous Materials
HERMIT	Herefordshire Emergency Response to Major Incidents Team
HFSC	Home Fire Safety Check
HMFSI	Her Majesty's Fire Service Inspectorate
HMI	Her Majesty's Inspector or Inspectorate
HPA	Health Protection Agency
HR	Human Resources
HRIS	Human Resources Information System
HSE	Health & Safety Executive
HWFRS	Hereford & Worcester Fire and Rescue Service
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ICP	Integrated Clothing Project
ICS	Incident Command System
ICT	Information and Communications Technology
IEG	Implementing Electronic Government
IIP	Investors in People
IOSH	Institute of Occupation Safety and Health
IPDR	Individual Performance and Development Review
IPDS	Integrated Personal Development System
IRMP	Integrated Risk Management Plan
IRS	Incident Recording System
IRU	Incident Response Unit
ISU	Incident Support Unit
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JERA	Joint Emergency Response Arrangements
JFS	Juvenile Fire-setters Scheme
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KPI	Key Performance Indicator
KLOE	Key Lines of Enquiry

Hereford & Worcester Fire and Rescue Authority

GLOSSARY OF TERMS

LASER	Learning about Safety by Experiencing Risk
LEA	Local Education Authority
LFF	Leading Fire Fighter
LGA	Local Government Association
LGV	Light Goods Vehicle
LIBID	London Interbank Bid Rate
LPG	Liquid Petroleum Gas
LPSA	Local Public Service Agreement
LRF	Local Resilience Forum
LRI	Learning Resource International
LSGCM	Long Service and Good Conduct Medal
LSP	Local Strategic Partnership
LTCM	Long Term Capability Management
LTF	Local Training Facilities
MDT	Mobile Data Terminals
MIS	Management Information Systems
MISAR	Mercia Inshore Search and Rescue
MMFE	Management of Major Flood Emergencies
MoU	Memorandum of Understanding
MTFP	Medium Term Financial Plan
NCFSC	National Community Fire Safety Campaign
NEBOSH	National Examination Board in Occupational Safety and Health
NEET	Not in Education, Employment or Training
NFST	National Flood Support Team
NJC	National Joint Council for Local Authorities' Fire Brigades
NOS	National Occupational Standard
NVQ	National Vocational Qualification
OASD	Operational Assessment of Service Delivery
ODPM	Office of the Deputy Prime Minister
OJEU	Official Journal of the European Union
ORS	Opinion Research Services
PDR	Personal Development Review
PFI	Private Finance Initiative
PI	Performance Indicator
PMM	Principal Management Members
PMSO	Project Management Support Office
PO	Principal Officer
PPE	Personal Protective Equipment
PPP	Policy, Planning and Performance
PSA	Public Service Agreement
PSHE	Personal, Social, Health Education
PSRP	Public Services Radio Project
PWLB	Public Works Loans Board
QSA	Quality Systems Audit

Hereford & Worcester Fire and Rescue Authority

GLOSSARY OF TERMS

R2R	Rank to Role
RB	Representative Body
RBIP	Risk Based Inspection Programme
RCC	Regional Control Centre
RCCC	Regional Civil Contingencies Committee
RDS	Retained Duty System
RHSCG	Regional Health and Safety Collaboration Group
RIDDOR	Reporting of Injuries, Diseases and Dangerous Occurrences Regulation
RMB	Regional Management Board
RoSPA	Royal Society for the Prevention of Accidents
RPE	Respiratory Protective Equipment
RRF	Regional Resilience Forum
RRO	Regulatory Reform Order
RRT	Regional Resilience Team
RSIG	Road Safety Implementation Group
RTA	Road Traffic Accident
RTC	Road Traffic Collision
SAP	Systems Application and Products
SARA	Severn Area Rescue Association
SBE	Standards Board for England
SCC	Strategic Command Centre
SCE	Supported Capital Expenditure
SCG	Strategic Command Group
SDA	Service Delivery Agreement
SFSO	Senior Fire Safety Officer
SFU	Small Fires Unit
SHA	Strategic Holding Area
SHEBA	Safety in the Home and Electric Under Blanket Assessment
SLA	Service Level Agreement
SM	Station Manager
SOLACE	Society of Local Authority Chief Executives
SoRP	Statement of Recommended Practice
SPI	Service Policy Instruction
SRT	Swift Water Rescue Team
SSI	Special Service Incidents
T&DC	Training and Development Centre
UoR	Use of Resources
USAR	Urban Search and Rescue
UWFS	Unwanted Fire Signal
VMDS	Vehicle Mounted Data System
WAN	Wide Area Network
WM	Watch Manager
WMRMB	West Midlands Regional Management Board
YFA	Young Firefighters' Association