



HEREFORD & WORCESTER Fire and Rescue Authority

AGENDA

10.30 am Wednesday 17 February 2010

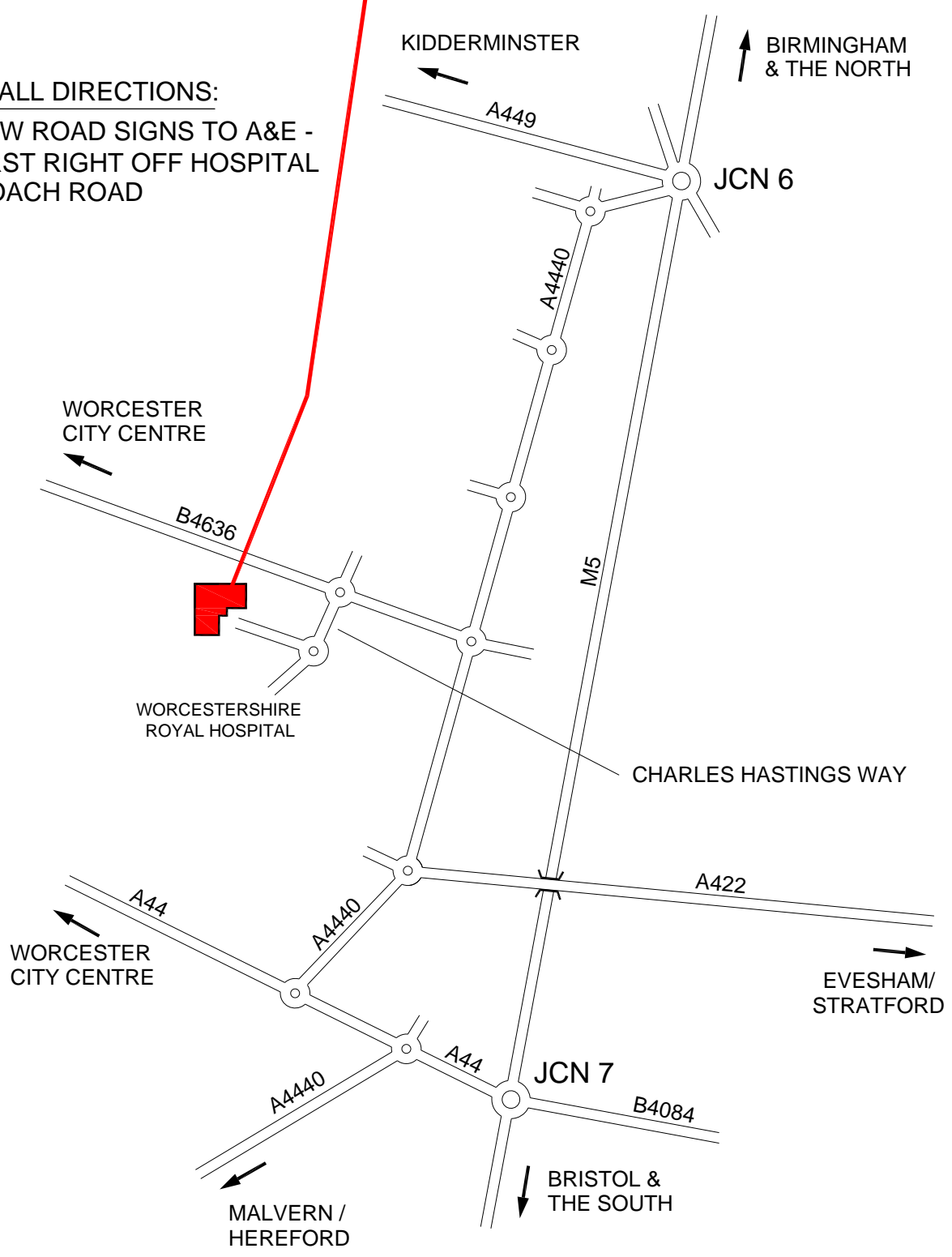
Headquarters,
2 Kings Court,
Charles Hastings Way,
Worcester
WR5 1JR



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**.

GUIDANCE NOTES FOR VISITORS

Security

Upon arrival, visitors are requested to proceed to the barrier and speak to the reception staff via the intercom. There are parking spaces allocated for visitors around the front of the building, clearly marked. Upon entering the building, you will then be welcomed and given any further instructions. In particular it is important that you sign in upon arrival and sign out upon departure. Please speak to a member of the reception staff on arrival who will direct you to the appropriate meeting room.

Wheelchair access

The meeting room is accessible for visitors in wheelchairs.

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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, Mr. J Campion, Mr. S J Clee (Vice Chair), Mr. A Ditta,
Mrs. M L Drinkwater, 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, Mr. G C Yarranton.

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 18 December 2009 (copy attached).

5. **Appointment of Chief Fire Officer/Chief Executive**

To ratify appointment to the post of Chief Fire Officer/
Chief Executive.

6. **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.

Pages

1 – 7

8 – 14

	Pages
<p>7. Service Report</p> <p>To inform Members of recent key developments and activities together with performance information for the period 1 October to 31 December 2009.</p>	15 – 22
<p>8. Budget & Precept and Medium Term Financial Plan</p> <p>1. To determine Revenue and Capital Budgets for 2010/11 and the consequential Council Tax Precept.</p> <p>2. To approve the Prudential Indicators and to set a Minimum Revenue Provision (MRP) policy for 2010/11.</p> <p>3. To identify potential future resources and their consequential impact on future year budgets.</p> <p>4. To designate the Budget Committee to be responsible to have oversight of Treasury Management activity.</p>	23 – 47
<p>9. Revised Equality Scheme 2010-2013</p> <p>To inform the Authority of the revised Equality Scheme and to seek approval for consultation on the Scheme.</p> <p>(Appendices attached separately)</p>	48 – 49
<p>10. EU Funding Opportunity “EU Watersave”</p> <p>(Paper to follow)</p>	(To follow)
<p>11. Audit Committee Report</p> <p>To inform Members of the proceedings of the Audit Committee Meeting held on 21 January 2010 and to note The Annual Audit Letter 2008/09.</p>	50 – 76
<p>Glossary</p>	77 -80

Hereford & Worcester Fire and Rescue Authority

10.30 am Friday 18 December 2009

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



Present:

Herefordshire:

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

Worcestershire:

Mr T J Bean, Mr J Champion, Mr S J Clee (Vice Chair), Mr A Ditta,
Mrs M L Drinkwater, Mrs L Eyre, Mr A I Hardman, Mrs G Hopkins,
Mrs F Oborski, Mrs J Potter, Mr D W Prodger MBE, Mr T Spencer,
Mr J Thomas, Mr R M Udall, Mr G C Yarranton.

28. APOLOGIES FOR ABSENCE

Mrs L Duffy, Mrs L Hodgson, Mr C T Smith and Mr K Taylor.

29. DECLARATION OF INTERESTS

Mr T Spencer declared a personal interest in the Young Firefighters' Association and Mr P Watts advised the Authority that if the Firefighters' Pension Scheme was discussed in such detail that it affected his personal position, he would declare a personal and prejudicial interest. (That proving not to be the case, there was no need for Mr Watts to leave the room during the Meeting.)

30. CHAIRMAN'S ANNOUNCEMENTS

30.1 The Chairman introduced Ms. Anne Brown to the Authority; Ms. Brown was the Interim Head of Law and Governance with Herefordshire Council and was leading for the Clerk on Authority business.

30.2 The Chairman reminded Members of the Annual Carol Service for Friends and Family of the Hereford & Worcester Fire and Rescue Service, which was to take place in Leominster Priory on Sunday 20 December 2009.

30.3 The Chairman told Members that a display of the Service's new Breathing Apparatus and the Combined Aerial Rescue Pump had been arranged for them.

30.4 The Chairman noted the changed layout of the conference suites for the Authority meeting, and said any matters concerning this would be discussed at the next Group Leaders meeting.

30.5 The Chairman told Members that the Chief Fire Officer would be retiring in 2010 and, pending the appointment of his successor, Members should ensure they observe the Authority's Code of Conduct in relation to this matter.

31. CONFIRMATION OF MINUTES

Resolved that the Minutes of the meeting held on 14 September 2009 be confirmed as a correct record and signed by the Chairman.

32. QUESTIONS FROM MEMBERS OF THE PUBLIC

None

33. SERVICE REPORT

The Chief Fire Officer reported on key developments and activities, together with performance information for the period 1 July 2009 to 30 September 2009.

The meeting considered the issues arising from the delays to the Regional Control Centre programme, and the CFO said there would be an update on this matter for the February Meeting of the Authority.

The CFO introduced WM Simon Cusack who made a short presentation on his experiences training firefighters in India to respond to RTC incidents. The meeting congratulated WM Cusack and it was agreed that The Department for International Development should be informed of the Authority's involvement in this International Conference and the training inputs provided by the Service.

RESOLVED that the report be noted.

34. FINANCIAL PROSPECTS AND FUTURE PLANNING

The Treasurer informed Members of future financial prospects and that budget proposals would be drafted in January 2010 for the Authority to set the Council Tax Precept at its next meeting on 17 February 2010.

RESOLVED that the current revenue expenditure and resource projections be noted.

35. IRMP 2009/10 IMPLEMENTATION UPDATE

The DCFO presented a progress report on the implementation of the management efficiencies resulting from the IRMP 2009/10. She emphasised the improved business practices which had seen significant improvements in performance despite the reduction in the establishment by 12 posts from 1 April 2009.

A full year review would be provided at a future Meeting.

RESOLVED that the report be noted.

36. IRMP CONSULTATION AND APPROVAL OF ANNUAL ACTION PLAN 2010/11

The DCFO outlined to the Authority details of the consultation process for the 2010/11 IRMP Action Plan and gave a summary of the key themes from feedback received. Having regard to the consultation, the draft 2010/11 IRMP Action Plan was amended following public consultation and approval was sought for the amended Plan and recommendations.

RESOLVED that:

- (i) *the consultation report be noted; and***
- (ii) *the 2010/11 IRMP Action Plan be approved, namely that:***
 - (a) *during 2010/11 we will review our revised management arrangements at our day crewed stations;***
 - (b) *further develop local risk profiles to include an assessment of high level salvage risks associated with Heritage Sites;***
 - (c) *further develop local risk profiles to include an assessment of potential risk to the environment;***
 - (d) *we will further develop interoperability arrangements with Gloucestershire, South Wales and Mid and West Wales;***
 - (e) *we will provide an optimum level of flood/water first responder cover, requiring back office efficiencies of £36,000 p.a.; and***
 - (f) *we will establish a centre based around the USAR team to co-ordinate and manage the specialist Technical Rescue functions within the Service.***

37. WARWICKSHIRE FRS IMPROVEMENT PLAN

The CFO told the meeting that the draft Warwickshire IRMP consultation document included proposals which were of concern to this Authority which included:

- The reduction in the number of stations from 19 stations to 12 stations and the number of fire appliances from 26 down to 19 with the addition of 2 small rapid response RTC units.
- The stations at Bidford and Studley, based in south west Warwickshire along the border of Hereford and Worcester, were two of the stations planned for closure with the loss of 2 appliances.

The CFO outlined the potential impact of these reductions on communities in Hereford and Worcester, and he told the Meeting that the Authority had formally responded to the Warwickshire Improvement Plan consultation and raised significant concerns about their proposals to reduce operational resources.

Members expressed concern at the failure by Warwickshire to consult with neighbouring Authorities before publishing their draft plan and the meeting agreed with the CFO's assessment of the potential impact of the Warwickshire plan on the communities of Herefordshire and Worcestershire.

RESOLVED that:

- i) the content of the report be noted;**
- ii) the Chief Fire Officer/Chief Executive continues to engage with colleagues in Warwickshire to monitor progress in relation to their plans;**
- iii) the Chief Fire Officer/Chief Executive and senior management team draw up contingency plans to ensure that communities in Herefordshire and Worcestershire are not adversely affected by Warwickshire's plan; and**
- iv) the Authority reviews its position once finalised proposals are made by Warwickshire.**

38. TRANSFER OF OWNERSHIP OF NEW DIMENSION ASSETS

The ACFO Service Support explained that the New Dimension project had been a collaboration between Communities and Local Government (CLG), the Fire and Rescue Service (FRS) and the Chief Fire Officers Association (CFOA). The project had enhanced the ability of the FRS to respond to major disruptive events involving Chemical, Biological, Radiological and Nuclear materials, collapsed or unstable structures, and the displacement of large volumes of water.

The assets currently held by the Service referred to within this paper included the following vehicles and associated equipment:

- 2 x Mass Decontamination Vehicles (Incident Response Units at Droitwich and Hereford))
- 1 x Enhanced Briefing Facility (at Droitwich)
- 4 x Urban Search and Rescue Modules (crewed by the USAR team at Droitwich)
- 1 x Canine Search team (dog and handler)
- Associated USAR training equipment and consumables
- 2 x High Volume Pumps (crewed by firefighters at Kidderminster)
- 1 x Enhanced Command Unit (awaiting delivery – based at Leominster)

As the delivery of the project had drawn to an end, CLG had been increasingly focussed on the long-term management plans for New Dimension, to ensure the new capabilities were fully integrated into FRS core business and that standards were maintained to guarantee national interoperability over the life of the equipment.

Long term arrangements focussed on four areas:

- Physical maintenance of the vehicles and kit;
- Assurance that the capabilities continued to be fit for purpose;
- Funding for the above and the focus for the recommendation; and
- The transfer of the assets from CLG to Fire and Rescue Authorities.

RESOLVED that the Fire Authority sign-up to the agreement that will see the Authority accepting the transfer of ownership of New Dimensions Assets currently held.

39. STRATEGIC RISK REGISTER

The Deputy Chief Fire Officer informed the meeting that overall responsibility for ensuring risks were managed effectively lay with the Authority as advised by the Service. The live Strategic Risk Register outlined to Members the risk scoring for both likelihood and impact and any significant changes to the Register were brought to the attention of the Authority.

A number of changes were recommended to the document to reflect a National, Regional and Local perspective. Both Members and Officers recommended that the Register continued to be split into Strategic, Operational, Regulatory, Financial and Reputational risks. A new risk category has been added this year to take account of Environmental risk.

RESOLVED that the revised Strategic Risk Register be approved.

40. THE CODE OF CORPORATE GOVERNANCE

The Deputy Chief Fire Officer presented the Code which had been reviewed by Senior Officers of the Authority and updated to be aligned with the latest recommendations of good practice.

RESOLVED that the updated Code of Corporate Governance be adopted.

41. PERFORMANCE ASSESSMENT 2008 – 09

The Deputy Chief Fire Officer updated Members on the results of the 2008/9 Organisational Assessment for Hereford & Worcester Fire and Rescue Authority (FRA).

The Audit Commission had reported that the FRA performed well and scored 3 out of 4 for its Organisational Assessment. The Meeting complimented the Officers and staff on the results achieved.

RESOLVED that the 2008/09 Organisational Assessment results be noted.

42. THE REVIEW OF THE WATER RESCUE STRATEGY BY THE BEST VALUE, POLICY AND PERFORMANCE COMMITTEE

Cllr. Mary Drinkwater, Chair of the Best Value, Policy and Performance Committee presented the Report which was the Committee's response to the Authority's request that the Water Rescue Strategy adopted by the Authority on the 26 June 2009 be reviewed.

The Committee held a number of special meetings, including a briefing from Officers, a visit to a current water rescue station to speak to front-line staff and an invitation to all representative bodies to meet with the Committee so that they could seek their views and input.

Following the initial “desk top” review of documentation, which included an evaluation of the arrangements and resources currently provided within other Authorities as declared to the DEFRA National Flood Rescue Asset Database, it was decided that there would be little value in visiting an external Service. The Committee therefore agreed to amend its initial Terms of Reference in this respect.

Having considered carefully all of the evidence available, the Committee grouped the issues into three areas of interest, roles and responsibilities:

- (i) current guidance,
- (ii) training and equipment for flood response, and
- (iii) the financial impact of a specialist flood response capability on Council tax.

The Committee Chair thanked the Chief Fire Officer and his staff, as well as the Members of the Committee for all their hard work in the Review, and recommended it to the Authority.

RESOLVED that:

- i) the Review of the Water Rescue Strategy be noted;***
- ii) a further review be conducted once the outcomes of the current National Flood Rescue Enhancement programme are known; and***
- iii) a letter be sent on behalf of the Authority to the Ministers for Communities and Local Government and for Environment, Food and Rural Affairs, outlining the issues we have identified and our ongoing support for Sir Michael Pitt’s original recommendations from his review of the 2007 floods.***

43. PUBLICATION SCHEME

The Deputy Chief Fire Officer informed Members of the revised Publication Scheme for the Authority in line with the Service’s Governance arrangements.

RESOLVED that the New Publication Scheme be noted.

44. AUDIT COMMITTEE REPORT

Cllr. Derek Prodger, Chairman of the Audit Committee presented the Report.

RESOLVED that:

- i) the proceedings of the Audit Committee Meeting held on 9 October be noted; and***
- ii) the Authority amends the Terms of Reference of the Committee to include the monitoring of the Authority’s arrangements against fraud.***

45. BUDGET COMMITTEE REPORT

RESOLVED that the proceedings of the Budget Committee Meetings held on 16 October and 26 November 2009 be noted.

46. BEST VALUE, POLICY AND PERFORMANCE COMMITTEE REPORT

Cllr. Mary Drinkwater, Chair of the Committee, presented the Report.

RESOLVED that the proceedings of the Committee Meetings held on 8 September and 30 November 2009 be noted.

The Meeting concluded at 11.42 am

Signed:
Chairman

Date:.....

5. Appointment of Chief Fire Officer/Chief Executive

Purpose of report

1. To ratify appointment to the post of Chief Fire Officer/Chief Executive.

Recommendation

It is recommended that:

- i) The Fire and Rescue Authority Committee ratify the appointment of the Chief Fire Officer/Chief Executive as recommended by the Appointments Committee***

Background

2. Following notification from Paul Hayden, Chief Fire Officer/Chief Executive of his intention to retire from the Service on 12 May 2010, the Appointments Committee has undertaken a selection process for the Chief Fire Officer/Chief Executive.

Selection Process

3. The process held over two days 11 and 12 February 2010 included an external stakeholder panel, a professional management Panel, a simulated media interview and three Member sub-panels.

Conclusion/Summary

4. Following the selection process the Appointments Committee recommend the appointment of the most suitable candidate with effect from a date to be agreed with the candidate. Further details will be provided at the meeting.

Corporate Considerations

5. A Business Impact Analysis form is attached at Appendix 1 to measure and address the proposals contained in this report. The form contains information on the potential resource implications, legal issues, strategic policy links, equality/ethical issues and risk management implications.

Supporting Information

Appendix 1: Business Impact Analysis Form.

Contact Officer

Jackie Conway, Head of Personnel Services
(01905 368339)
Email: jconway@hwfire.org.uk

Log No.

HEREFORD & WORCESTER FIRE AND RESCUE SERVICE

RISK MANAGEMENT - BUSINESS IMPACT ANALYSIS

Policy, Project, Activity: (e.g. SPI, PMM or FRA Paper, etc).	FRA Paper	New/Existing? (If existing, please state which document it will replace)	
		Date:	17.02.10
Directorate:	CFO	Department:	
Author:	J Conway	Head of Department:	
Title:	Appointment of CFO / Chief Executive		
Purpose:	Appointment of CFO / Chief Executive		
Strategic Policy Implications			Yes / No
Does this policy/activity help us to deliver our IRMP and Corporate Objectives? Yes			
<i>If yes, please state how, if No please state why the document should be put in place. To have CFO in post</i>			
Equality and Diversity Outcomes			Yes / No
Are there any equality and diversity outcomes for this policy/activity? No			
<i>If Yes, please outline i.e. Home Fire Safety Check Policy will have objectives for the targeting of vulnerable groups which link to the Equality strands becoming objectives.</i>			
Equality Monitoring			Yes / No
Does the Service currently collate data specific to this activity for equality monitoring? Yes			
Partnership Working			Yes / No
Does this policy/ activity involve working or interaction with other organisations? No			
<i>If yes, please ensure that the Partnership Working SPI has been completed and advice sought from the Partnership Officer</i>			

Log No.

HEREFORD & WORCESTER FIRE AND RESCUE SERVICE

Risk Management

Please complete all fields identifying the risk/ impact of your subject area.

The Risk Score is derived from the level of Impact and the Likelihood, calculated from the Strategic Risk Matrix – please see below. The risk matrix provides a score based upon the impact (low, medium or high effect) that this risk could have upon the Authority and the likelihood (low, medium or high) that this risk could actually happen during the application of the policy, decision or project.

Completion of this form ensures that all relevant corporate considerations have been addressed that may impact upon the Authority. Any residual risk scores of 7, 8 and 9 (the red areas) must be escalated to the Head of Corporate Risk for consideration into appropriate Risk Registers. Where the answer is no, the inherent and residual risk score will be **N/A**.

Risk Areas Identified (Risk impact or concerns arising from the subject area being adopted)	Inherent Risk Score (before any control measures applied)	Control Measures/Solution (What action has or will be taken to reduce the inherent risk score and who is responsible?)	Residual Risk Score (after control measures/solutions are applied)
1. Does this activity/policy involve or have an impact on these groups? If yes, please indicate: with a (✓) and state which group(s) Public Staff Partners Contractors Consultants Community Groups Local Government Local Resilience Forum			
<i>From the groups identified above, state here what the actual risk is to the Authority</i>	N/A		N/A
Equality & Diversity			
1. Does this subject area impact upon the six strands of equality? If yes, please indicate: Race Gender Disability Age Sexual Orientation Religion & Belief			
<i>From the groups identified above, state here what the actual risk is to the Authority.</i>	N/A		N/A
2. Could this activity prevent us promoting equality for any diverse group? Yes / No			
<i>If yes, please identify how and what the risk is here.</i>	N/A		N/A
3. Could this activity potentially discourage the participation of any equality groups? Yes / No			
<i>If yes, please identify how and what the risk is here.</i>	N/A		N/A
4. Could this activity promote negative attitudes towards any equality groups? Yes / No			
<i>If yes, please identify how and what the risk is here.</i>	N/A		N/A

Log No.

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5. Could this activity help to promote equality of opportunity between diverse groups? Yes / No			
<i>If no, please identify why and what the risk is here.</i>	N/A		N/A
6. Is there any public concern that the function or policy is being carried out in a discriminatory way? Yes / No			
<i>If yes, please identify how and what the risk is here.</i>	N/A		N/A
7. Has consultation internally/externally been completed with all groups affected? Yes / No			
<i>If yes, please provide details and risk score appropriately. If no, please provide details and risk score appropriately.</i>	N/A		N/A
8. Can the Service be sure that the policy/ activity is meeting all of the needs of all of these groups? Yes / No			
<i>If no, please identify what needs are not being met.</i>	N/A		N/A
Strategic Policy/Governance Implications – e.g. Political impact, Leadership, or senior management change			
	N/A		N/A
Operational – e.g. how we carry out our duties			
	N/A		N/A
Legal – e.g. change or failure to comply with legislation including specialist advice			
	N/A		N/A
Financial – e.g. monetary or resource implications			
	N/A		N/A
Reputational – e.g. Will the reputation of the service be put at risk by the adoption of this policy/ activity?			
	N/A		N/A
Environmental – Is there any impact including Sustainability - e.g. Energy saving, waste disposal, decontamination and containment of fire-fighting media.			
<i>Please ensure that the Sustainability Impact Appraisal form has been completed and advice sought from the Head of Asset Management</i>	N/A		N/A
Assets – Procurement/ ICT/Property/Fleet/Equipment – e.g. Purchasing, New builds, Maintenance/Alterations			
	N/A		N/A

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Human Resources – e.g. Recruitment, Policy changes, Monitoring information Establishment changes, Employee Relations, Employee Development			
	N/A		N/A
Training – e.g. Is training required in this area? Will Training & Development need to be notified in order for them to assist in the delivery training in this area?			
	N/A		N/A
Health and Safety e.g. Will this enhance or undermine Health, Safety and wellbeing			
Log No.	N/A		N/A
Partnership – e.g. Working or interaction with other organisations			
	N/A		N/A
Information Management – e.g. Data Quality, Privacy Impact Assessment, Data Protection and Freedom of Information, Environmental Regulation			
<i>Does this policy/ activity conforms to the Data Protection Act, Freedom of Information Act, Environmental Information Regulations and Data Quality principles?</i>	N/A		N/A
Total Inherent Score		Total Residual Score	
Outcome:			Yes / No
Does this Policy/Project/Activity reduce the overall risk for the service? <i>If no, please state why there is not a reduction in risk</i>			Yes

HEREFORD & WORCESTER FIRE AND RESCUE SERVICE

Impact	High	Important risks - may potentially affect provision of key services or duties 6	Key risk- may potentially affect provision of key services or duties 8	Immediate action needed - serious threat to provision and/or achievement of key services or duties 9
	Impact	Monitor as necessary - less important but still could have a serious effect on the provision of key services or duties 3	Monitor as necessary - less important but still could have a serious effect on the provision of key services or duties 5	Key risks - may potentially affect provision of key services or duties 7
	low	No action necessary 1	Monitor as necessary - ensure being properly managed 2	Monitor as necessary- less important but still could have a serious effect on the provision of key services or duties 4
		Low	Likelihood	High

Log No.

HEREFORD & WORCESTER FIRE AND RESCUE SERVICE

Opportunities:	Responsible:
What further Opportunities can be identified from this activity/policy matter? None	Who is responsible for delivery?

Publishing the Document:			
Is there any reason why this policy, PMM paper or FRA report and accompanying Business Impact Analysis should not be published? Yes/No No			
<i>Please consider Data Protection, Privacy Impact Assessment and Freedom Of Information concerns. If there is a reason why this information can not be published, please state why.</i>			
Policy Author Signature:	J Conway	Date:	09.02.10
Head of Department/Mgr:	N/A (FRA Appointment process)	Date:	

TO BE COMPLETED BY CORPORATE RISK AND EQUALITY AND DIVERSITY ONLY:		
Escalation of Risk:	Yes / No	
<i>Please identify the escalation of risk e.g. Departmental or Strategic Risk Register, Equality and Diversity Steering Group or relevant Corporate Risk Consideration Lead e.g Training, Partnership</i>		
Authorisation:	Outcome:	Date:

Equality & Diversity Officer		
Head of Corporate Risk		

PMM AND FRA PAPERS ONLY:	
PMM:	
FRA:	
Programme Support:	
Procurement:	
Sustainability impact appraisal completed	

7. Service Report

Purpose of Report

- To inform Members of recent key developments and activities together with performance information for the period 1 October to 31 December 2009.

Recommendation

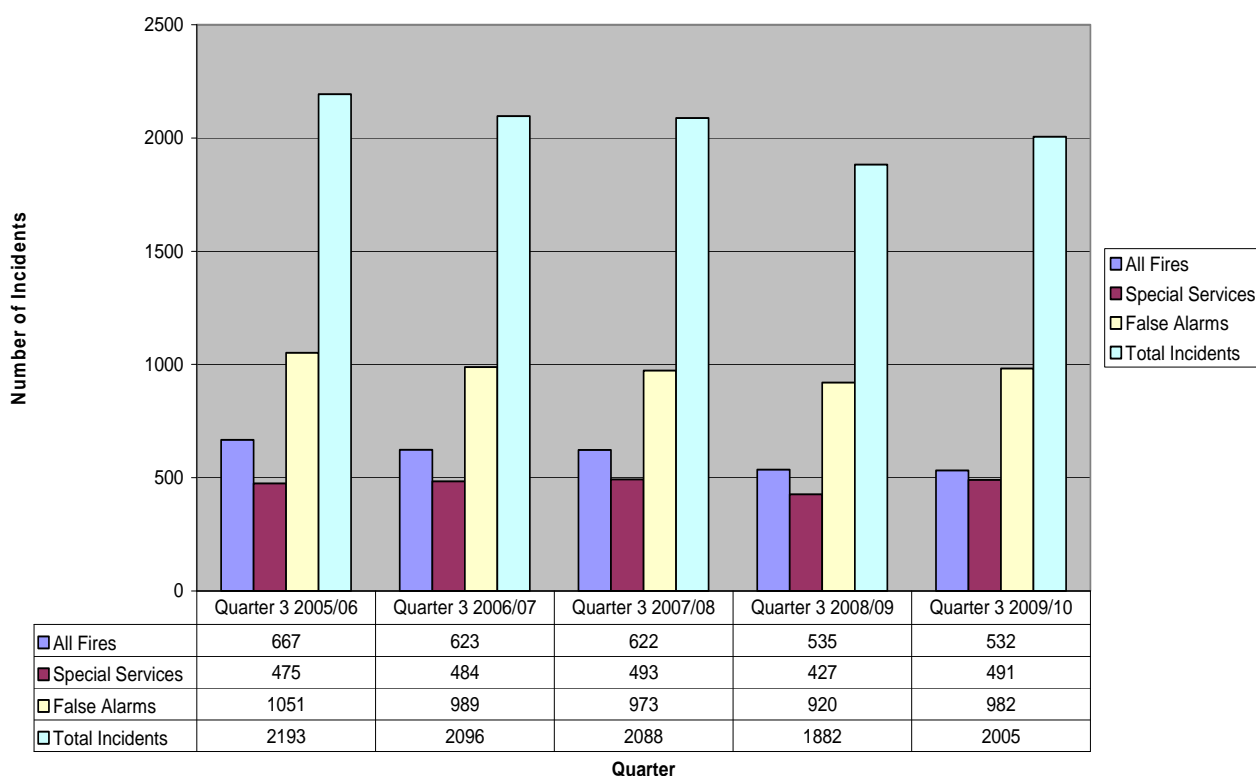
The Chief Fire Officer recommends that the report be noted.

Performance

Operational Performance Update Quarter 3 2009-10

- Figure 1 below demonstrates overall operational activity during Q3 2009-10 compared with the third quarter in the previous 4 years.

Number of Incidents Q3 2005-2009



- Total incident numbers for Q3 2009-10 show an increase on the same period last year (2005 incidents compared with 1882) but an improvement on the previous three years' figures. The increase in total incidents compared with the same period last year is due to increases in the number of special services and false alarms incidents attended within those periods.

4. The number of Special Service incidents has increased from 427 in Quarter 3 2008-09 to 491 in Quarter 3 2009-10, an increase of 15.0%. This is due to a 15.9% increase in the number of Road Traffic Collisions (RTC) attended compared to the same period last year (233 RTC incidents in Quarter 3 2009-10 compared with 201 RTC incidents attended in Quarter 3 2008-09) and a 37.2% increase in other special service incidents that are not road traffic collisions or rescues. These miscellaneous incidents include a variety of calls including attendances for effecting entry and assisting other agencies (188 incidents attended in Quarter 3 2009-10 compared with 137 incidents attended in Quarter 3 2008-09).
5. The number of False Alarm incidents has increased from 920 in Quarter 3 2008-09 to 982 in Quarter 3 2009-10, an increase of 6.7%. This is due to a 10.3% increase in Automatic False Alarms (AFA) attended compared to the same period last year (763 AFA incidents attended in Quarter 3 2009-10 compared with 692 AFA incidents attended in Quarter 3 2008-09) and a 5.8% increase in False Alarm Good Intent incidents compared to the same period last year (199 False Alarm Good Intent incidents attended in Quarter 3 2009-10 compared with 188 False Alarm Good Intent incidents attended in Quarter 3 2008-09).

Health and Safety

Incidents and Injuries

	Total Incidents*	RIDDOR Reportable
October – December 2008	60	12
January – March 2009	51	3
April – June 2009	54	11
July – Sept 2009	46	4
October – December 2009	72	6

*includes all H & S Incidents (injuries, fleet H & S incidents, near hits, etc)

Analysis

6. The number of reported Health and Safety Incidents/Injuries this quarter has increased significantly when compared to the previous quarter – up from 46 to 72 – and the same period last year – up from 60.
7. The number of incidents reportable under RIDDOR has increased slightly when compared to the previous quarter – up from 4 to 6 – but has fallen significantly when compared to the same period last year – from 12 down to 6.
8. The 6 RIDDOR reportable Health and Safety incidents comprise of:
 - A faulty strap being discovered on a Breathing Apparatus set during a don and start procedure;
 - A firefighter being knocked off his bicycle by a third party when turning in to a call;
 - The electric shower on the 1st floor at Malvern Station short-circuiting and briefly catching fire;

- A sprained ankle being sustained following a slip on the roadway;
 - A broken hand being sustained after tripping up the back staircase at Headquarters; and
 - A leak being found in the demand valve of a Breathing Apparatus set during a post firefighting maintenance check.
9. Again, as identified in previous periods, a significant number of all Health and Safety incidents continue to involve operational personnel (83%). Almost half of these incidents occurred during operational activity, 20% occurred during training activities and 21% occurred during routine activities.
 10. Again this quarter, slip, trip and fall injuries and Manual Handling injuries have continued to remain relatively low, with the largest proportion of incidents this quarter being attributed to exposures to hazardous substances (such as during swift water rescue training), which account for 18% of incidents and impact injuries, which accounted for almost 14% of injuries.
 11. A total of 9 Fleet Health and Safety Incidents were reported this quarter, with 7 of these incidents occurring during routine driving activities. The total number of reported fleet incidents has increased by one this quarter when compared to the immediately preceding quarter, however, during this quarter reported incidents occurred predominantly during routine driving activities (7 incidents).
 12. The number of reported Near Hits and Potential Hazards has remained low as in previous periods, with 10 incidents being reported this quarter; and 11 in the immediately preceding quarter.
 13. These incidents represent only 15% of all reported Health and Safety incidents reported this quarter. This again emphasises the fact that the number of injuries and incidents occurring remains higher than the number of potential hazards and near hits being reported.

Complaints, Concerns, Compliments and Donations

14.

Q3	Oct 09	Nov 09	Dec 09	Totals
Complaints	1	1	3	5
Concerns	2	0	1	3
Compliments	9	8	5	22
Donations	6	3	2	11

Information Management

15. Requests for Information Freedom of Information Act (FOIA)/Data Protection Act (DPA)/Environmental Information Regulations (EIR)

Q3	FOIA Requests received and completed	DPA Requests received and completed	EIR Requests received and completed	Requests received to date
October 2009	23	0	1	
November 2009	26	0	1	
December 2009	22	1	0	
TOTALS	71	1	2	74
Requests received January – December 2010			257	

Data Protection Notification

16. The DPA requires that those processing personal information notify the Information Commissioner's Office (ICO) that they are doing so, unless their processing is exempt. From 01 October 2009 notification for Public Authorities with more than 250 members of staff is £500 per year. It is illegal under DPA to process data without notifying the ICO and without renewing the annual notification. The Service remains compliant under the Act.

Items of Interest

Resilience Funding to Support Specialist Rescue Teams

17. Hereford & Worcester Fire and Rescue Service is set to receive just over £1m funding to help support rescue teams that can deal with major incidents such as extreme weather, building collapses or terrorism. The Government grant will help the Service further improve its Urban Search and Rescue (USAR), mass decontamination and pumping capabilities.
18. Assistant Chief Fire Officer Jon Hall has now been appointed to chair the UK's 'National Resilience Board' from the end of March.
19. The extra funding, amounting to £1,043,001, helps HWFRS to provide:
- Two Urban Search and Rescue teams based at Droitwich
 - A search dog and handler
 - Two mass decontamination units based at fire stations in Hereford and Droitwich
 - Enhanced command facilities incorporating advanced satellite communications within Herefordshire
 - High volume pumping vehicles based at Kidderminster (as proved so useful during the floods of 2007).

20. This is one of the largest fleets of its kind outside London. The tragic events in Haiti sadly serve as a reminder of the importance of this kind of capability for dealing with major incidents. Earlier this month, HWFRS technicians assisted in the rescue operation following the gas explosion in Shrewsbury, Shropshire.

FiReControl Project

21. In July 2009, it was announced by Communities for Local Government that there would be a further delay to the delivery of the FiReControl Project. This re-scheduled the cutover for Hereford & Worcester Fire and Rescue Service from May 2011 to March 2012. This delay was as a result of 'technical' difficulties being experienced by the main contractor due to issues with the technology from their key supplier for the proposed mobilising system. Consequently, the contractor has replaced the key supplier and it is reported that this change will not further delay the project.
22. In November 2009, it was reported that a Cross Party Select Committee Enquiry had been ordered into the FiReControl Project. Hereford & Worcester Fire and Rescue Service submitted evidence in the form of a written memorandum to the enquiry in early January. This document gave an objective view of progress within the project so far, identified causes for time and budget overruns and described actions considered necessary for the project to continue.
23. In response to the latest delay announcement, the Service has reviewed the Strategic Risk Register to assess the impact of the changing circumstances. A number of risks were identified as now requiring attention due to the delay in the provision of the Regional Control Centre (RCC).
24. In order to assess the scale of work required to mitigate some of the identified risks, the Service is now producing a scoping document for a project to replace the existing mobilising command and control system with an interim solution. This is being done in communication with Shropshire Fire and Rescue Service to ensure collaborative working is maximised and to draw on existing experience within the region.
25. Work within the FiReControl and FiReLink Projects continues and all Chief Fire Officers in the region are due to meet to discuss the 'single date of transfer.' This is an identified date on which all of the FRAs within the region would transfer their Fire Control function and staff to the RCC. This is necessary to ensure that the RCC has sufficient staff to begin their operations.
26. Work has recently commenced to identify suitable methods of transferring data from existing FRS systems into the RCC systems without the need for 'double keying.' This will require significant activity within the Service to identify all data sets that will require an electronic interface and to ensure that existing software suppliers are able to respond to the Service's needs.
27. Rollout of the new radio system provided by the FiReLink Project is now complete in England and will soon be complete in the rest of the UK. This system allows for full interoperability between Fire and Rescue Services, Police and Ambulance Service and will greatly assist in day to day activities and national level incidents. A demonstration of the new equipment was given to FRA Members on 10 February.

28. Planning for the replacement of the appliance mobile data terminals under Phase C of the FiReLink Project has now commenced with a view to rollout of the equipment in Summer 2011.

Warwickshire IRMP

29. Given the consultation responses they have received, Warwickshire have delayed a decision at this point in time and will be considering the consultation responses further before finalising any proposals.

Health and Safety - 'The Pledge'

30. A new strategy was launched by the Health and Safety Executive last year. Included in this updated strategy for the HSE was the publication of 'The Pledge', seeking to encourage employers to affirm their public commitment to advancing health and safety, particularly in the context of the current economic climate. To signify the joint commitment of key stakeholders engaged in progressing health and safety issues within Hereford and Worcester 'The Pledge' will be formally signed up to by Cllr Peter Watts, Authority's Risk Champion, the Deputy Chief Fire Officer as the FRS Senior Officer in charge of health and safety and local representative bodies. There is a Health and Safety Workshop for Members being held on 22 February 2010.

Information for Members

Queen Honours Chief Fire Officer

31. Hereford & Worcester Fire and Rescue Service's Chief Fire Officer Paul Hayden has been given the Queen's Fire Service Medal in the New Year Honours List.
32. CFO Hayden, who joined the Service in 1978 and has held the position in Hereford & Worcester since 2005, receives the award in recognition of his distinguished service.
33. His contribution to environment and flooding was been recognised by an award from the International Association of Emergency Managers [IEAM] in 2008, and he was recipient of the US 2008 Higgins and Langley swift water rescue programme development award.
34. After the 2007 floods, he was appointed by Government to represent flood rescue organisations on the Flood Rescue National Enhancement programme.
35. In September 2009 he managed the UK contribution to EU Flood Ex that took place in the Netherlands, the largest ever practical flood exercise the EU has staged.

Corporate Risk

36. The National risk register currently records Pandemic influenza as a high risk. Members will be aware of the current Swine Flu Pandemic within the UK and the Service triggering its Business Continuity Plan to manage the situation. The Service has now moved the Continuity arrangements for Swine Flu to a stand-down position in line with national, regional and local guidance. This has been due to the number cases of swine flu substantially decreasing, however, the Service remains vigilant.

Exercise Boy Scout

37. In December 2009 the Service carried out an exercise to test our ability to deal with a significant loss of staff. Whilst the effects of the Swine Flu Pandemic were tested the Service used the opportunity to test our resilience in the event of the loss of ICT and other support services. A full debrief of the exercise is to take place shortly and the findings collated into an action plan and lessons learnt for future enhancement of resilience arrangements. It is clear from our initial findings that our generic arrangements would fit numerous scenarios around the loss of staff including Industrial Action, Terrorism and Severe Weather.

Severe Weather

38. Work continues in consultation with our Local Resilience Forum (LRF) partners on improving the arrangements of multi-agency response and recovery for dealing with severe weather scenarios identified in the Community Risk Register (major flood, high wind, cold weather and heat including drought). Further information will be made available to Members later this year.
39. The annual Friends and Family Carol Service took place for the first time at Leominster Priory on Sunday 20 December 2009. A large number of people came along to the Priory to join in the festivities – members of the public and members of staff and their families. Mince pies and mulled wine were enjoyed afterwards in the Norman Nave at the Priory. The Fire Choir were in attendance and many traditional carols were sung throughout the event. There were readings by members of the Service and the Young Firefighters. Thank you to all those who were involved in the organisation of the service and helped to make this a memorable evening.
40. The FRA Meeting Dates for 2010/11 have now been issued. A copy of the most up to date list is attached as Appendix 1. Please note the change to the September FRA date.

Local Incidents to Note

Cottage Fire in Frankley

41. At 1.05 am on Sunday, December 13, 2009, Fire Control took a call for a house fire on the HWFRS/WMFS border in Frankley Beeches, Frankley. On arrival, crews found a fire on the ground and first floors of a detached residence and one male casualty was led to safety by Fire Service personnel. Crews from Bromsgrove, Redditch and Droitwich attended along with crews from WMFS. A total of 34 firefighters spent more than four hours on the scene. Police and ambulance also attended.

Six Pump Factory Fire

42. Six pumps attended a fire at Rideway Trading, Homme Castle Barns, Shelsey Walsh, near Kidderminster. On arrival at the incident, which happened at just after 8am on Tuesday, December 15, firefighters found the factory was well alight. Six firefighters wore breathing apparatus and used three hose reel jets and two covering jets. The fire, which started at just after 8am, was extinguished by 10.30am. The cause of the fire was a faulty electrical heater.

Twelve Pump Factory Fire

43. Twelve pumps attended a fire at PTS Bathroom Fittings, Washford Drive, Redditch. Crews were called to the incident at 6.20pm on Thursday, December 17. On arrival at the incident firefighters found the showroom well alight. The fire spread to adjacent units and at its height twelve appliances were in attendance, along with two aerial appliances, two CAF appliances, HVP and Water Carrier. Crews worked through the night and fire investigation continued in the morning.

Car Enters Lagoon after Leaving Road

44. A woman was released from a car by firefighters after the vehicle she was travelling in left the road and entered a lagoon. The incident happened on the A4111, at Kington, on Sunday, December 20, at 12.44am. Firefighters from Eardisley and Kington removed the roof of the vehicle and created access through a hedge for paramedics so they could treat the woman. The stop message was given at 2.05am after she was released from the vehicle.

Cylinder Fire behind Hereford Pub

45. Two pumps from Hereford and one pump from Peterchurch attended a fire at St Owen Street, Hereford, on Saturday, January 2 at 3.48am. The incident, which was at the back of The Victory pub, involved a quantity of cylinders. The fire spread into the building and four firefighters in breathing apparatus used three hoses and one jet to deal with the incident. The stop message was given at 5.24am.

Woodburning Stove Fire

46. Two pumps from Worcester were called to a chimney fire at Broad Green, Broadway on Sunday, January 3 at 11.21pm. Chimney gear was used to deal with the wood burning stove fire and the stop message was given at 1.10am.

Car on its Roof Following Whitchurch RTC

47. Firefighters were called to a road traffic collision on the A466 at Welsh Newton, Llancloudy, Whitchurch. The incident happened at 4.45pm on Monday, January 4. On arrival the firefighters from Ross found one car on its roof. One person was trapped and released by the crews and then taken to hospital by ambulance. The stop message was given at 5.25pm.

Carbon Monoxide Detector Alerts Family

48. A family was alerted to a carbon monoxide leak in their home at just after 6.20am on Tuesday, January 5. As soon as the family was alerted they evacuated the property and sought refuge in their car. Two firefighters entered the property wearing breathing apparatus and used a gas monitor. The property was ventilated and the family received medical attention from ambulance crews. The stop message was given at 7.37am.

Young Boy Rescued by Hereford Firefighters

49. On Wednesday, January 6, at just before 1pm, firefighters were called to Belmont Pool, Hereford, following reports of a boy stuck on an island after he had fallen through ice. Specialist rescue crews were brought in to construct an inflatable bridge that was used to rescue the boy. Emergency medical crews were on hand once the boy had been rescued. A number of safety warnings were issued to the media after this incident had taken place. The article featured as the top story on BBC Midlands Today that evening.

Contact Officer

Paul Hayden, Chief Fire Officer (0845 1224454) Email: phayden@hwfire.org.uk

8. Budget and Precept 2010/11 and Medium Term Financial Strategy

Purpose of report

1. To determine Revenue and Capital Budgets for 2010/11 and the consequential Council Tax Precept.
2. To approve the Prudential Indicators and to set a Minimum Revenue Provision (MRP) policy for 2010/11.
3. To identify potential future resources and their consequential impact on future year budgets.
4. To designate the Budget Committee to be responsible to have oversight of Treasury Management activity.

Recommendations

The Authority is asked to:

- ***Approve the Capital Budget and Programme as set out at Appendix 5;***
- ***Approve the Revenue Budget, Net Budget Requirement and consequential precept as set out in Appendix 6;***
- ***Approve the Medium Term Financial Strategy set out in Appendix 7;***
- ***Approve the Statement of Prudential Code Indicators set out in Appendix 8;***
- ***Approve the Minimum Revenue Provision (MRP) policy for 2010-11 as set out in Appendix 9; and***
- ***Designate the Budget Committee to have oversight of Treasury Management activity (paragraph 32).***

Background

5. In December 2009 the FRA considered the 2010/11 budget in conjunction with the IRMP and the Budget Committee considered further progress at its meeting in January 2010. In addition, a workshop was held for all Members in January. The budget and council tax strategy outlined in this report are based on the recommendation from the Budget Committee meeting in January.
6. The provisional grant settlement for 2010/11 was confirmed as £10.668m, a 1.3% increase on 2009/10.
7. Over the three years of the current Comprehensive Spending Review period (CSR) the compounded increase for HWFRA is 3.0% compared with a CFA average of 7.63%, with some individual CFAs well into double figures.
8. The Authority's grant settlement continues to be the lowest per head for CFAs at 73% for 2010/11.

9. For planning purposes the Management Team had been working on a resource base of £31.123m, arising from an assumption that the tax-base would remain static in 2010/11. The final tax-base figures are more buoyant showing a 0.9% increase and a significant net surplus on collection funds was declared. This was reported to the Budget Committee on 28 January.
10. In view of the future resource projections the Committee determined that the additional resource created should be taken to strengthen balances to provide potential assistance to deal with future budget gaps.
11. The recommended 2010/11 Net Budget Requirement is £31.394m, but allowing for the transfer to balances the core budget requirement is £31.123m, representing an increase of 2.2% over the previous year and requires a precept increase of 2.9%. Details are set out in Appendices 1 to 4.
12. In summary the year-on-year changes are as follows:

2009/10 Pay Awards Effect	-0.9%
Non Pay Inflation	+0.5%
Pension Changes	+0.1%
Asset Management Plan Strategy	+1.0%
Pay Contingency	<u>+0.6%</u>
	+1.3%
Net Other Changes	<u>+0.9%</u>
Total	<u>+2.2%</u>

13. The constrained budget means that the FRA must continue its stated policy of not progressing national projects beyond government funding provided.

Efficiency Gains

14. The current efficiency regime runs to the end of 2010/11 and requires the Service nationally to deliver cashable savings averaging 1.5% per year.
15. CLG has again indicated that it believes some FRAs have more scope for delivering efficiencies than others, but has subsequently appeared to take a broad brush approach.
16. In setting a target the FRA used the Audit Commission Report 'Rising to the Challenge' to estimate that £0.600m to £0.700m of the £160-200m national savings identified by the Commission, in the three year period, could be applicable to H&WFRA. The resultant target was £0.700m. Throughout 2008/09 attention was focused on preparing to achieve cashable efficiencies, which, because of their potential IRMP implications were actually realised in 2009/10. The 2009/10 budget included £0.631m of savings.
17. During 2009/10 full year savings of £0.036m in respect of civilianising posts were identified, and a further £0.047m of savings relating to senior middle management were identified. These savings have been used to support the approved implementation of the retained review and bring the total of cashable savings to £0.714m.

18. Additionally, the revised sickness management policy introduced in 2009/10 has seen average WT shifts lost fall from 8.8 in 2008/09 to a projected 6.93 in 2009/10; this represents a non-cashable saving of £0.133m pa.
19. Future budget pressures and the budget gap identified will mean that there is a requirement for significant efficiencies or savings in the future, well in excess of the sums achieved to date.
20. Although, as stated above, the national FRA efficiency target is not intended to be proportional, the information that is required to be included in Council Tax leaflets is.
21. This means that H&WFRA performance on efficiencies will be measured against an average for all CFAs which does not take account of the actual level of efficiency, nor the level of efficiency achieved in the previous round, where H&WFRA achieved 8% against a national target of 5%
22. Members are advised that the comparative data will show H&WFRA performance as below average, even though the FRA has achieved its own informed target figure.

Capital Programme

23. The Capital Programme is based on the approved Vehicle Strategy and Asset Management Plan with the usual annual provision of £0.600m for minor buildings and IT schemes etc. The vehicle costs represent the revised chassis prices under the FireBuy agreement, reflecting the current £/Euro exchange rates. The revenue consequences are included in the revenue budget proposal.
24. In the light of changes approved by the Budget Committee in respect of capital budget monitoring, the Capital Strategy provides for the proposed IRMP Buildings in an illustrative and flexible way, but expenditure will only be incurred when a specific Business Case is approved.
25. 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.
26. For these schemes a business case for each proposal will be taken to the Budget Committee on a case by case basis before any capital expenditure is incurred.
27. A capital programme using prudent financing assumptions and based on the agreed Asset Management Plan and Fleet Strategy is included as Appendix 5 and 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 9.

Investment of Surplus Funds

28. In accordance with the FRA Treasury Management Strategy, surplus funds are invested by, and with Worcestershire County Council.

29. Given the current situation in financial markets the Treasurer has advised that investment should primarily focussed on security. As a consequence all surplus funds are invested with the Bank of England, and the corresponding (low) return has been factored into the budget.
30. 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 2010/11 this source will be effectively exhausted and long term borrowing will again be required.
31. The FRA will only extend long term borrowing when cash-flow requirements dictate that it is necessary.
32. Revised statutory guidance from CLG requires an Authority to specifically designate a body to be responsible for the oversight of Treasury Management activity. It is suggested that this role sits within the remit of the Budget Committee.

Budget Risks

33. Setting a core budget requirement at **£31.123m** as referred to in paragraph 11 still presents risks, for example:
 - Pay Award – as a precaution a contingency has been made in the event of the employer side making an offer to uniformed staff. It is however, reported that the employer side will not be making an offer to support staff.
 - General Inflation – it is not clear whether general inflation is on a downward or upward trajectory nor if FRA specific inflation will follow the general inflation trend.
 - Firefighter Pensions – in advance of the General Election CLG will not advise FRAs of the size (if any) of the proposed changes to the notional employers' contribution rate, nor the costs to compensate RDS personnel for their non-admission to the scheme between 2000 and 2006. Although it is suggested that these costs would not be introduced before 2011/12, CLG are not in a position to confirm this.
 - Whilst there is more clarity about service charges to the Region, there is still no firm agreement on a regional FireLink cost-sharing basis. Charges used for the budget are based on the cost-sharing basis that is likely to be agreed.

These risks highlight the need to maintain prudent levels of balances for purposes in addition to the operational impact.

Council Tax Capping

34. On 26 November in a written statement to the House of Commons the Parliamentary Under-Secretary stated that she was:

“..... pleased that the average Band D council tax increase this year was 3% - the government expects to see it fall further next year while authorities protect and improve front-line services.

We expect the average Band D council tax increase in England to fall to a 16

year low in 2010/11. We remain prepared to take capping action against excessive increases set by individual authorities and requiring them to re-bill for a lower council tax if necessary.’

This implies an average increase of below 3%.

35. In confirming the 2010/11 grant allocations on 20 January 2010 the Parliamentary Under-Secretary made a further statement:

“I am also putting all authorities on notice that the Government will not hesitate to cap any excessive council tax increases set by individual authorities in 2010/11 and that it would be a mistake for any authority to presume they will not be capped if they stay within the capping principles which applied in 2009/10.”

36. Specific criteria for judging excessive increases are unlikely to be announced until after all Council Taxes have been set. An announcement would, in usual circumstances, be made towards the end of next March; however, planning to limit the Council Tax increase below 3% seems to be in accordance with government expectations.

Business Consultation

37. 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

38. 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, compared to £71.57 for 2009/10. This is an increase of £2.07 per year or 2.9% on 2009/10. This equates roughly to an extra £0.04 per week.

39. The detailed calculation of precepts is shown in Appendix 6 and is summarised as follows:

	£
Core Budget	31,123,000
Transfer to General Balances	271,675
<hr/> Net Budget Requirement	<hr/> 31,394,675
less: Share of National Non-Domestic Rates (Business Rates)	9,315,461
less: Revenue Support Grant	1,352,691
<hr/>	<hr/> 10,668,152
Gross Precept Requirement	20,726,523
Collection Fund Surpluses	-82,675
<hr/> Net Precept Requirement	<hr/> 20,643,848
Tax-base - Band D Equivalent	280,316.92
Precept - Band D Equivalent	£73.64

- 40.

The position has been helped by the buoyancy (or increase) in the tax-base (number of properties) by 0.92% between 2009/10 and 2010/11. This means the 2010/11 Council tax would now generate £0.189m more precept in 2010/11

41.

In accordance with the recommendation of the Budget Committee this gain, along with the Collection Fund surpluses is used to strengthen general balances.

Medium Term Financial Strategy (MTFS)

42. As previously indicated to the Budget Committee in January, a prediction of resources beyond 2010/11 is very speculative. In the absence of any further information the projection continues to be based on those assumptions noted by the FRA in December 2009. Thus Appendix 7 is a revised strategy reflecting:

- 2010/11 Council Tax Increase at 2.9%;
- 2011/12 and 2012/13 no Council Tax Increase;
- 2010/11 Formula Grant as per 3-year settlement (i.e. 1.25%);
- 2011/12 Formula Grant cut by 5%;
- 2012/13 Formula Grant frozen at 2011/12 cash level;
- 2011/12 a new grant 'Council Tax Freeze Incentive Grant' (CTFIG) equal to 2.5% precept increase (conditional on precept increase being constrained to 0%);
- 2012/13 CTFIG frozen at 2011/12 cash level; and
- No increase in the tax-base above 2009/10 level.

43. This effectively gives a resource figure of £31.293m across the three years from 2011/12 to 2013/14.

44. Appendix 7 shows the projection of the future budget requirement and is based on the assumptions above, previously debated by Budget Committee, including an assumption on both pay and price inflation at 1% per annum.

45. The figure shown as a contingency relates to potential revised contribution rates for Firefighters' Pensions. This is subject to much discussion and CLG advise that Ministers are not prepared to consider the topic before the General Election (see budget risks above).

46. The Actuaries' report has not indicated a significant change in the rates but there is an issue about the funding resulting from ill-health retirements. As FRAs reduce the number of such retirements the income declines and CLG policy appears to be to recover this lost income from FRAs. This is disingenuous as ill-health funding was specifically removed from formula grant when financial arrangements for pensions were changed and FRAs were encouraged to manage ill-health retirement to achieve efficiencies by not making ill-health contributions to the Pension Scheme.

47. Based on these assumptions it is clear that there are significant budget gaps over the 3 years from 2011/12, totalling £2.5m. The FRA has already agreed an initial strategy in developing ideas to close these gaps but currently has until April 2011 to identify and fully implement the first stage of any proposals.

Revenue Balances Strategy

48. Beyond the addition contained in the 2010/11 budget proposal, the MTFs provides for no growth in, or usage of, general balances which means that their size in relation to the core budget will remain constant as shown in the table below.

49.		<u>2010/11</u>	<u>2011/12</u>	<u>2012/13</u>	<u>2013/14</u>	
	Core Requirement	£m	31.123	31.293	31.293	31.293
	Forecast Balances at Year end	£m	1.542	1.542	1.542	1.542
	% of Projected Budget Requirement	%	5.0	4.9	4.9	4.9

50. Whilst this level of balances is desirable (see also paragraph 33 above), there is an opportunity cost of holding balances. They could be used to finance expenditure or reduce the council tax precept. The risk is, however, that any unforeseen expenditure could not be met.

Prudential Code Indicators

51. 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).

52. 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.

53. 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.

54. 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).

55. 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.

56. 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.

57. The Treasurer has prepared the prudential indicators having considered the matters above and these are set out at Appendix 8.

Minimum Revenue Provision (MRP)

58. 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.

59. 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.

60. Appendix 9 sets out the proposed position.

Budget Calculations: Personal Assurance Statement by Treasurer

61. 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.

62. 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;
- this 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.

Appendices

- Appendix 1: Revenue Budget 2010/11
- Appendix 2: Explanation of variations in Appendix 1
- Appendix 3: Personnel Budget
- Appendix 4: Revenue Budget 2010/11
- Appendix 5: Capital Programme
- Appendix 6: Precept Calculation
- Appendix 7: Medium Term Financial Forecasts
- Appendix 8: Statement of Prudential Code Indicators
- Appendix 9: Minimum Revenue Provision policy 2010/11

Background papers

- Report: Financial Prospects & Future Planning – Fire and Rescue Authority –
18 December 2009
- Report: Budget Preparation 2009/10 – FRA Budget Committee –
28 January 2010

Contact Officer

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Hereford & Worcester Fire and Rescue Authority Budget 2010/11 : Revenue Budget

	£m	%
2009/10 Net Budget Requirement	30.451	
<u>Price Base changes</u>		
Impact of 2009/10 Pay Awards	(0.267)	
LGPS Increased Contribution Rate	0.018	
Non-Pay Inflation	0.138	
Unfunded Pensions	0.025	
	(0.086)	-0.3%
Sub-total	30.365	
<u>Other Changes</u>		
Impact of Asset Management Plan & Fleet Strategy	0.300	1.0%
Pay Contingency	0.170	0.6%
IRMP Water Rescue Phase 2	0.035	
RMB Costs	(0.022)	
PPP Savings	(0.009)	
IT Software Maintenance	0.038	
Property Maintenance	0.100	
IT 24 hour Cover arrangements	0.023	
Community Safety Education	0.031	
Other Pay Variations	0.029	
Community Safety Strategy	0.048	
Net Other	0.015	
	0.758	2.5%
Core Budget Requirement	31.123	2.2%
Strengthening of Balances	0.271	
	0.271	0.9%
RECOMMENDED NET BUDGET REQUIREMENT	31.394	3.1%

Hereford & Worcester Fire and Rescue Authority Budget 2010/11: Explanation of Variations in Appendix 1

Impact of 2009/10 Pay Awards

2009/10 pay awards were budgeted at 2.5%, but they were agreed at 1.25% for uniformed staff and 1% for support staff. This has a consequential saving in 2010/11 budgets.

LGPS - Increased Contribution Rate

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

Non-pay inflation

Has been allocated to specific items - but averages 1% overall.

Unfunded Pensions

The element of the Fire-fighters' pension scheme not covered by the new funding arrangements.

Capital Financing

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.

Pay Contingency

A provision for costs totalling 1% of the pay budget has been made. It is not clear if the present Local Government Employers offer to support staff (0%) will be reflected in the negotiations for uniformed staff, whose normal award date is after the General Election.

IRMP Water Rescue

As approved by the FRA in the IRMP, the additional costs of providing Phase 2 First Responders has been met largely from RIB cost savings, savings within PPP Dept and small net other savings.

IT software maintenance

Licence and support costs of new software investment including the HRIS and the centrally mandated Incident Reporting System.

Property Maintenance

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

IT 24 hour cover arrangements

As investment is made in IT it forms an even more critical part of the Service and it is necessary to ensure that there is a 24-hour support service.

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 made available has been taken into reserves to potentially assist with implementation of necessary future efficiencies.

Hereford & Worcester Fire and Rescue Authority
Budget 2010/11: Personnel Budget.

	Wholetime Firefighters FTE	Retained Firefighters H/C	Control Room Staff FTE	Non- Uniformed Support FTE	TOTAL
Core Budget 2009/10	318.0	369.0	25.0	124.7	836.7
Civilianisation of Fire Safety Trainer	(1.0)			1.0	0.0
Civilianisation of Technical Fire Safety Posts	(2.0)			2.0	0.0
Civilianisation of Driving Instructor Post	(1.0)			1.0	0.0
De-civilianisation of Logistics Manager Post	1.0			(1.0)	0.0
<u>RDS Review Outcomes</u>					
Deletion of Area Manager Post	(1.0)				(1.0)
Creation of Technical Fire Safety Post (W)				1.0	1.0
Creation of RDS Technicians				2.0	2.0
Included in Budget 2010-11	314.0	369.0	25.0	130.7	838.7

Hereford & Worcester Fire and Rescue Authority
Budget 2010/11 : Revenue Budget

	2009/10 Revised Budget £m	change	2010/11 FRA Feb 2010 £m
Wholetime Pay	14.391	(0.360)	14.031
Retained Duty Staff Pay	3.127	(0.089)	3.038
Control Pay	0.775	(0.064)	0.711
Support Pay	3.651	0.267	3.918
Pay Contingency	0.000	0.170	0.170
	21.944	(0.076)	21.868
Other Employee Costs	0.036	0.000	0.036
FF Pensions - Non Funded Costs	0.713	0.025	0.738
SUB-TOTAL : Employee Costs	22.693	(0.051)	22.642
Urban Search & Rescue (USAR) - total cost	0.871	0.009	0.880
SUB-TOTAL : USAR	0.871	0.009	0.880
Performance Management	0.082	0.050	0.132
Organisational Development	0.249	(0.009)	0.240
FRA Costs	0.129	(0.003)	0.126
	0.460	0.038	0.498
Community Safety - Prevention	0.299	0.044	0.343
Community Safety - Technical Fire Safety	0.000	0.031	0.031
Community Safety - Intervention Policy	0.054	0.014	0.068
	0.353	0.089	0.442
Personnel	0.259	0.045	0.304
Approved Centre	0.008	0.001	0.009
Training	0.592	0.035	0.627
	0.859	0.081	0.940
Equipment Support	0.949	0.000	0.949
Fleet	0.527	0.000	0.527
IT	0.489	0.074	0.563
Comms	0.379	(0.011)	0.368
Insurances	0.312	0.000	0.312
Legal Services	0.061	0.000	0.061
Facilities Management	1.263	0.100	1.363
	3.980	0.163	4.143
Finance	0.329	(0.028)	0.301
Capital Financing	1.905	0.300	2.205
RCC Project	0.115	0.123	0.238
PMM Cost Centre	0.000	0.020	0.020
	2.349	0.415	2.764
SUB-TOTAL : Other Running Costs	8.001	0.786	8.787
Special Grants	(1.114)	(0.072)	(1.186)
	(1.114)	(0.072)	(1.186)
CORE-BUDGET	30.451	0.672	31.123
Strengthening of Balances	0.000	0.271	0.271
NET BUDGET REQUIREMENT	30.451	0.943	31.394

Hereford & Worcester Fire and Rescue Authority
Budget 2010/11 : Capital Programme

	BUDGET	PROGRAMME			TOTAL £m
	2010/11 £m	2011/12 £m	2012/13 £m	2013/14 £m	
Vehicle Programme					
Routine Replacements (Pumps)	0.615	0.820	0.615	0.615	2.665
Routine Replacements (4WD)	0.150		0.150		0.300
Routine Replacements (Off-Road)	0.015			0.020	0.035
Command Unit				0.350	0.350
	0.780	0.820	0.765	0.985	3.350
IRMP Schemes					
Pebworth	0.100				0.100
Provision for future Business Cases	2.500	3.000	2.500	3.500	11.500
	2.600	3.000	2.500	3.500	11.600
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	3.980	4.420	3.865	5.085	17.350

Excludes impact of any slippage from 2009/10

Hereford & Worcester Fire and Rescue Authority
Budget 2010/11 : Precept Calculation

Tax-base : Band D Equivalent		
Bromsgrove		36,416.56
Herefordshire		70,750.06
Malvern Hills		30,340.51
Redditch		27,470.42
Worcester		32,938.00
Wychavon		47,456.37
Wyre Forest		34,945.00
		280,316.92
		£
Core Budget		31,123,000.00
Transfer to General Balances		271,675.00
Net Budget Requirement		31,394,675.00
Share of National Non-Domestic Rates (Business Rates)		9,315,461.00
Revenue Support Grant		1,352,691.00
Total Financing Grants		10,668,152.00
Gross Precept Requirement		20,726,523.00
Collection Fund Surpluses		(82,675.00)
Net Precept Requirement		20,643,848.00
Tax-base - Band D Equivalent		280,316.92
Precept - Band D Equivalent		£ 73.6447
		£ 73.64
Total Precept on Billing Authorities		£
Bromsgrove		2,681,885.65
Herefordshire		5,210,365.06
Malvern Hills		2,234,416.95
Redditch		2,023,050.11
Worcester		2,425,708.25
Wychavon		3,494,908.87
Wyre Forest		2,573,513.11
		20,643,848.00

Equivalent to Tax at Band	Ratio to Band D	£
A	6/9	£ 49.10
B	7/9	£ 57.28
C	8/9	£ 65.46
D	9/9	£ 73.64
E	11/9	£ 90.01
F	13/9	£ 106.38
G	15/9	£ 122.74
H	18/9	£ 147.28

2009/10 Tax	change
£ 47.71	2.91%
£ 55.67	2.89%
£ 63.62	2.89%
£ 71.57	2.89%
£ 87.48	2.89%
£ 103.38	2.90%
£ 119.29	2.89%
£ 143.14	2.89%

Hereford & Worcester Fire and Rescue Authority
Medium Term Financial Forecasts

		2011/12 Forecast £m	2012/13 Forecast £m	2013/14 Forecast £m
Prior Year Net Budget Requirement		31.394	31.293	31.293
Less one-off strengthening of balances		(0.271)		
		31.123	31.293	31.293
Cost Pressures				
Contingency for Pay Awards at 1%		0.233	0.226	0.225
General Inflation Contingency		0.139	0.151	0.145
LGPS - Increased Contribution Rate		0.018	0.018	0.018
NI Increases		0.178		
Contingency - FFPS etc		0.200	0.090	
Net Other		0.015		
		0.783	0.485	0.388
Capital Programme				
Impact of Asset Management Plan & Fleet Strategy		0.201	0.229	0.250
		0.201	0.229	0.250
Consequences of National Projects				
Firelink - estimated net new cost		0.046		
FireControl - estimated net new cost			0.500	(0.200)
		0.046	0.500	(0.200)
		32.153	32.507	31.731
Cash Releasing Efficiencies				
To be identified		(0.860)	(1.214)	(0.438)
		(0.860)	(1.214)	(0.438)
PROJECTED NET BUDGET REQUIREMENT		31.293	31.293	31.293
	2010/11 Budget	2011/12 Forecast	2012/13 Forecast	2011/12 Forecast
Band D Increase		0.00%	0.00%	0.00%
Tax-base Increase		0.00%	0.00%	0.00%
Grant Increase		-5.00%	0.00%	0.00%
Band D Tax	£ 73.64	£ 73.64	£ 73.64	£ 73.64
Tax-base	280,316.92	280,316.92	280,316.92	280,316.92
	£m	£m	£m	£m
Council Tax Yield	(20.643)	(20.643)	(20.643)	(20.643)
Formula Grant	(10.668)	(10.135)	(10.135)	(10.135)
Council Tax Freeze Incentive Grant	0.000	(0.516)	(0.516)	(0.516)
Collection Fund Surpluses	(0.083)	0.000	0.000	0.000
Gross Resources	(31.394)	(31.293)	(31.293)	(31.293)

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 2010-11 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 2009/10 Budget are as follows:

	2008/09 Actual £000	2009/10 Estimate £000	2010/11 Estimate £000	2011/12 Estimate £000	2012/13 Estimate £000	2013/14 Estimate £000
Capital Expenditure	3,736	3,328	6,448	4,420	3,865	5,085
Operationally Leased Assets	251	462	204	303	93	437
	3,987	4,790	6,652	4,723	3,958	5,522

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 Plan. 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:

	2008/09 Actual £000	2009/10 Estimate £000	2010/11 Estimate £000	2011/12 Estimate £000	2012/13 Estimate £000	2013/14 Estimate £000
Financing Costs	1,617	1,918	2,205	2,406	2,635	2,885
Net Revenue Stream	29,311	30,451	31,394	31,293	31,293	31,293
Ratio	5.52%	6.30%	7.02%	7.69%	8.42%	9.22%

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:

	2008/09 Actual £000	2009/10 Estimate £000	2010/11 Estimate £000	2011/12 Estimate £000	2012/13 Estimate £000	2013/14 Estimate £000
Capital Financing Requirement at 31st March	13,398	15,155	19,822	23,219	25,694	29,618

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	2010/11 £000	2011/12 £000	2012/13 £000	2013/14 £000
External Borrowing	25,000	28,000	31,000	35,000

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	2010/11 £000	2011/12 £000	2012/13 £000	2013/14 £000
External Borrowing	22,000	26,000	28,000	32,000

7. Actual External Debt

The Fire and Rescue Authority's actual external debt as at 31 March 2009 was £13.053 million; comprising £13.053 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 2010/11 – 2013/14 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 2009.

The incremental impact identifies transactions that will occur **over and above** what has already been provided for in the 2009/10 revenue budget and assumes the funding available in 2009/10 will be carried forward in the future year's base budgets.

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

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 2010/11 Budget on the Council Tax is as follows:

	2010/11	2011/12	2012/13	2013/14
Incremental Impact on Band D				
Council Tax	£ 0.01	£ 0.05	£ 0.10	£ 0.30

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

	2010/11	2011/12	2012/13	2013/14
Fixed Interest Rate Exposure	£000	£000	£000	£000
Upper Limit	25,000	28,000	31,000	35,000

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

	2010/11	2011/12	2012/13	2013/14
Variable Interest Rate Exposure	£000	£000	£000	£000
Upper Limit	6,000	7,000	8,000	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 adopted for 2008/09 and 2009/10 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

9. Revised Equality Scheme 2010-2013

Purpose of report

1. To inform the Authority of the revised Equality Scheme, and to seek approval for consultation on the Scheme.
-

Recommendation

The Chief Fire Officer recommends that the Authority approve the Scheme for consultation.

Background

2. In 2007 the Authority produced a Single Equality Scheme in response to its statutory requirements under equalities legislation. Pursuant to the requirements for such schemes, it has a life of three years which expires in 2010.
3. The Authority is required at this stage to conduct a full review of the Scheme, and publish a further three year scheme outlining its response to its duties.

The Duties

4. The general duties within the legislation are:
5. Sex Discrimination Act 1975 (Equality Act 2006):
 - Eliminate unlawful sex discrimination; and
 - Promote equality of opportunity between women and men.
6. Race Relations Act 1976:
 - Eliminate unlawful discrimination;
 - Promote equality of opportunity; and
 - Promote good relations between people of different racial groups.
7. Disability Discrimination Act 1995:
 - Promote equality of opportunity between disabled people and other people;
 - Eliminate discrimination that is unlawful under the Disability Discrimination Act;
 - Eliminate harassment of disabled people that is related to their disability;
 - Promote positive attitudes towards disabled people;
 - Encourage participation by disabled people in public life; and
 - Take steps to meet disabled people's needs, even if this requires more favourable treatment.

8. Alongside the general duties, there is a specific duty to publish a scheme outlining how the general duty in each case will be met. There are two options that have been taken nationally: the production of single schemes to meet each equality area, or the publication of a generic scheme that covers all three areas.

The Review of the Scheme

9. A full review of the Scheme has been conducted, and the action plan has been significantly revised and improved based on evidence from assessments, and changes both to the governing legislation and the equalities performance frameworks, most notably the introduction in December 2009 of the Fire and Rescue Service Equality Framework.

Next Steps

10. Following approval by the Authority, a full consultation will be conducted, engaging a wide range of stakeholders, public and voluntary sector agencies, and specifically focusing on specialist equalities groups and support bodies.
11. Following consultation, a revised Scheme will be presented to the Authority at its June meeting for formal approval and publication.

Supporting Information (Separate attachment)

Appendix 1 – Hereford & Worcester Fire and Rescue Authority Single Equality Scheme 2010- 13 (Draft for Consultation)

Appendix 2 - Business Impact Assessment Form

Contact Officer

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11. Audit Committee Report

Purpose of report

1. To inform Members of the proceedings of the Audit Committee Meeting held on 21 January 2010 and to note The Annual Audit Letter 2008/09.
-

Recommendations

The Audit Committee recommends that:

- i) The Authority notes the proceedings of the Audit Committee Meeting held on 21 January; and***
- ii) The Authority notes The Annual Audit Letter 2008/09.***

Audit Committee Meeting on 21 January 2010

2. The Meeting noted updates on the following items:
 - i. The revised internal audit plans for 2009/10.
 - ii. Quarterly Risk Management update.
 - iii. Governance Review: The Clerk told the Committee that a Governance Review Group had been established, comprising the Audit Committee Chair, the Deputy Chief Fire Officer, the Director of Finance, the Clerk, the Head of Planning and Policy and the Corporate Support Manager.
 - iv. The External Audit Opinion Plan for 2009/10.

The Annual Audit Letter 2008/09

3. The Committee received the Annual Audit Letter from the Audit Commission which assessed the Authority as *“performing well”* in its arrangements for Managing Finance, Governing the Business and Managing Resources. The key findings in the Commission’s audit 2008/09 were as follows:
 - a. the Authority maintained its track record as a high performing organisation;
 - b. the Authority was among the best services in the country for promoting equality and diversity;

- c. there was engagement with partners and communities and the Service championed wider agendas such as road safety, anti social behaviour, youth work, flooding and urban search and rescue; and
 - d. financial arrangements were effective and the 2008/09 accounts were completed, audited and approved well in advance of the required date of September.
- 4. The key areas for the Authority to address were improving the levels of sickness absence, the training of Members, to demonstrate evidence of a strong ethical framework and culture delivering outcomes and the quality of working papers supporting the financial statements.
- 5. The Committee welcomed the positive report and the Chairman thanked the Commission and the staff. The full Annual Audit Letter is attached at Appendix 1.

Supporting Information

Appendix 1 – The Annual Audit Letter from the Audit Commission to Hereford & Worcester Fire and Rescue Authority for Audit 2008/09

Background papers – Agenda and papers for Audit Committee Meeting held on 21 January 2010.

Contact Officer

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Annual Audit Letter

Hereford and Worcester Fire and Rescue Authority

Audit 2008/09

December 2009



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Status of our reports

The Statement of Responsibilities of Auditors and Audited Bodies issued by the Audit Commission explains the respective responsibilities of auditors and of the audited body. Reports prepared by appointed auditors are addressed to non-executive directors/ members or officers. They are prepared for the sole use of the audited body. Auditors accept no responsibility to:

- any director/member or officer in their individual capacity; or
- any third party.

Key messages

This report summarises the findings from our 2008/09 audit. It includes messages arising from the audit of your financial statements and the results of the work we have undertaken to assess the way you manage your performance and your arrangements to secure value for money in your use of resources.

Overview

- 1** Hereford and Worcester Fire and Rescue Authority manages performance well, because it is providing an effective and improving fire and rescue service to communities and provides value for money. There was a significant improvement in 2007/08 in its key performance indicators (PIs) which ranked the Authority sixth out of 48 Fire Authorities for improvement and showed that 80 per cent of PIs had improved. This trend has continued in 2008/09 and the Authority is maintaining its track record as a high performing organisation.
- 2** Improved outcomes continue to be delivered in line with the national framework and you are making steady progress on changes related to the deployment of resources. You are among the best services in the country for promoting equality and diversity. There is engagement with your partners and communities and the service is championing wider agendas such as road safety, anti social behaviour, youth work, flooding and urban search and rescue. Financial arrangements are effective and the 2008/09 accounts were completed, audited and approved well in advance of the required date of September. During the auditing of the 2008/09 accounts some errors were found all of which were adjusted for and I was able to issue an unqualified opinion on 7 August 2009.
- 3** You are aware of where you can get better. For example, by continuing to take action on reducing sickness levels and further reducing attendances to unwanted fire calls. There are also a few staff new to their current posts and therefore grappling with new areas of responsibility. Despite these minor shortcomings, which you are tackling, you are well positioned and have the capacity to make further improvements.

Use of resources

- 4** This is the first year in which you have been assessed using the more demanding and more outcome focused approach. Overall for 2008/09 I assessed you as 'performing well' in your arrangements for Managing Finance, Governing the Business and Managing Resources.
- 5** I am required to use this work to help me conclude whether you put in place proper arrangements for securing economy, efficiency and effectiveness in your use of resources. This is known as the value for money conclusion. I issued an unqualified opinion stating that you had adequate arrangements to secure economy, efficiency and effectiveness in the use of resources.

- 6 As this is the first year no comparisons can be made with previous years' scores. However, my overall conclusion is that you have continued to improve and performed well against the new and more demanding assessment.
- 7 The key areas for you to address are improving:
 - the levels of sickness absence;
 - the training of Members, including the introduction of individual personal development plans;
 - be able to demonstrate evidence of a strong ethical framework and culture delivering outcomes; and
 - the quality of the financial statements by thorough supporting documentation and analysis.

Financial statements

- 8 Your financial statements were presented for audit on 20 May 2009, significantly before the statutory deadline of the 30 June. Following the period when the public can ask me questions on the accounts I issued an unqualified opinion on your annual accounts on 7 August 2009, significantly before the statutory deadline for publishing your accounts of 30 September.
- 9 Whilst there was a major improvement from last year I identified significant errors and uncertainties in the draft accounts, primarily in relation to the accounting treatment of fixed assets (ie property plant and equipment) to reflect reductions in values as a result of the global economic downturn. All these errors were amended for in the Authority's accounts which had the effect of reducing the value of your fixed assets £3.5 million.
- 10 Your Treasurer is taking the necessary actions to address the weaknesses. It will be important to improve these areas not only for 2009/10 but looking towards 2010/11 when, in line with sector accounting the basis of the Authority's financial statements will change from being on UK GAAP (Generally accepted accounting principles) to IFRS (International Financial Reporting Standards).
- 11 We have monitored your progress on this and are satisfied that you are on track to meet these challenges. You have set up a project team and have a clear timeline and have conducted a risk assessment. We have been engaged with the project and will continue to work alongside you to ensure a successful transition.

Actions

- 12 Recommendations are shown within the body of this report and have been agreed with the audited body.

Organisational Assessment and Managing Performance

13 A new output of the area assessment process is an Organisational Assessment which draws upon a Managing Performance element and the findings of auditors from their work on Use of Resources (UoR) and elsewhere. The UoR and Managing Performance assessments are combined to give an overall organisational assessment judgement for the Authority. The Audit Commission has determined that the organisational assessment judgement for Hereford and Worcester Fire and Rescue Authority is that it performs well.

Table 1 **Organisational assessment (performing well)**

	Scored judgement
Managing performance (performing well)	3
Use of resources (performing well)	3

Description of scores:

1. An organisation that does not meet minimum requirements, Performs Poorly
2. An organisation that meets only minimum requirements, Performs Adequately
3. An organisation that exceeds minimum requirements, Performs Well
4. An organisation that significantly exceeds minimum requirements, Performs Excellently

Managing Performance (performing well)

14 The Audit Commission also assesses how well the Authority manages and improves its services and contributes to wider community outcomes. The assessment considers how successful the Authority is in delivering its corporate priorities. The priorities have been drawn from what matters most to local people.

15 The Authority scores 3 out of 4 for managing its performance (the scoring mechanism is as for Use of Resources).

16 Hereford and Worcester Fire and Rescue Authority manages performance well, because it is providing an effective and improving fire and rescue service to communities and provides value for money. It is also well placed to make further improvements. There was a significant improvement in 2007/08 in its key performance indicators (PIs) which ranked the Authority sixth out of 48 Fire Authorities for improvement and showed that 80 per cent of PIs had improved. This trend has been maintained in 2008/09 and the Authority is maintaining its track record as a high performing organisation.

- 17** People in Herefordshire and Worcestershire are comparatively safer than compared with other areas from the dangers of fire and last year the FRA attended the lowest number of fires ever recorded in the two counties. Accidental House Fires, fire deaths and injuries have been reducing rapidly for a few years – at one of the fastest rates nationally.
- 18** It works closely with other agencies on a wide range of community issues. For example, while ensuring vulnerable individuals and families are safe from the dangers of fire it helps to ensure they can live independently in their own homes. Youth work includes a Young Firefighter Association and talks to schools about arson and malicious calls as well as fire safety. This is helping to improve levels of home fire safety, reduce arson and anti-social behaviour (ASB). The FRA is improving safety on the local roads where deaths and serious injuries are fairly high.
- 19** The FRA is aware of where they can get better. For example, by further reducing attendances to unwanted fire calls which, although improving, are rather high. Sickness levels are also high and levels rose and fell over recent years. There are also a few staff new to their current posts and therefore grappling with new areas of responsibility. Despite these minor shortcomings which the FRA is tackling, is well positioned and has the capacity to make further improvements.

Value for money and Use of resources

I considered how well the Authority is managing and using its resources to deliver value for money and better and sustainable outcomes for local people, and gave a scored use of resources judgement.

I also assessed whether the Authority put in place adequate corporate arrangements for securing economy, efficiency and effectiveness in its use of resources. This is known as the value for money (VFM) conclusion.

Use of resources judgements

- 20** This is the first year of the new Use of Resources (UoR) Key Lines of Enquiry (KLOE). These are more broadly based than previously and embrace wider resource issues such as people and workforce planning, and the use of natural resources. The KLOEs are now focussed around three themes; managing finances, governing the business and managing resources. They focus more on value for money achievements, outputs and outcomes rather than on processes, and are therefore more strategic and less criteria driven.
- 21** In forming my scored use of resources judgements, I have used the methodology set out in the use of resources framework. Judgements have been made for each key line of enquiry (KLOE) using the Audit Commission’s current four point scale from 1 to 4, with 4 being the highest. Level 1 represents a failure to meet the minimum requirements at Level 2.
- 22** Overall for 2008/09 I assessed the Authority as ‘performing well’ (Level 3) in its arrangements for Managing Finance, Governing the Business and Managing Resources (Table 2). My conclusions on each of the areas are set out in Appendix 2.

Table 2 Use of resources theme scores

Use of resources theme	Scored judgement
Managing finances How effectively does the organisation manage its finances to deliver value for money?	3
Governing the business How well does the organisation govern itself and commission services that provide value for money and deliver better outcomes for local people?	3
Managing resources How well does the organisation manage its natural resources, physical assets, and people to meet current and future needs and deliver value for money?	3

Overview

- 23** The FRA is providing value for money in the way it provides and improves services to communities and it is achieving safer communities. You are low cost and high performing. You are good at making savings and have made above average levels of efficiency savings some from more efficient staffing arrangements at stations.
- 24** Opportunities to reduce costs are actively sought by buying essential equipment with others and you have made many efficiency savings over recent years. You manage your finances well and link money to your priorities such as community safety. This approach is improving performance and budgets are well managed. You have been successful in getting extra money for yourselves and Worcestershire by meeting your targets to reduce arson in high risk areas.
- 25** Financial arrangements are effective and the 2008/09 accounts were completed and I was able to issue an unqualified opinion on your annual accounts on 7 August 2009 well in advance of the statutory deadline of 30 September.
- 26** You are in a good position to improve further through displaying leadership, by influencing partners and supporting a wide range of community activities. You are clear about what is important to local people and what needs improving. You plan well for the future, and regularly check and manage how you are improving.

Managing Finances (performing well)

- 27** The FRA has a history of clearly integrating financial and corporate planning processes. Its strategy and financial plans are strongly driven by its desire to improve community safety and well being. Resources have been redirected towards prevention in the area of community safety and there has been refocusing of an existing budget of funding to extend the Home Fire Safety check service to target vulnerable people to support a Local Area Agreement priority. As a low grant high performing service the Authority has historically and continues to understand its costs and how they link to performance. The 2008/09 accounts were audited and approved before 30 June well in advance of the statutory September requirement.
- 28** Areas identified within the Managing Finances theme where there is scope for further improvement include:
- improving the quality of the financial statements by thorough supporting documentation and analysis;
 - the seeking of stakeholders views to enable improved and better focussed external reporting of the Authority's financial performance in an accessible and understandable format; and
 - the inclusion of the Authority's environmental footprint and the work undertaken to support diversity in the communities it serves when reporting environmental and social information.

Governing the Business (performing well)

29 The Authority has a clear vision of outcomes for local people based on an ongoing analysis and understanding of needs. It considers costs alongside quality in projects, such as the relocation of its workshop facility, and works well with partners and community groups to deliver wider community outcomes. The Authority has a strong approach on equalities and the service continues to display a strong commitment to Diversity and Equality, access to services and customer care. It has successfully retained the Charter Mark standard for excellence in customer service. It has a robust framework to oversee data quality and members provide robust scrutiny of performance. There is a counter fraud and corruption strategy and the Authority participates in the National Fraud initiative exercise.

30 Areas identified within the Governing the Business theme where there is scope for further improvement include:

- consider individual personal development plans for Members to identify skill gaps, to inform training plans for the year ahead and increase the take up of training and development opportunities (Member attendance at centralised training events is currently 28 per cent);
- ensuring clarity, through regular review, of the respective roles of members and senior officers;
- be able to provide evidence of a strong ethical framework and culture delivering outcomes;
- assessing counter fraud arrangements against best practice to strengthen systems and processes; and
- improving the system of internal control through the effective use of internal audit and the Audit committee is able to demonstrate effective challenge across the organisation.

Managing Resources (performing well)

31 The Authority has a skilled and productive work force. The skills of the workforce are constantly assessed against the requirements for delivering its priorities through an annual process with six monthly reviews with all its employees to limit the skills gap. These reviews cover how organisational objectives have been met and identifying any gaps in training together with interest in promotions. Training and development systems are in place and ensure that the Authority has the right people with the right skills. It has an inclusive and effective approach to organisational change and has a strong track record in relation to diversity and equality.

Recommendation

R1 Ensure action plans are in place to address the key improvement areas from my Use of Resources review.

VFM conclusion

- 32** I assessed your arrangements to secure economy, efficiency and effectiveness in your use of resources against criteria specified by the Audit Commission. From 2008/09, the Audit Commission will specify each year, which of the use of resources KLOE are the relevant criteria for the VFM conclusion at each type of audited body. My conclusions on each of the areas are set out in Appendix 2.
- 33** I issued an unqualified conclusion stating that the Authority had adequate arrangements to secure economy, efficiency and effectiveness in its use of resources.

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.

Audit opinion

34 I issued an unqualified opinion on the Authority's accounts on 7 August 2009, significantly before the September statutory deadline. In my opinion the:

- accounts presented fairly the Authority's financial position and its income and expenditure for the year; and
 - the firefighters' pension fund accounting statements presented fairly the amount and disposition of the fund's assets and liabilities as at 31 March 2009, other than liabilities to pay pensions and other benefits after the end of the scheme year.
-

Significant issues arising from the audit

35 The financial statements were presented for audit on 20 May 2009, significantly before the statutory deadline of the 30 June. 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.

36 The financial statements and working papers presented for audit were a significant improvement upon those made available in 2007/08. However, I identified errors and uncertainties in respect of the accounting treatment of fixed assets (ie property plant and equipment). All of the errors have been amended in the approved set of financial statements but as a result the value of your fixed assets was reduced by £3.5 million.

37 The items were as follows.

- The Betony Road workshops were brought into the financial statements at cost rather than at valuation in accordance with the Authority's accounting policy.
 - The Authority's arrangements to assess the impact of the economic downturn on the valuation of its assets were not sufficiently developed resulting in large changes to impairment charges in the draft financial statements.
 - The valuations of the HQ building and the Betony Road workshops did not separately identify land and buildings resulting in errors in the depreciation calculations.
-

Weaknesses in internal control

- 38** We did not identify any material weaknesses in internal control. However we found a number of control and process weaknesses that have impacted upon the efficiency of our audit and have required additional audit testing.
- 39** The weaknesses identified are as follows.
- The reporting of data to the Government's Actuary's Department (GAD) was being worked on by only one member of the finance team prior to its submission to GAD without being subjected to any other check or peer review. Procedures have now been put in place to address this and we have been able to perform additional tests on these procedures to satisfy ourselves that no material error had occurred.
 - Failings identified in the testing of some controls within the debtors, creditors and pension systems resulted in the need for additional audit work to satisfy ourselves that no material errors had occurred.
 - Ten journals were processed through the ledger to the value of £497k which had been created and authorised by the same person. This is a failing in the control that would have been provided by segregation of duties. We were able to satisfy ourselves that these journals have not given rise to a material misstatement in the accounts.
- 40** The Authority has a relatively small finance team and this can present challenges to ensure that the key accounting internal control of segregation of duties can be present to enable the proper accountability of monies.

Looking forward

- 41** The weaknesses in both the accounts preparation process and internal control are being addressed by the Treasurer but it has resulted in an increase in the audit fee for this year as shown in Appendix 1. It will be important to improve these areas not only for 2009/10 but looking towards 2010/11 when, in line with sector accounting the basis of the Authority's financial statements will change from being on UK GAAP (Generally accepted accounting principles) to IFRS (International Financial Reporting Standards).
- 42** We have monitored your progress on this and are satisfied that you are on track to meet these challenges. You have set up a project team and have a clear timeline and have conducted a risk assessment. We have been engaged with the project and will continue to work alongside you to ensure a successful transition.

Recommendations

R2 Ensure that my agreed Annual Governance report recommendations are implemented by the agreed deadlines.

R3 Monitor progress towards the implementation of the International Financial Reporting Standards for the 2010/11 financial statements in accordance with the requirements of the SORP.

Other matters

Financial Standing

- 43 The last year has seen the country enter a significant economic recession. The consequence locally, is an increasing demand for public services and the likelihood of reduced levels of central government funding. Together, these provide a significant challenge for local government as they seek to continue to provide services to local residents, whilst maintaining a sound financial position.
- 44 The Authority approved the budget for 2009/10 in February 2009 which identified that back office efficiencies of £211K would be needed to balance the expenditure requirement with the likely available resources. The forecast for 2009/10 reported to the November 2009 Budget Committee is an underspend of £124k.
- 45 The impacts of the recession will continue to present a challenge to the Authority in the coming financial year. I will continue to monitor the Authority's response and actions in this key area.

Treasury management

- 46 We have undertaken an overview of the Authority's Treasury Management arrangements. The Authority invests its surplus monies only with Worcestershire County Council (WCC). The Terms of reference of the Budget committee include the making of recommendations to the Authority on financial matters. This committee reviewed the Authority's Treasury Management framework in November 2008 and in January 2009. The Authority concluded that no changes were required to its Treasury Management policy and strategy.
- 47 The Authority has delegated the Treasury Management function to its Treasurer in its scheme of delegation and in its Financial Regulations. The Treasurer of the Authority is also the Treasurer of WCC. A Service level agreement is in place between the Authority and WCC which clearly states where roles, responsibilities and liabilities on the event of a default lie which has been noted by the Budget committee.

Follow up of previous years' work

- 48 We have followed up the actions identified as needed by the Authority made in the previous year and satisfactory progress is being made.

National Fraud Initiative 2008

- 49** The arrangements in place to investigate and report the findings arising from the National Fraud Initiative 2008 have been reviewed and we have concluded that these arrangements are satisfactory. The Director of Finance has taken periodic reports to the Audit Committee on its findings together with the results of investigations carried out on all the data matches reported.

Comprehensive Area Assessment

50 Comprehensive Area Assessment (CAA) is a new way of assessing local public services in England. It examines how well local government and other public bodies work together to meet the needs of the people they serve. The results of these assessments have been made available from December 2009 on the Audit Commission's Oneplace website.

Comprehensive Area Assessment

51 For the first time, local public services will be held collectively to account for their impact on better local outcomes. CAA provides a mechanism to ensure that the needs of the local population are met through agencies working closely together to deliver improved outcomes.

52 The area assessment takes the single tier and county council boundary as the starting point and will focus on the prospects for better outcomes (including health outcomes) for the people living in that area. The review will draw on a range of sources of evidence and will carry out additional investigation where analysis highlights this is necessary. This could involve any of the partners.

53 As part of the approach to CAA new Key Lines of Enquiry (KLOE) have been developed together with a new approach to Use of Resources (UoR) judgements. These judgements are broader than previously and have been applied consistently across all sectors. The CAA Lead has been discussing emerging findings with public sector bodies in Herefordshire and Worcestershire as part of this process.

54 The findings for Worcestershire are that over the last ten years roads have become much safer, with a reducing number of serious accidents or deaths as a result of road accidents. The number of deaths from fires is the lowest on record. There are fewer fires, with far fewer people getting injured. The economy of Tenbury Wells is at risk from flooding and will continue to be with the lack of funds available to carry out defence schemes to protect the town.

55 In Herefordshire the number of people dying on rural roads is a major concern however organisations are working to reduce the number.

56 The Authority is fully engaged with the local strategic partnerships on these issues. They cannot be addressed by one partner alone. However, as part of its contribution the Authority's response plan for possible flooding in Tenbury has been updated in December 2009 and it is specifically working to improve road safety and reduce the numbers of fires through directing resources to home safety checks.

Closing remarks

Independence

57 I can confirm that the audit has been carried out in accordance with the Audit Commission's policies on integrity, objectivity and independence.

Audit fees

58 The audit fees have been reported within the Annual Governance Report and the detail is included within Appendix 1.

Reporting

59 I have discussed and agreed this letter with the Chief Fire Officer and the Treasurer. I will present this letter at the Audit Committee in January 2010 and will provide copies to all members of the Authority.

60 Further detailed findings, conclusions and recommendations in the areas covered by our audit are included in the reports issued to the Authority during the year as listed in Table 3.

Table 3

Report	Date issued
Audit Plan	October 2008
Opinion Audit Plan	March 2009
Report to those charged with governance	June 2009
Opinion on financial statements	August 2009
Value for Money Conclusion	August 2009
Use of Resources - Feedback to management	August 2009
Annual Audit Letter	November 2009

61 The Authority has taken a positive and constructive approach to our audit. I wish to thank the Authority's staff for their support and co-operation during the audit.

Grant Patterson
District Auditor
November 2009

Appendix 1 – Audit fees

Audit fees

62 The audit fees have been reported within the Annual Governance Report and the detail is shown in Table 4.

Table 4 Audit fees

	Actual £	Proposed £	Variance £
Financial statements and annual governance statement	56,949	48,249	8,700
Value for money	21,539	21,539	0
Total audit fees	78,488	69,788	8,700
Non-audit work	0	0	0
Total	78,488	69,788	8,700

Appendix 2 – Use of resources key findings and conclusions

The following tables summarise the key findings and conclusions for each of the three Use of resources themes.

Managing finances - How effectively does the organisation manage its finances to deliver value for money?

Theme score 3	
Key findings and conclusions	
<p>The authority has a good robust framework for the integration of its financial and corporate planning processes, a track record of operating within budget whilst maintaining good service performance. The Integrated Risk Management Plan (IRMP) process is led by the Chairman of the Authority with extensive consultation in numerous forms to ensure resources are directed to local priorities. Resources have been redirected towards prevention in the area of community safety and there has been refocusing of an existing budget of funding to extend the Home Fire Safety check service to target vulnerable people to support a Local Area Agreement priority. As a low grant high performing service the Authority has historically and continues to understand its costs and how they linked to performance. The 2008/09 accounts were audited and approved before 30 June well in advance of the statutory September requirement.</p>	
<p>KLOE 1.1 (financial planning) Does the organisation plan its finances effectively to deliver its strategic priorities and secure sound financial health?</p> <p>Score VFM criterion met</p>	<p>3 Yes</p>

Appendix 2 – Use of resources key findings and conclusions

Key findings and conclusions	
<p>The authority has a good robust framework for the integration of its financial and corporate planning processes. The budget is set in the context of a three-year horizon following completion of consultation on the IRMP. The consultation on IRMP effectively involves stakeholders and local people with attendance at community and fire service events, use of the internet, mailshots, stakeholder panels and group sessions. Resources have been redirected towards prevention in the area of community safety aligned with the Local Area Agreement and the IRMP. There has been refocusing of an existing budget of funding to extend the Home Fire Safety check service to target vulnerable people. The Authority has a track record of operating within its budget whilst maintaining good service performance. There is routine challenge of financial assumptions and performance with transparency about the financial position.</p>	
<p>KLOE 1.2 (understanding costs and achieving efficiencies)</p> <p>Does the organisation have a sound understanding of its costs and performance and achieve efficiencies in its activities?</p> <p>Score</p> <p>VFM criterion met</p>	<p>3</p> <p>Yes</p>
Key findings and conclusions	
<p>As a low grant high performing service the Authority continues to understand its costs and how they link to performance. The cost per head of providing the service is one of the lowest per head for grant settlement but relatively high precept level which is aligned to high performance in relation to priorities. Investment decisions are based on an investment appraisal process which included whole life costs and benefits including wider social and environmental factors. For example Redditch fire station, vehicle procurement and major equipment purchases such as personal protective equipment and breathing apparatus. Vehicles procured have been fitted with compressed air foam systems which use ten times less foam concentrate and less water than the standard. Investments have been made in workshops and the Urban Search and Rescue facility at Droitwich. The IRMP identified efficiencies of £1.3million over the next three years. The Rising to the Challenge data tool shows that total savings are about national average but well above the family group average.</p>	
<p>KLOE 1.3 (financial reporting)</p> <p>Is the organisation's financial reporting timely, reliable and does it meet the needs of internal users, stakeholders and local people?</p> <p>Score</p> <p>VFM criterion met</p>	<p>2</p> <p>Yes</p>

Appendix 2 – Use of resources key findings and conclusions

Key findings and conclusions
There are adequate reporting arrangements in place and quarterly performance and finance reports are produced. Performance is highlighted through tables and a traffic light system together with commentary. The 2008/09 accounts were audited and approved by 30 June well in advance of the statutory September requirement. The audit of the 2008/09 accounts found material errors within the Authority's accounting for fixed assets and the non disclosure of intangible assets as a separate fixed asset category as requirement by the SORP.

Governing the business - How well does the organisation govern itself and commission services that provide value for money and deliver better outcomes for local people?

Theme score	3
Key findings and conclusions	
The Authority has a clear vision of outcomes for local people based on an ongoing analysis and understanding of needs, evidenced in its IRMP. It considers costs alongside quality in projects such as the relocation of its workshop facility. It works well with partners and community groups to deliver wider community outcomes and has a strong approach on equalities. The service continues to display a strong commitment to Diversity and Equality, access to services and customer care. It has successfully retained the Charter Mark standard for excellence in customer service. It has a robust framework to oversee data quality and members provide robust scrutiny of performance. There is a counter fraud and corruption strategy and the Authority participates in the National Fraud initiative exercise.	
KLOE 2.1 (commissioning and procurement) Does the organisation commission and procure quality services and supplies, tailored to local needs, to deliver sustainable outcomes and value for money? Score VFM criterion met	3 Yes

Appendix 2 – Use of resources key findings and conclusions

Key findings and conclusions	
<p>The Authority has worked through the Regional Management Board to the establishment of a regional operations team to enhance operational capacity and resilience. Efficiencies have been gained through the use of IT by for example the use of hand held PCs for delivering community safety and collecting information via electronic forms for fire safety work. The authority has collaborated with other authorities and government bodies in order in its procurement for example FireBuy for the forward ordering of appliances and Replacement respiratory protection equipment. The service has procured vehicles fitted with compressed air foam systems which use ten times less foam concentrate and considerably less water than the standard appliance reducing its environmental impact. New ways of delivering services have been implemented to make improvements. The Community Safety strategy is aligned with the Local Area Agreement and the Integrated Risk Management plan and this realignment has freed up resources.</p>	
<p>KLOE 2.2 (data quality and use of information)</p> <p>Does the organisation produce relevant and reliable data and information to support decision making and manage performance?</p> <p>Score</p> <p>VFM criterion met</p>	<p>3</p> <p>Yes</p>
Key findings and conclusions	
<p>The Authority has a robust framework to oversee data quality. Performance data is reviewed by departmental managers monthly and reviewed by principal officers and strategic officers to consider areas of improvement. Performance is reported quarterly to members who provide robust scrutiny of performance. The monitoring and review of data quality has been demonstrated by their award of ISO 9000 at the training centre together with the retention of the Chartermark. The quality of data is maintained and improved through the use of specialised software to analyse data. Performance is monitored against its priorities and it addresses underperformance.</p>	
<p>KLOE 2.3 (good governance)</p> <p>Does the organisation promote and demonstrate the principles and values of good governance?</p> <p>Score</p> <p>VFM criterion met</p>	<p>2</p> <p>Yes</p>
Key findings and conclusions	
<p>The Authority has the basics in place for good governance including Standing orders and a scheme of delegation. The Best Value and Performance committee provides a scrutiny function. Members receive induction training tailored to their role in the Authority however attendance at member training events was 28 per cent. Training on ethics has been provided to staff and bulletins issued to staff informing them of the whistle-blowing arrangements. The standards committee has met on three occasions in the year including training sessions and taken action when required.</p>	

Appendix 2 – Use of resources key findings and conclusions

<p>KLOE 2.4 (risk management and internal control)</p> <p>Does the organisation manage its risks and maintain a sound system of internal control?</p> <p>Score</p> <p>VFM criterion met</p>	<p>2</p> <p>Yes</p>
<p>Key findings and conclusions</p> <p>The Authority manages its risks and the risk management arrangements have led to improved setting of business objectives, strengthening of procedures following incidents at other authorities and managing the impact of economic downturn. The Authority has a counter fraud and corruption strategy. Internal audit is provided by Worcestershire County Council under a Service level agreement providing a schedule of work reported to the Audit Committee. It participates in the National Fraud Initiative reporting results to the Audit Committee.</p>	

Managing resources - How well does the organisation manage its natural resources, physical assets and people to meet current and future needs and deliver value for money?

<p>Theme score</p>	<p>3</p>
<p>Key findings and conclusions</p> <p>The Authority has a skilled and productive work force. The skills gap is limited and is constantly assessed against the requirements for delivering its priorities through an annual process with six monthly reviews with all its employees. These reviews cover how organisational objectives have been met and identifying any gaps in training together with interest in promotions. Training and development systems are in place and ensure that the Authority has the right people with the right skills. It has an inclusive and effective approach to organisational change and has a strong track record in relation to diversity and equality.</p>	
<p>KLOE 3.1 (use of natural resources)</p>	<p>N/A</p>
<p>KLOE 3.2 (strategic asset management)</p>	<p>N/A</p>
<p>KLOE 3.3 (workforce planning)</p> <p>Does the organisation plan, organise and develop its workforce effectively to support the achievement of its strategic priorities?</p>	

Appendix 2 – Use of resources key findings and conclusions

Score	3
VFM criterion met	Yes
Key findings and conclusions	
<p>The Authority has a skilled and productive work force. The skills gap is limited and is constantly assessed against the requirements for delivering its priorities through an annual process with six monthly reviews with all its employees. These reviews cover how organisational objectives have been met and identifying any gaps in training together with interest in promotions. Training and development systems are in place and ensure that the Authority has the right people with the right skills. It has an inclusive and effective approach to organisational change and has a strong track record in relation to diversity and equality.</p>	

Appendix 3 – Action plan

Page no.	Recommendation	Priority 1 = Low 2 = Med 3 = High	Responsibility	Agreed	Comments	Date
Annual Audit Letter 2008/09 Recommendations						
9	R1 Ensure action plans are in place to address the key improvement areas from my Use of Resources review.	3	Treasurer	Yes	The recommendations are accepted and we will be working towards achieving the desired improvements.	Jan 2010
12	R2 Ensure that my agreed Annual Governance report recommendations are implemented by the agreed deadlines.	3	Treasurer	Yes	The recommendations are accepted and we will be working towards achieving the desired improvements.	March 2010
12	R3 Monitor progress towards the implementation of the Internal Financial Reporting Standards for the 2010/11 financial statements in accordance with the requirements of the SORP.	3	Treasurer	Yes	The recommendations are accepted and we will be working towards achieving the desired improvements.	March 2010

The Audit Commission

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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

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

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
MARP	Midlands Area Radio Project
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
R2R	Rank to Role
RBIP	Risk Based Inspection Programme
RCC	Regional Control Centre
RCCC	Regional Civil Contingencies Committee

Last Updated 28 September 2009

Hereford & Worcester Fire and Rescue Authority

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
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
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UoR	Use of Resources
USAR	Urban Search and Rescue
UWFS	Unwanted Fire Signal

VMDS	Vehicle Mounted Data System
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WAN	Wide Area Network
WM	Watch Manager
WMRMB	West Midlands Regional Management Board

YFA	Young Firefighters' Association
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