



HEREFORD & WORCESTER Fire and Rescue Authority

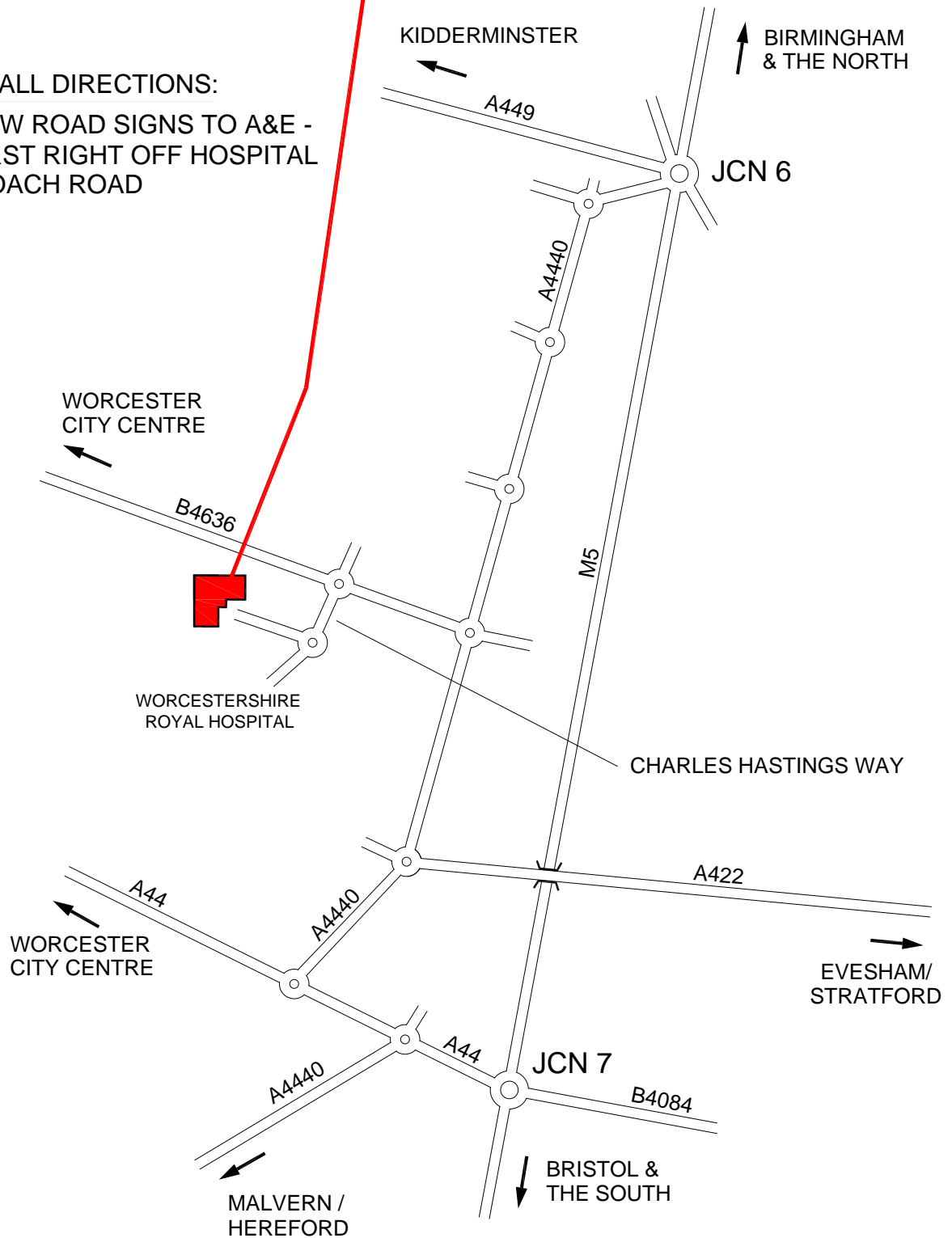
AGENDA

10.30 am Wednesday 15 February 2012

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

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



ACTION ON DISCOVERING A FIRE

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

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

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

ACTION ON HEARING THE ALARM

- 1 Proceed immediately to the Assembly Point

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

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

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- 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.
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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

Councillors

Herefordshire:

Brigadier P Jones CBE (Vice-Chair),

Mr. D Greenow, Mrs. M Lloyd-Hayes, Mr. B Matthews, Mr. D C Taylor, Mr. P J Watts.

Worcestershire:

Mr. D W Prodger MBE (Chair),

Mr. T J Bean, Mr. B Bullock, Mrs. M Bunker, Mr. J Campion, Mr. J Cairns, Mrs. L Duffy, Mrs. L Eyre, Mr. A I Hardman, Mrs. L Hodgson, Mrs. G Hopkins, Mrs. F Oborski, Mrs. J Potter, Mr. C T Smith, Mr. T Spencer, Mr. K Taylor, Mr. J Thomas, Mr. R M Udall, Mr. G C Yarranton.

	Pages
1. Apologies for Absence	
To receive any apologies for absence.	
2. Declaration of Interests (if any)	
The Members' Code of Conduct requires Councillors to declare any interests against an Agenda item, the nature of an interest and whether the interest is personal or prejudicial. If a Councillor has a personal interest, they must declare it but can stay, take part and vote in the meeting. If a Councillor has a prejudicial interest then they must declare what that interest is and leave the meeting room for the duration of the item.	
This item allows the Chairman to invite any Councillor to declare an interest in any of the items on this Agenda.	
3. Chairman's Announcements	
4. Confirmation of Minutes	1 - 12
To confirm the minutes of the meeting held on 14 December 2011 (copy attached).	
5. Questions from Members of the Public	
To receive questions previously submitted by members of the public more than five clear working days before the meeting of the Authority.	

6. Appointment of Treasurer (Section 151 Officer)	13 - 15
To approve the appointment to the post of Treasurer (Section 15q Officer) as recommended by the Appointments Committee.	
7. Chief Fire Officer's Service Report	16 - 22
To inform the Authority of recent key developments and activities together with performance information for the period 1 October 2011 to 31 December 2011.	
8. Budget and Precept 2012/13 and Medium Term Financial Strategy	23 - 51
<ol style="list-style-type: none"> 1. To determine the Revenue and Capital Budgets and the Council Tax Requirement for 2012/13. 2. To approve the Prudential Indicators and to set a Minimum Revenue Provision (MRP) policy for 2012/13. 3. To identify potential future resources, their consequential impact on future year budgets and the future Council Tax Requirement. 	
9. Pay Policy Statement	52 - 57
To bring to the attention of the Authority the requirement for the Service to publish an annual Pay Policy Statement.	
10. Draft Integrated Risk Management Plan – Action Plan 2012/13	58 - 63
To approve the proposed IRMP Action Plan 2012/13.	
11. Clarification of Officers' Delegation Scheme and Amendments to the Policy and Resources Committee's Terms of Reference	64 - 67
To seek agreement to amend an element of the Officers' Delegation Scheme and refresh certain monetary levels.	
To amend the Terms of Reference of the Policy and Resources Committee to support the proposed amendments to the Officers' Delegation Scheme.	
12. Standards Report	
To inform the Committee of the proceedings of the Standards Committee meeting held on 8 February 2012. (To follow)	

13. Policy and Resources Committee Report	68 - 72
To inform the Authority of the proceedings of the Policy and Resources Committee meeting held on 25 January 2012.	
14. Audit Committee Report	73 - 94
To inform the Authority of the proceedings of the Audit Committee meeting held on 18 January 2012.	
15. Appointments Committee	95 - 96
To inform the Committee of the proceedings of the Appointments Committee meeting held on 25 January 2012.	
Glossary	97 - 100



Minutes

Members present:

Mr. D Prodger MBE (Chair), Brigadier P Jones CBE (Vice Chair)

Mr. T Bean, Mr. J Champion, Mrs. L Duffy, Mrs. L Eyre, Mr A Hardman, Mrs. L Hodgson, Mrs. G Hopkins, Mrs M Lloyd-Hayes, Mr B Matthews, Mrs. F Oborski, Mrs. J Potter, Mr. T Spencer, Mr. D Taylor, Mr. K Taylor, Mr. J Thomas, R Udall and Mr. G Yarranton.

No. Item

1. Apologies for Absence

Apologies for absence were received from Councillors: B Bullock, M Bunker, J Cairns, D Greenow, C Smith and P Watts.

2. Declaration of Interests

The Chairman invited any Member to declare an interest in any of the items on this Agenda. The following interests were declared:

- Brig. P Jones CBE – declared a personal interest in relation to agenda item 22 relating to Business Continuity Planning, as his wife's son is a fire fighter.
- Councillor L Hodgson declared a personal interest in relation to agenda item 10, relating to Reduction in Attendance at Automatic Fire Alarms as she is a trustee of St Paul's Hostel.

3. Chairman's Announcements

- 3.1 The Chairman wished everyone present a very Happy Christmas and New Year.
- 3.2 The Chairs of the Policy and Resources and Audit Committees as well as Members were thanked for their support during 2011.
- 3.3 The Chairman reminded Members of the financial difficulties that the Authority would face during the forthcoming year.
- 3.4 Members were reminded of the Carol Service which would take place that evening (14 December 2011) at 7.30 pm in St Mary's and All Saints Church, Kidderminster.
- 3.5 The Committee Services Team was thanked by the Chairman

for the support, help and guidance they had given him.

4. Confirmation of Minutes

RESOLVED: *that the minutes of the meeting of the Fire and Rescue Authority held on 28 September 2011 be confirmed as a correct record and signed by the Chairman.*

5. Questions from Members of the Public

No questions for the Authority were received from members of the public.

6. Chief Fire Officer's Service Report

A report was considered from the Chief Fire Officer that informed the Authority of recent key developments and activities together with performance information for the period 1 July 2011 to 30 September 2011.

The following points were drawn to Members' attention:

- There had been an increase in the number of secondary fires compared with the same quarter last year. However, it was pointed out that the unseasonably warm weather had been a contributory factor.
- Ongoing work was being carried out with Severn Valley Railway to reduce the number of incidents of fires. This work had proved to be successful with only 9 of the fires attended to in September relating to Severn Valley Railway.
- Work had been undertaken in 'hotspot' areas where there had been a number of secondary fires e.g. in Winyates and Hagley.
- Performance management was reported regularly. The Service was considering its targets with the potential to replace them with a 'band of tolerance.' Any proposed changes would be put on the agenda of the Policy and Resources Committee for discussion and agreement.
- The Fire Authority had worked closely with Police colleagues over an arson case which was successfully prosecuted in the Crown Court and a custodial sentence of 7 ½ years was given to the offender.
- The Service had held a Leadership Seminar which would help to develop the Service's leaders.
- A press release had been circulated to all Members this morning. The Chief Fire Officer read out the press release regarding a fatality that had occurred in the Warndon area of Worcester.

Members raised the following:

- In relation to a question about terrorism and training, the Chief Fire Officer stated that since 9/11 a number of initiatives had been undertaken to ensure that the Authority could cope with whatever

situations they met. However, it was pointed out that terrorism could reach new dimensions and although the Authority prepared and trained its firefighters there could be unknown forms of terrorism which may present themselves in the foreseeable future. The Government had issued the Draft National Framework which reiterated its commitment to national resilience.

- A Member expressed her thanks to the Young Firefighters. She had attended a Young Firefighters Executive Committee meeting the preceding evening and commented that it was a pleasure to see the support the Young Firefighters received from Officers.
- A Member wished to commend the Chief Fire Officer on the seminar he had delivered to Members in Hereford. The event had been very much appreciated.

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

7. Fire and Rescue Authority Options for Appointment of a Treasurer and Clerk/Monitoring Officer

The interim Clerk and Treasurer left the room during discussion of this item.

A report was considered that brought to the Authority's attention the options that were available for the provision of services of a permanent Clerk/Monitoring Officer and Treasurer. The report also asked the Authority to extend the interim appointments of the current temporary Treasurer and Clerk/Monitoring Officer until the end of May 2012.

The Chief Fire Officer advised Members that both posts had been appointed on a temporary basis pending the receipt and acceptance of the Audit Commission's report into the retirement of the former Chief Fire Officer as it had been anticipated that this report would make reference to these posts and their relationships with the Authority.

Four Options were contained within the report namely:

Option 1 - SLA with another Fire and Rescue Authority or Council

Option 2 – High Street Solicitor/Accountant

Option 3 – Individual Contract(s)

Option 4 – Direct Employment

For each Option the Chief Fire Officer had listed the advantages and disadvantages, however, he commented that these were not exhaustive.

Members discussed the options available and made the following comments:

- Using a high street service was not appropriate and some public

service organisations operated differently to a Fire Authority.

- There could be a conflict of interests if the Treasurer worked for another authority.
- Option 3 was a possibility for the Authority but Option 4 presented the best way forward.
- It was necessary to bear in mind the advice of the Audit Commission regarding the previous remoteness of the posts.
- It was considered necessary to have a dedicated Monitoring Officer.
- The process should be concluded within 6 months.

RESOLVED:

- (i) ***The current arrangements for the Clerk/Monitoring Officer and Treasurer are extended until 31 May 2012 or until permanent appointments are made, whichever is the sooner.***
- (ii) ***The FRA advises the CFO that Option 4 is the preferred option for securing the services of a Clerk/Monitoring Officer and Treasurer and instructs the CFO to complete detailed investigations for consideration by the Appointments Committee.***

8. Future Financial Prospects

A report was considered that informed the Authority of the initial review of future financial prospects.

The Treasurer advised Members that in February 2011 the Fire and Rescue Authority agreed a Medium Term Financial Plan (MTFP) for 2010-11 to 2013-14. However, he explained that since the Plan had been produced more information had become available regarding future grants.

The Treasurer commented that although there was no information on grant allocation to individual authorities, the Department for Government and Local Communities (DCLG) had now released the grant totals for the latter 2 years and the year on year reductions were 8.5% and 5% respectively. The impact of this had been factored into the Authority's MTFP.

With regard to a Council Tax freeze, DCLG had announced details of a further Council Tax Freeze Grant for 2011/12 which meant that if the Authority were to set a precept of 0% the FRA would receive a grant equal to 3% of the 2012/13 precept which equated to approximately £0.627m. However, Members were advised of potential issues if the Authority were to take the Freeze Grant. The Authority had planned an annual 3.5% increase and the Freeze Grant equated to a 3% increase which would leave a shortfall

in resources of £0.087m for 2012/13. Also the Freeze Grant was for one year only and would necessitate significantly higher cuts in expenditure from 2013/14 or would mean setting a higher future precept.

Members considered the four appendices to the report. Appendix 1 showed the MTFP as approved by the FRA in February 2011. Appendix 2 showed the known changes to projections. Appendix 3 showed the impact of using the 2012/13 Council Tax Freeze Grant and maintaining the MTFP precept increase assumptions for 2013/14 and 2014/15. Appendix 4 showed the impact of taking the Council Tax Freeze Grant and how the 2013/14 precept would have to be increased to compensate.

Members were advised that they were not being asked to make a decision at this stage. The report was for information to alert Members to the current position. Members' attention was also drawn to the further planned meetings that would be held in January/February 2012 where the matter would be discussed further.

The Treasurer advised Members that further information regarding Council Tax capping was contained in the recent Localism Act.

In response to a question about flooding incidents, the Chief Fire Officer commented that the budget had been designed to cover peaks and troughs, but if necessary the operational activity reserve could be used although the activity would have to be exceptional.

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

9. Future Service Planning

A report was considered that updated Members on changes to the Service's Business Planning Processes and Strategic direction.

The Chief Fire Officer informed Members that over the years the Authority had developed a detailed process for managing business planning and projects that was supported by a series of organisational and corporate objectives to underpin this. However, it had been recognised that this was a complex way of dealing with matters and that the process needed to be simplified. The new Plan rectified matters and Members' attention was drawn to the Appendix which outlined the process. By simplifying the process the Authority was giving direction to Managers and allowing them to get on with the work they were expected to undertake.

RESOLVED:

- (I) that the Authority approves the replacement of the current Vision Statement and associated strategy with the Core Purpose for 2012/13 as set out in paragraph 6 of the report to the FRA.***

(II) The Authority endorses the new simplified approach to business planning and delivery of Service strategy.

10. Reduction in Attendance at Automatic Fire Alarms – Consultation

A report was considered that drew to Members' attention the responses to consultation regarding the proposed reduction of attendances at Automatic Fire Alarms (AFAs) and sought permission to implement the recommendations contained within the report.

The Chief Fire Officer outlined the background to the proposals and commented that the Authority was trying to work as effectively as possible. The IRMP Action Plan recommended that the Authority should reduce the number of attendances that it made to unwanted fire signals (UwFS). A consultation commenced with key stakeholders and the proposals within the report were also considered by the Authority's Policy and Resources Committee. The proposals sought to reduce the number of road journeys that were made and associated risks. The main reason for the proposals was to cut down attendance at incidents where there turned out not to be a fire. Out of approximately 3,000 incidents per annum only about 0.4% turned out to be real fires. By not attending AFAs it would allow vital training to take place as firefighter safety was one of the Authority's main priorities. Also whilst an appliance was going out to an AFA it was not available for emergencies. The saving to the Authority for not attending AFAs was estimated to be approximately £40,000 per year.

Members were advised that the consultation that was conducted targeted the most relevant premises and stakeholders affected by the proposals.

Each recommendation was considered in turn and questions were taken from Members.

With regard to Recommendation 5 - attendance be made to Automatic Fire Alarms received to dwellings (includes houses in multiple occupation, flats), schools, residential care and other residential (includes special units, sheltered housing, hotels, hostels). The Chief Fire Officer advised for the next 12 months the Authority would continue to send an appliance but after that period an individual assessment would be made of each incident. Furthermore, the Localism Bill allowed the Authority to charge repeat AFA offenders but the Authority wished to educate them rather than charge them.

Councillor J Campion declared a personal interest due to his involvement in museums. He expressed concern about heritage buildings and the associated risks of not attending an AFA out of hours. Members were particularly reminded of the incident at Hartlebury Museum recently and the Chief Fire Officer confirmed that any decisions made today would be implemented within a period of 6 to 7 months following specific consideration of heritage buildings.

A Member queried whether Fire Control staff had the appropriate training to deal with borderline cases. The Chief Fire Officer responded that Fire

Control always had qualified professional staff on duty that took the calls.

The Chief Fire Officer clarified that many buildings had a fire alarm system which operated whether the building was occupied or not and the alarm went to a collector station which could be anywhere in the country. The Collector Station then contacted Fire Control with details of the AFA.

Members made the following points:

- Whilst the Authority should be congratulated on the way it had consulted on this matter it was disappointing to see such a poor response.
- In response to a query about the storage of industrial chemicals it was clarified that the Service were informed where such chemicals were stored as were other relevant agencies.
- A Member was concerned whether the Service would attend an AFA at a school during school holidays. It was confirmed that they would.
- It was confirmed that a fire appliance would turn back from its journey if the call was confirmed to be a false alarm. Conversely if the AFA call proved to be a real fire more appliances could be sent.
- It was confirmed that the Service worked closely with Worcestershire Regulatory Services.
- Fire Control Operators tended to be aware when a call was vexatious.

In view of some of the comments made by Members the Clerk suggested that recommendations 7 and 9 be amended to state: that the Chief Fire Officer has discretion to adjust any attendance based upon a risk assessment.

(Mrs F Oborski left the meeting at 11.44am)

RESOLVED: that the Authority adopts the following in relation to Automatic Fire Alarms:

- (i) all Pre-Determined Attendances to Automatic Fire Alarm calls to be one pumping appliance only, except where risk factors and Intel (intelligence) information indicate otherwise;***
- (ii) robust call filtering in the Service's Command and Control Centre be implemented;***
- (iii) return en route be implemented when a caller confirms any previous call as now a false alarm;***
- (iv) all responses to Automatic Fire Alarms to be at normal road speeds unless the Officer in Charge of the appliance deems otherwise;***
- (v) attendance be made to Automatic Fire Alarms received to***

dwellings (includes houses in multiple occupation, flats), schools, residential care and other residential (includes special units, sheltered housing, hotels, hostels);

- (vi) hospitals to receive one fire appliance attendance to calls from Automatic Fire Alarms for a period of 12 months, during this 12 months a full assessment of each hospital be made to establish if a single fire appliance or a non-attendance is appropriate.*
- (vii) attendance will not be made to non residential premises (includes offices, shops, factories, warehouses, other buildings); unless it is deemed necessary following a risk assessment.*
- (viii) all restricted attendances be implemented at all times of day and night, this will be specifically reviewed after 12 months;*
- (ix) Automatic Fire Alarms to unoccupied premises will not receive an attendance unless it is deemed necessary following a risk assessment.*
- (x) the Service's Command and Control Centre will apply a "full" filter procedure to Automatic Fire Alarm calls from non-residential premises and hospitals. (This complements Recommendation (v). They will apply a "light" filter procedure to Automatic Fire Alarm calls from dwellings, schools, residential care and other residential properties).*
- (xi) the Service may implement a non-attendance policy to repeat offenders, following Technical Fire Safety Intervention, unless a confirmed fire is reported; and*
- (xii) the Authority will not adopt a 'Charging for Automatic Fire Alarms' policy at this time.*

(Mr T Bean left the meeting at this point 11.50am)

11. Revised Redundancy Policy

A report was considered that provided the Authority with the revised draft Redundancy Policy for approval.

The Chief Fire Officer stated that the Policy and Resources Committee had considered the policy which had been revised due to the current economic climate. He highlighted the changes to the Policy namely:

- Inclusion of the option for voluntary redundancy
- Pay protection for those staff redeployed into alternative roles from three years full pay to a sliding scale over a three year period.

RESOLVED: that the revised draft Redundancy Policy be approved.

(Mr R Udall left the meeting at this point 11.55am)

12. West Midlands Contractor Framework

The Chairman announced that this report had been withdrawn and would be submitted to the next meeting of the Policy and Resources Committee on 25 January 2012.

13. Risk Management Strategy and Strategic Risk Register

A report was considered regarding the revised Risk Management Strategy and Policy and the Live Strategic Risk Register.

The Chairman of the Audit Committee advised Members that the Audit Committee had considered these documents and recommended that the Authority approve them.

RESOLVED: that the revised Risk Management Strategy and Policy and the live Strategic Risk Register be approved by the Authority.

14. Information Commissioner's Office Model Publication Scheme

A report was considered that sought the Authority's approval of the revised Publication Scheme, in line with the Service's Governance arrangements. The Chief Fire Officer advised Members that the more information that the Authority published the less Freedom of Information requests it received.

RESOLVED: that the revised Model Publication Scheme be approved by the Authority.

15. Amendment to Appointments Committee's Terms of Reference

A report was considered that sought approval from the Authority to amend the wording of the Appointments Committee's Terms of Reference.

The Clerk advised Members that in September 2010 Members had adopted a new committee system and in the main had adopted the previous Terms of Reference of committees. However the Terms of Reference did not allow for the Appointments Committee to have delegated authority in relation to determining terms and conditions of the relevant officers. Previously this had been written into its Terms of Reference as there was usually an element of local discretion with regard to terms and conditions that were agreed nationally. The report therefore sought the Authority's approval to regularise the matter.

RESOLVED: that the Authority approves the change in the Terms of Reference of the Appointments Committee as set out in paragraph 5 of the report to the FRA.

(Mr B Matthews left the meeting at this point 12.00pm)

16. Member Development 2011/12

A report was considered that updated Members on the current position with regard to Member Development.

A Member Development Champion spoke on the report and informed Members that one of the principles of good governance that the Authority had adopted was to develop the capacity and capability of Members and Officers to be effective. She outlined how Member Development Champions were appointed. Furthermore she outlined the key points arising from a meeting with the Clerk, Corporate Support Manager and Corporate Support Officer at which it was agreed that it would be useful to send Members a key skills questionnaire to inform the Member Development Programme and thus reduce duplication of training.

Members were advised that the Authority had made a commitment to developing the skills of Members by identifying funds within the 2011/12 revenue budget. Discussions had also taken place on how Members could be given an opportunity to visit locations and staff in each District to provide an overview of areas such as specialist vehicles, types of appliances, training facilities and scenarios. The Committee Services Team would progress this as part of the overall Development Programme.

RESOLVED: that the report be noted.

17. FRA Member Representative for Health and Safety Liaison Panel

A report was considered that advised Members of the proposed new Member representative for the Health and Safety Liaison Panel.

The Clerk informed Members that a recommendation had been made by the Policy and Resources Committee in September 2011 that a Member be appointed to the Health and Safety Liaison Panel. Group Leaders had recommended that Councillor P Watts take on this role and he had duly accepted the nomination.

RESOLVED: that Councillor Peter Watts be appointed as the Member representative on the Authority's Health and Safety Liaison Panel.

18. Audit Committee Report

A report was considered that informed the Authority of the proceedings of the Audit Committee meeting held on 28 September 2011 and the Special Audit Committee meeting held on 7 November 2011.

The Chairman of the Audit Committee thanked Members for their participation and support – particularly for the Special Audit Committee meeting held on 7 November 2011. She also wished to congratulate the Chief Fire Officer for receiving an unqualified audit opinion during the recent audit.

RESOLVED that the Authority notes:

- (i) the proceedings of the Committee Meeting held on 28 September 2011 and the Special Audit Committee meeting held on 7 November 2011;**
- (ii) that the Committee approved the Annual Governance Statement 2010/11 for publication;**
- (iii) that the Committee approved the Statement of Accounts 2010/11;**
- (iv) that the Committee agreed to monitor the progress of the actions as set out in the District Auditor's report; and**
- (v) the Committee approved the letters of representation on behalf of the Authority for both the Supplementary Annual Governance Report 2009/10 and the Supplementary Annual Governance Report 2010/11.**

19. Policy and Resources Committee Report

A report was considered that informed the Authority of the proceedings of the Policy and Resources Committee meeting held on 23 November 2011.

The Chairman of the Policy and Resources Committee thanked Members of the Committee for the work they had carried out during the year and also wished to thank Officers for their input.

RESOLVED: that the Authority note the proceedings of the Committee meeting held on 23 November 2011.

20. FRA and Committee Meeting Dates for 2012/13

A report was considered that informed Authority Members of the meeting dates for 2012/13.

RESOLVED: that the dates as attached to the report to the FRA be noted.

21. Exclusion of the Press and Public

RESOLVED: that the press and public be excluded from the meeting as Item 22 is (a) likely to disclose information relating to the financial or business affairs of the Authority and (b) contains information relating to any consultations or negotiations in connection with any labour relations matter arising between the authority or a Minister of the Crown and employees of, or office holders under the Authority.

22. Business Continuity Planning

A report was considered that updated Members on planning arrangements and associated strategy and requested Authority approval for such arrangements.

The Chief Fire Officer outlined the background and a presentation was given to Members which outlined the future resilience arrangements.

RESOLVED:

- (I) The Authority approves the assumptions and proposals as contained in paragraph 8 in the report to the FRA and detailed during the presentation to the Authority.**
- (II) Resilience levels and response standards (as set out in Table 1 of the report to the FRA) are approved to be implemented by the Chief Fire Officer during periods of appliance unavailability.**

The meeting finished at 12.30pm

Signed: _____
Chairman

Date: _____

6. Appointment of Treasurer (Section 151 Officer)

Purpose of report

1. To approve the appointment to the post of Treasurer (Section 151 Officer), as recommended by the Appointments Committee.
-

Recommendation

The Appointments Committee recommends that the Fire and Rescue Authority approve the appointment of Mr Martin Reohorn, Director of Finance and Assets as Treasurer to the Authority (Section 151 Officer).

Background

2. Section 112.2(b) of the Local Government and Finance Act 1988 requires a Combined Fire Authority to make arrangements for the proper administration of its financial affairs and that it designates one of its officers to be responsible for administering these activities. This is the same as the requirement under Section 6 of the Local Government and Housing Act and Section 151 of the Local Government Act 1972. This statutory role whether under Section 112, Section 6 or Section 151 is generally termed the Section 151 Officer.
3. The current Treasurer, Mr Tony Wood, is the Section 151 Officer and was appointed on a temporary and interim basis pending the receipt and acceptance of the Audit Commission's report into the retirement of the former Chief Fire Officer. It was anticipated that this report would make reference to the Authority's statutory officers and their relationships with the Authority and would therefore have some influence upon the arrangements the Authority were likely to make in the long term.
4. The report, which was considered by the Audit Committee on 7 November 2011, contained the following recommendation in relation to the posts of Treasurer (Section 151 Officer) and Clerk/Monitoring Officer.

"The Authority should improve processes and arrangements in its governance arrangements (not operational) that could help safeguard the Authority against recurrence of a similar situation by:

- a. *having a Monitoring Officer (Clerk) and Treasurer who are not remote to the operations of the Authority."*

5. At its meeting on 14 December 2011 the Authority resolved that a Treasurer (Section 151 Officer) should be directly employed and advised the Chief Fire Officer to complete detailed investigations for consideration by the Appointments Committee.

Appointments Committee

6. The Appointments Committee met on 25 January 2012 and considered a report from the Chief Fire Officer that sought to incorporate the role of the Authority's Treasurer (Section 151 Officer) within the remit of the Service's Director of Finance and Assets. The report explained that there were no legislative or internal standing orders that prevented the allocation of the functions of the role to a suitably qualified and experienced officer already employed by the Authority. Equally there was no impediment to the external recruitment to the role.
7. Whilst there would be a small increase in salary to take account of the extra duties involved this would be more than compensated for by the saving on the current interim arrangements that have been in place for 13 months.

Conclusion/Summary

8. The Appointments Committee has considered the qualifications and attributes of the Service's Director of Finance and Assets in relation to the role of Treasurer (Section 151 Officer). The Committee has agreed that the current Director of Finance and Assets is a suitably qualified and experienced senior officer therefore his appointment to the role as Treasurer (Section 151 Officer) be recommended to the Authority.

Financial Considerations

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

Legal Considerations

Consideration	Yes/No	Reference in Report i.e. paragraph no.
There are legal issues e.g. contractual and procurement, reputational issues that require consideration	Yes	Paragraphs 2, 4 and 6

Additional Considerations

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

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

Background papers

Retirement of the Chief Fire Officer - Report by the District Auditor - 28 October 2011
 Audit Committee Agenda and Minutes – 7 November 2011
 Fire and Rescue Authority Agenda and Minutes - 14 December 2011

Contact Officer

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7. Chief Fire Officer's Service Report

Purpose of Report

- To inform the Authority of recent key developments and activities together with performance information for the period 1 October 2011 to 31 December 2011.

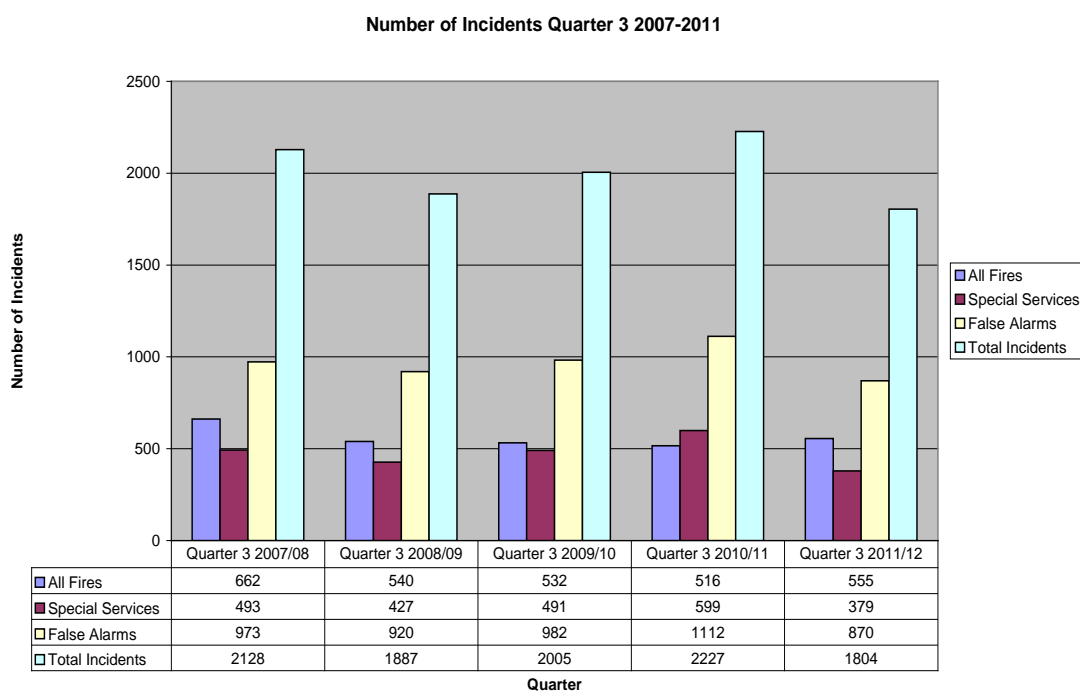
Recommendation

The Chief Fire Officer recommends that the report be noted.

Performance

Operational Activity

- Figure 1 below demonstrates overall operational activity during Quarter 3 2011-2012 compared with the third quarter in the previous 4 years:



(Figure 1 – Comparative number of incidents Q3 2007/08-2011/12)

- Total incident numbers for Quarter 3 2011-2012 show a decrease on the same quarter last year, though this was partially due to the increased activity in Quarter 3 2010-11 due to the extreme weather conditions experienced in December 2010. A total of 1804 incidents were attended in Quarter 3 2011-2012 compared with 2227 incidents in Quarter 3 2010-2011, (-19.0%). Although there was an increase in the total number of fires attended when compared with the same quarter last year, the number of special service incidents attended and the number of false alarms attended have both decreased compared with the same quarter last year. This has led to the lowest Quarter 3 total number of incidents attended in the last five years.

Total Number of Fires Attended

	Quarter 3 2010-11	Quarter 3 2011-12	Percentage change
Primary Fires	277	277	0.0%
Secondary Fires	135	213	+57.8%
Chimney Fires	104	65	-37.5%
Total Fires	516	555	+7.6%

(Table 1 – Total Fires Q3 10-11 and Q3 11-12)

- The total number of fires has increased from 516 in Quarter 3 2010-2011 to 555 in Quarter 3 2011-2012, (+7.6%). Table 1 above demonstrates that the increase in total fires is mainly due to a 57.8% increase in secondary fires in Quarter 3 2011-2012 compared with Quarter 3 2010-2011, which has outweighed a significant decrease in the number of chimney fires attended when compared with the same quarter last year.

Secondary Fires

- The table below illustrates that there have been increases in the number of secondary fires in both October and December when compared with the same quarter last year. The summer increase in secondary fires has lasted longer into October than in the previous year and the number of secondary fires attended in October represents the highest monthly October figure in the last eight years.

	Oct	Nov	Dec	Quarterly Total
Secondary Fires Q3 10-11	52	56	27	135
Secondary Fires Q3 11-12	126	49	38	213
Percentage Change	+142.3%	-12.5%	+40.7%	+57.8%

(Table 2 – Secondary Fires per month Q2 10-11 and Q2 11-12)

- The majority of secondary fires in October were located in tree scrub, loose refuse and domestic gardens which together accounted for 73 out of 126 secondary fires in that month. Accidental secondary fires were responsible for over half of all secondary fires in October (51.6%) compared with the other two months of the Quarter where the majority of secondary fires were caused deliberately.
- Other than the increase in tree scrub, loose refuse and domestic garden fires there are no other discernable trends as to the increase in secondary fires. The milder late summer/early autumn weather conditions may have exacerbated the increase.

Special Service Incidents

8. The number of Special Service incidents has decreased in Quarter 3 2011-12 compared with the same quarter last year with 379 incidents attended in Quarter 3 2011-2012 compared with 599 in Quarter 3 2010-2011, (-36.7%). The largest change is in the number of flooding incidents which has reduced significantly when compared with the same quarter last year in which there were a large number of burst pipes over the Christmas 2010 period caused by the prolonged frozen conditions experienced at that time:

	Quarter 3 2010-11	Quarter 3 2011-12	Percentage change
RTC Incidents	178	179	0.6%
Flooding	178	14	-92.1%
Other Special Services	243	186	-23.5%
All Special Services	599	379	-36.7%

(Table 3 – Special Services Q3 10-11 and Q3 11-12)

False Alarm Incidents

9. The number of false alarm incidents has decreased in Quarter 3 2011-2012 with 870 incidents attended in Quarter 3 2010-2011 compared with 1112 in Quarter 3 2010-2011 (-21.8%):

	Quarter 3 2010-11	Quarter 3 2011-12	Percentage change
Malicious False Alarms	13	15	15.4%
False Alarm Good Intent	222	175	-21.2%
Automatic False Alarms	877	680	-22.5%
Total False Alarms	1112	870	-21.8%

(Table 4 – False Alarms Q3 10-11 and Q3 11-12)

10. During the Quarter 3 period the Service attended a total of 424 automatic false alarms at non-domestic premises compared with 520 in the same quarter last year. This represents an 18.5% reduction. The number of attendances at automatic fire alarms within domestic properties has also decreased significantly from 357 in the same quarter last year to 256 attendances in Quarter 3. This represents a 28.3% reduction. The Service did see a slight rise in the attendance at Malicious False Alarms which, although minimal, is being monitored.

Health and Safety

Incidents and Injuries

	Oct	Nov	Dec	This Quarter Total	Previous Quarter Total
Serious Incidents ¹	5	0	5	10	11
Near Hit/Cause for Concern ²	3	0	7	10	16
Potential Exposure ³	11	13	5	29	10
Specialist Investigations ⁴	3	1	1	5	3

Analysis

11. Of the total 83 reported Health and Safety related incidents this quarter, only 10 had the potential to be or were, 'serious incidents'.
12. The serious, or potentially serious, incidents this quarter comprised of the following:
 - A potential hazard encountered when crew were responding to an incident and encountered a lorry travelling towards them on their side of the road.
 - A wheel becoming detached from one an off-road vehicle during training;
 - Lack of pressure to the hose when undertaking fire fighting during training;
 - Bruised ribs following a slip, trip or fall in Breathing Apparatus chamber during Breathing Apparatus training;
 - Blistering and reddening of the arms during fire behaviour Breathing Apparatus training;
 - Firefighter splashed in face by battery acid/water whilst attending a Road Traffic Collision involving two cars;
 - Malfunction of Breathing Apparatus set whilst undertaking Breathing Apparatus training at the Fire Service College;
 - Potential Hazard identified whereby the snap gate karabiner could fail;
 - Potential Hazard identified whereby exposed bolt heads on a ladder gantry, on a fire appliance, were wearing through the ladder housing; and
 - A towable trailer wheel centre badly cracked.
13. The Specialist Investigations that were mobilised this quarter comprised of the following:

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

² Incidents that almost resulted in an injury or conditions identified that have the potential to cause injury, loss or a near hit but have not done so up to the time of reporting – e.g. items falling but not injuring anyone.

³ Incidents where persons were potentially exposed to hazardous substances (usually during operational duties) – e.g. exposure to river water during swift water rescue training, exposure to asbestos during fire fighting. Water rescue training increases during this quarter and therefore so do potential exposures. This method of recording is to be reviewed.

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

- A wheel becoming detached from an off-road vehicle during training – Debrief held and other similar vehicles were checked, subsequent recommendations made to Fleet;
- Bruised ribs following a slip, trip or fall in Breathing Apparatus chamber during Breathing Apparatus training – Debrief held;
- Blistering and reddening of the arms during fire behaviour training – Debrief held and recommendations made to be taken to the Health and Safety Working Group;
- Malfunction of Breathing Apparatus set whilst undertaking training at the Fire Service College; and
- Minor collision between one of our Community Safety vehicles and a police car.

14. This quarter, 13 of the 29 incidents of potential exposure occurred during operational training. In addition, there were 4 reported incidents of verbal abuse to crews.

Fleet Incidents

Station	Total	Response Driving
21 Worcester	4	3
22 Stourport-on-Severn	1	1
24 Kidderminster	1	0
25 Bromsgrove	1	1
27 Redditch	1	0
28 Evesham	1	0
46 Hereford	2	1

Station	Total	Response Driving
51 Kingsland	1	1
53 Tenbury	2	0
Headquarters	1	0
North District	1	0
Ops Logistics	1	0
Total	17	7

Training Completed 2011-12

- 36 personnel were trained in undertaking risk assessment – this now completes the requirement for one qualified person per watch/department;
- 30 personnel were trained in managing hazardous substances – this now completes the requirement for one qualified person per watch/department;
- 9 Fleet Technicians were trained in using/managing abrasive wheels;
- 9 Fleet Technicians were trained in noise and vibration management;
- All Fire Control staff were trained in managing Display Screen Equipment (DSE);
- 26 departmental and station staff were trained in managing Display Screen Equipment;
- 30 staff were trained in conflict resolution;
- 15 managers received NEBOSH Health and Safety training – this is a core skill for this management level. Approximately 90% now possess this qualification; and
- 30 watch and crew commanders have received IOSH Managing Safely – this is a core skill for this management level. Approximately 60% now possess this qualification.

Significant Completed Activities

- The “Manager’s Health and Safety Handbook” has now been shared with the region, who intend to use it as a model for their own versions;
- A regional review of the GAP analysis conducted by all fire services within the region against the HSE’s consolidated report following its inspections of 8 fire services, to draw out key themes from which to develop leading indicators, has begun;
- Reviews of 15 Service policies has been completed;
- Two new policies have been written relating to asbestos management and pressure systems and gas containers;
- Delivery of 3 support sessions to Fleet and toolbox talks now developed for Fleet and other technicians;
- Nearly all premises action plans have now been written;
- Development of bespoke premises workplace inspection forms; and
- Completion of a GAP analysis against the Marlie Farm Investigation findings.

Items of Interest

Close Down of West Midlands Fire and Rescue Services Regional Control Centre Limited

15. At the Meeting of the Board of Directors on 13 January 2012, the Board resolved:
1. Unanimously to return any surplus funding from the DCLG grant for the Regional Fire Control Project (currently at approximately £152,360) to the DCLG minus all costs and disbursements which have been, or will be, incurred by and of behalf of the Company up to dissolution;
 2. That one (1) has been dealt with, unanimously to voluntarily dissolve the Company;
 3. To delegate power to the Company’s legal advisor and Chairman of the Board to complete all the necessary procedural steps to dissolve the Company, including completing the necessary forms for Companies House;
 4. That urgent decisions are delegated to the Chairman, reporting back to the Board as appropriate; and
 5. That a further Board meeting, if required, be convened at an appropriate date.

Presentations at Worcestershire County Council and Herefordshire Council

16. The CFO was recently requested by both the Authority Chairman and Vice-Chairman to make presentations to Members of each Constituent Authority with regards to activities and developments in the Service. Members also received an overview of the budget position for the Service as known at the time. Both sessions were well attended, with Members engaged in asking questions about the work that we do. The feedback from both Herefordshire and Worcestershire Members was very positive and events such as these provide a good opportunity to promote the work of the Service amongst our community leaders throughout the two counties.

Celebration of Success

17. The Service hosted its annual Celebration of Success event on 20 January 2012 at Worcester Guildhall. This was held to recognise the achievements of operational and support staff who have passed various qualifications. It was also an opportunity to thank the staff for the hard work they put in to completing these.
18. The awards were presented by CFO Mark Yates and the Chairman of the Authority, Cllr Derek Prodger MBE.
19. There were 52 awards presented in total and these included awards for recipients who had completed their Trainee Firefighter Programme, their Development Programme, A1 Assessors Awards, Level 7 Diplomas, Edexcel Professional Certificates, NVQ awards and Masters Degrees.
20. Congratulations were given to all the recipients including those that could not attend.
21. The event proved to be a great success and the 100 guests who attended to see their friends and families be presented with their certificates enjoyed the evening.

Special Awards Event

22. At an informal event held in Service HQ on 31 January 2012 attended by the Chairman of the FRA, the Chief Fire Officer awarded three Commendations and four Letters of Appreciation to the staff involved in the successful resuscitation of a member of HQ staff following his collapse in September 2011. The member of staff has now made a full recovery and has returned to work. This event illustrated the benefits of the Service having automatic defibrillators and trauma training for a variety of members of staff.

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8. Budget and Precept 2012/13 and Medium Term Financial Strategy

Purpose of report

1. To determine the Revenue and Capital Budgets and the Council Tax Requirement for 2012/13.
 2. To approve the Prudential Indicators and to set a Minimum Revenue Provision (MRP) policy for 2012/13.
 3. To identify potential future resources, their consequential impact on future year budgets and the future Council Tax Requirement.
-

Recommendations

The Chief Fire Officer and Treasurer recommend that the Authority:

- ***Approve the Capital Budget and Programme as set out at Appendix 6;***
- ***Approve the Statement of Prudential Code Indicators set out in Appendix 9;***
- ***Approve the Minimum Revenue Provision (MRP) policy for 2012/13 as set out in Appendix 10;***
- ***Approve the Revenue Budget, as set out in Appendices 1 and 4;***
- ***Approve the Council Tax Requirement as set out in Appendix 7; and***
- ***Note the MTFs as set out in Appendix 8.***

Background

4. The Localism Act 2011 has changed the technical details of the budget and precept setting for 2012/13, but not the fundamental principles. Previously there was a requirement to approve a Net Budget Requirement from which the Council Tax levels flowed. Under the Localism Act this is replaced with approval of the Council Tax Requirement, taking account of income, including grants. As a consequence Appendix 7 has a different format to that used since 2004/05. For this year the table includes, in addition, the 2011/12 calculation shown in the new format to demonstrate that the outcome is the same
5. In December 2011 the FRA considered the 2012/13 budget based on the information and assumptions available at that time. A workshop was held in mid-January to ensure the widest and most up-to-date information was given to all Members, and the Policy and Resources Committee considered further progress at its meeting in January 2012. The budget and council tax strategy outlined in this report are based on the discussion and recommendation of that Policy and Resources Committee meeting.

6. The grant settlement for 2012/13 has been confirmed as £11.104m, which now includes the previously received 2011/12 Council Tax Freeze Grant, but is exactly as expected.
7. The Medium Term Financial Strategy is always based on a set of assumptions about the future. Given the unprecedented degree of financial uncertainty the country now faces, and in order to provide more openness to our communities, more emphasis has been placed on the reasoning behind the assumptions now being made.
8. The assumptions for future years (2013/14 onwards) are slightly less critical, at this point, in terms of setting the budget for next year, but it should be noted that the timescales for making major changes to expenditure levels within the Fire and Rescue Service are significant, and therefore decisions taken now will have an impact for future budget setting processes.

Review of Available Resources

9. The latest projection of future resources can be split between formula grant and precept.

Formula Grant

10. In December 2011 the government published a Bill to implement the changes proposed in the Local Government Resource Review. From 2013/14 this will have a fundamental impact on the way the FRA is funded with the removal of central government grant and its replacement by retention of a share of the Business Rate yield.
11. The full detail of how this will work for Fire and Rescue Authorities is not known (indeed it was not until the Act was passed that FRAs were included at all) but government has indicated that no FRA will receive less money than it would have received under the grant assumptions under the Comprehensive Spending Review (CSR). Although no individual grant allocations for the 3rd and 4th years of the CSR have been given.
12. As has been indicated by the Department for Communities and Local Government (CLG) no FRA would have known its 2013/14 grant until Dec 2012 in any case, so as has been previously indicated the grant assumptions for 2013/14 and 2014/15 are based on the known national Fire Grant Control totals.
13. This itself provides a degree of risk as the grant changes experienced in 2011/12 and 2012/13 have varied significantly between individual FRAs as the table on the following page illustrates. (Each additional 1% change is worth about £0.100m to H&WFRA).

	Overall Change	H&W Change	Range of Changes
2011-12	-6.7%	-2.4%	+0.3% to -9.5%
2012-13	-1.0%	+1.7%	+2.6% to -3.4%
2013-14	- 8.5%	?	?
2014-15	-5.0%	?	?

14. Furthermore, following the Chancellor's statement that there will be a further 2 years of public sector pay restraint (capped at 1%) government has announced that the previously indicated grant totals will reduce because the planning was based on a higher (but unspecified) assumption about pay awards.
15. To date the information is only available at total local government grant level and cannot be split to the Fire Service nationally. An estimate has been made assuming that the existing grant totals incorporated an assumption of pay awards at 2%.
16. Additionally the Chancellor also announced a further 2 years of "austerity" following the current Comprehensive Spending Review (CSR) period which was also the period of the current MTFS. In the absence of any other information and without knowing the outcome of paragraphs 10 to 13 above, an assumption of a further 5% cut in grant (based on the 2014/15 figure) following this CSR period has been assumed.
17. In summary the formula grant assumptions are:
 - An 8.5% cut in 2013-14 – with an adjustment for reduced pay awards.
 - A 5.0% cut in 2014-15 – with an adjustment for reduced pay awards.
 - A further 5.0% cut in 2015-16.

Precept Assumptions

18. The precept assumptions can be sub-divided into those relating to the tax-base and those relating to the Band D level of tax and any changes to it.
19. As with formula grant, proposed changes to Local Government Resourcing, particularly regarding the localisation of Council Tax Benefit and the implications on precepting authorities, will have an as yet un-quantified impact on precept levels.
20. Based on information supplied by Billing Authorities and headline information about reduction in funding of Council Tax Benefit, assuming no local changes to policy after localisation, it has been possible to provide a raw estimate of future impact. This will be refined over 2012/13 prior to the budget setting for 2013/14.

21. Final figures from the Billing Authorities indicate a 0.53% rise tax-base and a net Collection Fund surplus of £0.055m for 2012/13, but consistent with Worcestershire County Council a cautious assumption of zero future growth is made because of the uncertainty surrounding these future changes.
22. Although the annual net Collection Funds surpluses have ranged from a total of £0.013m to £0.107m (being £0.031m in 2011/12) there have been significant variations both surplus and deficit from individual authorities and it would be imprudent to fund core expenditure from this source.

Council Tax Freeze Grant

23. For a further year government has offered a grant to any FRA which freezes council tax for 2012/13. The grant is equivalent to 3.0% of Council Tax, but unlike the 2011-12 grant it is payable for one year only.
24. The financial consequences of taking the grant are that there would be a bigger resource gap in 2013-14 than would otherwise be the case.
25. Following discussion the Policy and Resources Committee have recommended that the FRA approve acceptance of the Council Tax Freeze Grant in 2012/13 by setting a 0% Band D Increase, and that the previous planning assumption of annual increases of 3.45% be maintained for future years following 2012/13.
26. This figure is below the level (4.0%) that would require the FRA to conduct a referendum on the level of increase in 2012/13 but cannot be guaranteed for future years as it is dependent on government's future policy on Council Tax rises.
27. For information the different resources available in each year if the Freeze Grant were not taken and the precept in 2012/13 increased by 3.45% are given below:

	2012/13	2013/14	2014/15	2015/16
	£m	£m	£m	£m
Recommended Resources	33.821	32.600	32.784	32.934
Resources without Freeze Grant	33.914	33.345	33.555	33.721
Additional Resources	0.093	0.745	0.771	0.787

Expenditure Requirement

28. The expenditure requirement has continued to be refined and the key assumptions around pay, inflation and interest rates are outlined in the paragraphs below.
29. In November 2011, as part of the collection of data for the Firefighters' Pension Top Up Grant, DCLG provided the Treasury planning assumptions

for Consumer Price Index (CPI) inflation for the CSR period. These figures have been used for 2012/13 with an average of 3% thereafter

30. In addition it has been thought prudent to include an additional inflation provision for 3 key areas of expenditure that are projected to individually increase well above the average CPI/Retail Price Index (RPI) level. Two of these areas are utilities (gas and electricity) and diesel fuel.
31. The third area of additional inflation provision is around business rates. Although the annual increase is capped at RPI by legislation, (but is increasing by over 5% this year) there is also an impact of changes to rateable values which means that the net increase will be greater than the RPI %.
32. For 2012/13 the additional inflation provision on these (over the average level) amounts to £0.064m. Although current trends indicate small falls in utility prices this is after a period of very significant increases, well above the provision made in the 2011/12 budget.
33. Although the Chancellor has made clear the government's policy on public sector pay increases (a 2 year pay freeze followed by 2 years at a maximum of 1%), it is not entirely clear how this will translate to the fire sector as:
 - Pay awards are negotiated independently of central government.
 - The local government sector had already had a pay freeze in the year before the Chancellor's 2 year pay freeze.
34. Whilst the provision for 2013-14 has been held at the 1% guideline, it is considered prudent to provide a provision for 2012-13 above the 0% level, although clearly if there is no pay award the resultant saving will flow through to close the future budget gaps.
35. For 2014/15 a higher figure has been provided to reflect that after 2 years of pay freeze and 2 years at 1% there may be pressure for a significantly higher award so a provision of 2% in 2014/15 and 3% in 2015/16 is made at this stage.
36. The relevant assumptions are summarised below in tabular form for ease of reference:

	2012/13	2013/14	2014/15	2015/16
General Inflation	4.30%	3.00%	3.00%	3.00%
Utilities - Gas	15.00%	15.00%	10.00%	5.00%
Utilities - Electricity	10.00%	10.00%	7.50%	5.00%
Diesel Fuel	10.00%	10.00%	7.50%	5.00%
Business Rates	7.50%	5.00%	3.50%	3.00%
Pay Awards	1.00%	1.00%	2.00%	3.00%
Long Term Interest	3.00%	4.00%	4.00%	4.00%

Efficiencies and Savings

37. Members will be aware that the FRA has made significant efficiencies over the last 7 years to counter the poor grant settlements experienced.
38. In addition, since 2010/11 the Service has reviewed and identified significant savings in senior management and support services as indicated in Appendix 5, which have been incorporated into the budget projections.

Capital Programme

39. The Capital Programme, using prudent financing assumptions and based on the agreed Asset Management Plan and Fleet Strategy and with the usual annual provision of £0.600m for minor buildings and IT schemes etc; is included as Appendix 6. 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.
40. The Capital Programme has been significantly amended since the original approval in February 2011, and takes account of the FRA approval of a revised Asset Management Strategy in March 2011 and subsequent allocations of budget to major rebuilding schemes.
41. This review has incorporated significant additional resources e.g. Capital Grant and Capital Receipts; not considered in February 2011 and also includes vehicle assets previously assumed to be financed by leases.
42. In accordance with the Policy and Resources Committee capital budget monitoring arrangements, the Capital Strategy provides for the proposed Major Buildings block in an illustrative and flexible way, but expenditure will only be incurred when a specific scheme is approved by the Policy and Resources Committee.
43. On the face of it, there is a significant increase in the capital programme, however, the table below demonstrates, in conjunction with Appendix 5, that there is in fact a marginal reduction over the previous MTFS period i.e. 2011/12 – 2014/15.

	£m
Total Capital Expenditure 2011/12 to 2014/15 - Feb 2011 MTFS	18.085
re-phased from 2011/10	4.895
previously to be funded as leasing	0.657
Capital Grants 2011/12 and 2012/13	2.346
Use of LPSA Capital Reward Grant	0.332
Use of E&D Grant for STFs	0.038
Use of New Dimensions Reserve for STFs	0.337
(anticipated) Control Resilience Capital Grant	1.721
Capital Receipts - from replaced Fire Stations	1.414
Sub-total	29.825
Total Capital Expenditure 2011/12 to 2014/15 - Feb 2012 MTFS	29.770

44. As negotiations are currently in progress with potential contractors for the major building schemes, individual allocations are not shown in order that the information does not compromise the FRA negotiation position.

Investment of Surplus Funds

45. In accordance with the FRA Treasury Management Strategy, surplus funds are invested by, and with Worcestershire County Council.
46. Given the continuing uncertainty in financial markets, the Treasurer advises that investment should continue to be focussed on security. As a consequence all surplus funds are invested with the Bank of England, and the corresponding low return continues to be factored into the budget.
47. Since October 2008 the FRA had adopted a policy of avoiding new long term borrowing, where working capital balances permit. It is likely that during 2012/13 this source will be effectively exhausted and long term borrowing will again be required to fund the capital programme.
48. The FRA will only extend long term borrowing when cash-flow requirements dictate that it is necessary, and only to finance long term assets.

Budget Risks

49. Setting a net budget at **£33.821m** still presents risks, for example:
- Pay Award – A provision of 1% has been made in 2012/13, a variance of +/- 0.5% adds or saves £0.090m.
 - General Inflation – Each additional 1% costs £0.100m.
 - The impact of the major changes to local government finance and the nature of estimation of future grant are unknown but each 1% difference in grant equates to around £0.100m
 - Future Council Tax Policy is also unknown, although 3.45% increase is included in the MTFS a reduction by 0.5% could reduce resources by around £0.100m

Business Consultation

50. 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.

Future Budget Gap

51. The forecast budget requirement and projected available resources based on the assumptions outlined above and shown in detail in Appendix 8, give a cumulative budget gap as indicated below:

	2013/14	2014/15	2015/16
	£m	£m	£m
Projected Budget need	33.780	34.750	35.960
Projected Resources	(32.600)	(32.784)	(32.934)
Budget Gap	1.180	1.966	3.026

52. Officers will continue to work to identify cost savings in every possible area, but with the above levels of gap, it should be acknowledged that these can only be closed with a reduction in the numbers of staff employed.
53. Identified proposals will be brought to the relevant forums for discussion and agreement.

Revenue Reserves Strategy

54. The level of general balances at 31 March 2011, as shown in the Statement of Accounts reflects accounting treatment of the then potential costs associated with the retirement of the previous Chief Fire Officer. This matter is now resolved at significantly lower cost to the FRA and the balance is returned to General Reserves in 2011/12.
55. The table below shows the projected position in relation to balances compared to the budget requirement over the MTFS period. The budget requirement figure is based on the projection of future resources (see Appendix 8) available rather than the budget need as this will be the determinant of future budget requirements.

	2011/12	2012/13	2013/14	2014/15	2015/16
	£m	£m	£m	£m	£m
General Reserves balance at 1st April	0.934	1.396	1.396	1.396	1.396
Adjustment in 2011/12	0.462				
Balance at 31st March	1.396	1.396	1.396	1.396	1.396
Net Budget	32.889	33.821	32.6	32.784	32.934
% of Budget Requirement	4.2%	4.1%	4.3%	4.3%	4.2%

56. No other addition to balances in 2011/12 is shown as the in year underspending are held pending confirmation of the DCLG Control Resilience Project Grant

57. The level of balances now projected at around 4.1% - 4.3% is marginally higher than the 3.7% in the previous MTFS reflecting the additions to balances in 2010-11 as a result of prudent budget management, but the financial environment remains uncertain. Latest Audit Commission information shows that the level of reserves held by H&WFRA is in the lower 10% of all Fire Authorities.
58. Whilst this level of balances is desirable (see also paragraph 50 above), there is an opportunity cost of holding balances. They could be used to finance one off expenditure or temporarily reduce the Council Tax precept. The risk is, however, that any unforeseen expenditure could not be met.
59. Ear-marked balances, listed below, are held for specific purposes and at the end of 2012/13 are estimated to be:

	£m
New Dimensions	0.373
Pensions	0.167
Training	0.123
ICP Workwear	0.060
Operational Activity	0.300
Development	0.366
	<hr/>
	1.389

- New Dimensions funding is given by DCLG for special activities e.g. USAR and represents funding in advance of expenditure.
- Pension Reserve is held pending final resolution of the pension element of the RDS Part-time Workers Tribunal Agreement.
- Training Reserve is used to phase training as required.
- ICP-Workwear matches the expenditure profile and core budget provision over the contract life.
- Operational Activity Reserve is to meet any abnormal high costs as a result of major incident deployments e.g. flooding or Malvern Hills fires.
- Development Reserve is held to be used for capacity building, pump-priming efficiency savings or smoothing the timing of cost saving initiatives required to meet future budget gaps.

Prudential Code Indicators

60. 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).
61. 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.

62. 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.
63. 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).
64. 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.
65. 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.
66. The Treasurer has prepared the prudential indicators having considered the matters above and these are set out at Appendix 9.

Minimum Revenue Provision (MRP)

67. 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.
68. 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.
69. Appendix 10 sets out the proposed position, which is a continuation of the previously approved policy.

Budget Calculations: Personal Assurance Statement by the Treasurer

70. 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.
71. The Treasurer states that to the best of his knowledge and belief these budget calculations are robust and have full regard to:
- the Fire and Rescue Authority budget policy;
 - the need to protect the Fire and Rescue Authority's financial standing and to manage risk;
 - the current year's financial performance;
 - the financial policies of the Government;
 - the Fire and Rescue Authority's Medium Term Financial Strategy and Planning framework;
 - capital programme obligations;
 - Treasury Management best practice;
 - the strengths of the Fire and Rescue Authority's financial control procedures including audit consideration;
 - the extent of the Fire and Rescue Authority's balances and reserves; and
 - the prevailing economic climate and future prospects.

Equality and Diversity Impact

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

Financial Considerations

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

Legal Considerations

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

Additional Considerations

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

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

Supporting Information

Appendix 1	Revenue Budget 2012/13
Appendix 2	Explanation of variations in Appendix 1
Appendix 3	Personnel Budget
Appendix 4	Revenue Budget Allocation 2012/13
Appendix 5	Savings since 2010/11
Appendix 6	Capital Programme
Appendix 7	Council Tax Requirement Calculation 2012/13
Appendix 8	Medium Term Financial Forecasts
Appendix 9	Statement of Prudential Code Indicators
Appendix 10	Minimum Revenue Provision policy 2012/13

Background Papers

Report: Future Financial Prospects, Fire and Rescue Authority – 14 December 2011

Report: Budget 2012/13 and Review of Medium Term Financial Plan, Policy and Resources Committee – 25 January 2012

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Hereford & Worcester Fire and Rescue Authority

Budget 2012/13 : Revenue Budget

	£m
1 <u>2011/12 Net Budget Requirement</u>	31.195
2 <u>Change in Treatment</u>	
3 Addback : 2011/12 Council Tax Freeze Grant	0.519
4 Addback : Special Grants	1.175
5	32.889
6 <u>Base changes</u>	
7 Pay Award Contingency	0.180
8 General Inflation Contingency	0.360
9	0.020
10	0.560
11 <u>Capital Programme</u>	
12 Impact of Asset Management Plan & Fleet Strategy	0.229
13	0.229
14 <u>Other Pressures</u>	
15 Cessation of Commercial Training (<i>budget effect</i>)	0.050
16 Control Resilience Project - running costs	0.080
17 RDS - Settlement of Part-time working issues	0.050
18 Operational Equipment (<i>obsolescence</i>)	0.210
19 Property Maintenance	0.250
20	0.640
21 <u>Cost Savings</u> (Net)	
22 Firefighter pensions - drift to new scheme	(0.098)
23 Redundancy Restructuring	(0.337)
24 Other Restructuring	(0.091)
25 2011/12 Base Budget Savings	(0.406)
26 Operational Logistics	0.151
27	(0.781)
28 <u>One-Off (2012/13 only) Costs</u>	
29 Redundancy/Pension Strain Costs	0.284
30	0.284
31 NET BUDGET	33.821

Hereford & Worcester Fire and Rescue Authority

Budget 2012/13 : Explanation of Variations in Appendix 1

Change in Treatment

(Lines 3 & 4)

The Localism Act has changed the detail of the way Local Authorities calculate their Council Tax (but it has no impact on the final calculation. Previously there was an obligation to calculate a "Net Budget Requirement" as a first stage. Some items of grant were deducted before arriving at this figure and other similar grants were treated afterwards. Under the Localism Act the Council Tax Requirement is the only calculation required. To simplify matters going forward, the budget is adjusted to remove all grants.

Pay Award Contingency

(Line 7)

Local Government employees will have completed the 2 year pay freeze by 2012/13 and a provision is made in line with the second stage of the Chancellor's public pay policy - limited to 1%.

General Inflation Contingency

(Line 8)

Averages 4.3% overall (with higher provision for fuel, business rates and utilities) and partially reflects the fact that average inflation over 2011/12 was over 4%, but only 3% was provided in the budget.

LGPS - Increased Contribution Rate

(Line 9)

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

Impact of Asset Management Plan & Vehicle Strategy

(Line 12)

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.

Cessation of Commercial Training

(Line 15)

The amount of external training provided by the Training Centre has declined over time and the level of income significantly reduced. A review has identified that the training now costs more to deliver than the income generated.

Control Resilience Project - Running Costs

(Line 167)

These are short term costs associated with the necessary dual running of new and old systems in the cut-over year. The MTFs projection shows these dropping dramatically from 2013/14.

RDS- Settlement of Part Time Working Issues

(Line 17)

The annual cost of changes to the terms and conditions of RDS staff following settlement of this long running national issue.

Operational Equipment

(Line 18)

Additional provision for replacement of equipment that has now become obsolete. In particular thermal imaging cameras where parts are no longer available and common equipment across all appliances is essential.

Property Maintenance

(Line 19)

Provision for additional maintenance costs as significant electrical installations are obsolete and require replacement and pending legislation regarding air-conditioning systems.

Firefighter Pensions

(Line 22)

As the old Pension scheme was closed to new entrants in 2006, new starters join the new scheme which has a lower notional employer's contribution.

Redundancy Restructuring

(Line 23)

To meet the future budget pressures a review of activities has identified different ways of under-taking activities which has resulted in a net reduction in support posts of 13 (11.2 FTE). This is not being achieved without redundancies some of which may be compulsory.

Other Restructuring

(Line 24)

Further review of activities involving removal of posts not involving redundancy and the compulsory redundancies (4) made in 2011/12.

2011/12 Base Budget Savings

(Line 25)

Savings identified by budget holders in 2011/12 that can be permanently removed from the budget.

Operational Logistics

(Line 26)

Diversion of some of the base budget savings to strengthen the Operational Logistics function to better support front line operations - including hydrant inspection and vehicle maintenance.

One-Off (2012/13 only) Costs

(Line 29)

Cost associated with redundancy, that are not on-going.

Hereford & Worcester Fire and Rescue Authority**Budget 2012/13 : Personnel Budget**

	Wholetime Firefighters FTE	Retained Firefighters H/C	Control Room Staff FTE	Non- Uniformed Support FTE	TOTAL
Core Budget 2011/12	313.0	369.0	25.0	135.7	842.7
Net Redundancies				(11.2)	(11.2)
Investment in Operational Logistics	1.0			3.5	4.5
Other Restructuring	(2.0)			(2.7)	(4.7)
					0.0
Included in Budget 2012/13	312.0	369.0	25.0	125.3	831.3

Hereford & Worcester Fire and Rescue Authority
Budget 2012/13 : Revenue Budget Allocation

		2011/12				(5) Cost Pressures £m	(6) Capital Prog £m	(7) Other Issues £m	(8) Cost Savings £m	(9) Other £m	2012/13
		(1) FRA Allocation £m	(2) Internal Re-alloc £m	(3) Re-define Grants £m	(4) Re-stated Allocation £m						(10) Proposed Budget £m
1	WT FF Pay	13.923			13.923				(0.049)		13.874
2	RDS FF Pay	3.135			3.135			0.050			3.185
3	USAR Pay	0.000	0.725		0.725						0.725
4	Control Pay	0.798			0.798						0.798
5	Support Pay	4.014			4.014	0.020			(0.326)		3.708
6	Other Employee Costs	0.036			0.036	0.002					0.038
7	Inflation Provision	0.000			0.000	0.180					0.180
8	ST Costs Provision	0.000			0.000					0.284	0.284
9	Unfunded Pensions	0.738			0.738	0.016					0.754
10		22.644	0.725	0.000	23.369	0.218	0.000	0.050	(0.375)	0.284	23.546
11	Strategic Management	0.033	(0.005)		0.028						0.028
12	2011/12 Savings	0.000	0.406		0.406				(0.406)		0.000
13		0.033	0.401	0.000	0.434	0.000	0.000	0.000	(0.406)	0.000	0.028
14	USAR - Total	0.880	(0.880)		0.000						0.000
15	New Dimensions	0.000	0.155		0.155	0.007					0.162
16	Ops - HQ	0.372	(0.239)		0.133	0.008					0.141
17	Approved Centre	0.009			0.009						0.009
18	Training Dept	0.616			0.616	0.026		0.050			0.692
19		1.877	(0.964)	0.000	0.913	0.041	0.000	0.050	0.000	0.000	1.004
20	Perf Mngt	0.131	(0.046)		0.085	0.004					0.089
21	PPP - Org Dev	0.247	(0.043)		0.204	0.009					0.213
22	Ops Policy	0.070	(0.006)		0.064	0.003					0.067
23	Personnel	0.313	(0.035)		0.278	0.012					0.290
24	PPP - FRA Costs	0.130			0.130	0.006					0.136
25		0.891	(0.130)	0.000	0.761	0.034	0.000	0.000	0.000	0.000	0.795
26	Ops Logistics	1.010	0.303		1.313	0.043		0.210			1.566
27	Fleet	0.550			0.550	0.041		0.250			0.841
28	ICT	0.959	(0.032)		0.927	0.050		0.080			1.057
29	Facilities Mngt	1.576			1.576	0.113					1.689
30	Legal Services	0.060			0.060	0.001					0.061
31	Insurances	0.312	(0.023)		0.289	0.012					0.301
32	Finance (FRS)	0.121	(0.002)		0.119	0.005					0.124
33	Finance SLA	0.183	(0.005)		0.178	0.002					0.180
34		4.771	0.241	0.000	5.012	0.267	0.000	0.540	0.000	0.000	5.819
35	Capital Financing	2.400			2.400		0.229				2.629
36	Firelink Service Charges	0.046	(0.046)		0.000						0.000
37		2.446	(0.046)	0.000	2.400	0.000	0.229	0.000	0.000	0.000	2.629
38	Special Grants	(1.467)	(0.227)	1.694	0.000						0.000
39		(1.467)	(0.227)	1.694	0.000	0.000	0.000	0.000	0.000	0.000	0.000
40	Net Budget	31.195	0.000	1.694	32.889	0.560	0.229	0.640	(0.781)	0.284	33.821
Appendix 1 reference											
		Line 1		Lines 3&4	Line 5	Line 10	Line 13	Line 20	Line 27	Line 29	Line 31

Hereford & Worcester Fire and Rescue Authority
Budget 2012/13 : Budget Savings since 2010/11

	FTE	2012/13 & later yrs £000
1 Net Saving reduction of ACFO Uniform Post	1.00	121,400
2 <u>2011/12 Redundancies</u>		
3 PA to ACFO Support Post REDUNDANCY	0.70	18,600
4 JFS Coordinator Support Post REDUNDANCY	1.00	29,600
5 Data Process Administrator Support Post REDUNDANCY	1.00	23,700
6 Community Safety Manager Support Post	1.00	38,300
7 2012/13 Net Redundancies Support Posts REDUNDANCIES	11.20	337,000
8 Occupational Health contract		10,000
9 Principal Officer Car Financing		4,500
10 Response Car Financing (Freelanders)		21,000
11 PPE Contract		7,000
12 Removal of Water Coolers at HQ		5,000
13 Abolition of 1st Class Travel		<i>marginal</i>
14 Removal of Internal meeting Catering		<i>marginal</i>
15 Budget-holder Savings in 2011/12 - net of re-allocation		255,000
16 Treasurer (S151) arrangements		3,000
	15.90	874,100

Hereford & Worcester Fire and Rescue Authority

Budget 2012/13 : Capital Programme

	PROBABLE	BUDGET	PROGRAMME				
	(1) 2011/12 £m	(2) 2012/13 £m	(3) 2013/14 £m	(4) 2014/15 £m	(5) Sub-Tot £m	(6) 2015/16 £m	(7) TOTAL £m
Vehicle Programme							
1 Routine Replacements (Pumps)	0.880	0.660	0.660	0.660	2.860	0.880	3.740
2 Bulk Foam Capability		0.060			0.060		0.060
3 Routine Replacements (4WD)	0.052	0.052			0.104		0.104
4 Routine Replacements (Off-Road)	0.026		0.026		0.052		0.052
5 Rope Rescue Vehicle	0.028				0.028		0.028
6 Incident Support Vehicle (ISU)	0.074				0.074		0.074
7 Water Carrier					0.000	0.120	0.120
8 Routine Replacements (RAV)					0.000	0.190	0.190
9 Command Unit			0.350		0.350		0.350
10 Pumps at end of Primary Lease <i>note 1</i>	0.132				0.132		0.132
11 Response Cars <i>note 1</i>	0.417			0.108	0.525	0.310	0.835
12	1.609	0.772	1.036	0.768	4.185	1.500	5.685
Major Building Schemes							
13 Provision for future Business Cases	0.371	6.460	6.100	7.509	20.440	3.200	23.640
14	0.371	6.460	6.100	7.509	20.440	3.200	23.640
Other Schemes							
15 Control Resilience Project	1.933	0.278	0.076	0.000	2.287		2.287
16 Property, Information Technology,	0.698	0.960	0.600	0.600	2.858	0.600	3.458
17 Communications etc.	2.631	1.238	0.676	0.600	5.145	0.600	5.745
18 Annual Total	4.611	8.470	7.812	8.877	29.770	5.300	35.070

Note 1 : previously assumed to be financed from leasing

Note 2 : Excludes impact of any slippage from 2011/12

Hereford & Worcester Fire and Rescue Authority

Budget 2012/13 : Council Tax Requirement Calculation

Following the Localism Act 2011, there is no longer a requirement for an Authority to calculate a Net Budget Requirement in order to calculate the Precept. The new Act requires only that a Council Tax Requirement is calculated. Although this process is different to that used previously, the outcome is the same and the 2011/12 calculation is shown as well for clarity.

	2011/12	2012/13
Net Budget	32,903,282.00	33,821,000.00
Less: Fire Revenue Grant		
Firelink Costs	(167,976.00)	(167,976.00)
Fire Control	(20,000.00)	
New Dimensions	(1,001,000.00)	(1,001,000.00)
	(1,188,976.00)	(1,168,976.00)
Less: Formula Grant		
Share of National Non-Domestic Rates (Business Rates)	(7,949,813.00)	(10,373,646.00)
Revenue Support Grant	(2,457,310.00)	(211,150.00)
2011/12 Council Tax Freeze Grant	(518,906.00)	(518,906.00)
2012/13 Council Tax Freeze Grant	0.00	(625,997.00)
	(10,926,029.00)	(11,729,699.00)
Less: Collection Fund Deficits/(Surpluses)		
Bromsgrove	(16,220.00)	(37,237.00)
Herefordshire	0.00	0.00
Malvern Hills	0.00	0.00
Redditch	(7,016.00)	0.00
Worcester	10,147.07	0.00
Wychavon	0.00	0.00
Wyre Forest	(17,701.00)	(17,843.00)
	(30,789.93)	(55,080.00)
COUNCIL TAX REQUIREMENT	20,757,487.07	20,867,245.00

Tax-base : Band D Equivalent		
Bromsgrove	36,548.42	36,643.86
Herefordshire	71,465.84	71,981.60
Malvern Hills	30,529.59	30,710.67
Redditch	27,569.18	27,611.67
Worcester	32,991.00	33,113.00
Wychavon	47,651.91	47,837.51
Wyre Forest	35,105.00	35,461.00
	281,860.94	283,359.31
Precept - Band D Equivalent	£ 73.6444	£ 73.6423
	£ 73.64	£ 73.64

Total Precept on Billing Authorities	£	£
Bromsgrove	2,691,587.40	2,698,539.90
Herefordshire	5,263,060.75	5,300,894.06
Malvern Hills	2,248,334.12	2,261,605.86
Redditch	2,030,316.43	2,033,388.22
Worcester	2,429,603.25	2,438,519.08
Wychavon	3,509,297.55	3,522,866.57
Wyre Forest	2,585,287.57	2,611,431.31
	20,757,487.07	20,867,245.00
	0.00	0.00

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

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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 2012-13 Budget and MTFS.

2. Capital Expenditure

The actual amount of capital expenditure that was incurred since 2010/11, and the estimates of capital expenditure to be incurred for the current and future years that are proposed in the 2012/13 Budget and MTFS are as follows:

	2010/11 Actual £000	2011/12 Estimate £000	2012/13 Estimate £000	2013/14 Estimate £000	2014/15 Estimate £000	2015/16 Estimate £000
Capital Expenditure	2,703	4,611	8,470	7,812	8,877	5,300
Leased Assets	69	-	137	298	222	-
	2,772	4,611	8,607	8,110	9,099	5,300

The apparent increase in 2012/13 relates to significant slippage of previous years allocated monies in respect of major building works. Appropriate funding for the financing costs has always been included in relevant budgets.

2. Ratio of Financing Costs to Net Revenue Stream

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

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

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

	2010/11 Actual £000	2011/12 Estimate £000	2012/13 Estimate £000	2013/14 Estimate £000	2014/15 Estimate £000	2015/16 Estimate £000
Financing Costs	2,173	2,200	2,629	2,879	3,129	3,379
Net Revenue Stream	31,394	31,714	32,652	31,431	31,615	31,933
Ratio	6.92%	6.94%	8.05%	9.16%	9.90%	10.58%

3. Capital Financing Requirement

The Capital Financing Requirement (CFR) 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:

	2010/11 Actual £000	2011/12 Estimate £000	2012/13 Estimate £000	2013/14 Estimate £000	2014/15 Estimate £000	2015/16 Estimate £000
CFR at 31st March	15,475	17,031	21,437	27,988	33,967	36,982

4. 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:

	2012/13	2013/14	2014/15	2015/16
Authorised Limit	£000	£000	£000	£000
External Borrowing	27,000	33,000	39,000	42,000

5. 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:

	2012/13	2013/14	2014/15	2015/16
Operational Boundary	£000	£000	£000	£000
External Borrowing	24,000	31,000	37,000	40,000

6. Actual External Debt

The Fire and Rescue Authority's actual external debt as at 31 March 2011 was £14.438 million; comprising £14.438 million External Borrowing and £0 (zero) Other Long Term Liabilities.

7. 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 2012/13 – 2015/16 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 2011.

The incremental impact identifies transactions that will occur **over and above** what has already been provided for in the 2011/12 revenue budget and projected in the NTFS and assumes the funding available in 2011/12 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 Strategy.

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

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

The estimate of the incremental impact of the capital investment detailed in the 2012/13 Budget on the Council Tax is as follows:

	2012/13	2013/14	2014/15	2015/16
Incremental Impact on Band D	£ -	£ -	£ -	£ 0.61

PRUDENTIAL INDICATORS FOR TREASURY MANAGEMENT

8. 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.

9. 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

	2012/13	2013/14	2014/15	2015/16
Fixed Interest Rate Exposure	£000	£000	£000	£000
Upper Limit	27,000	33,000	39,000	42,000

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.

10. 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

	2012/13	2013/14	2014/15	2015/16
Variable Interest Rate Exposure	£000	£000	£000	£000
Upper Limit	7,000	8,000	10,000	11,000

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

11. 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

12. 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.

Under provisions of the Local Authorities (Capital Finance and Accounting) (England) Amendment) Regulations 2008, the FRA is required to “determine an amount of MRP which is considered to be prudent”.

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

Guidance

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

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

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

Recommendation

To continue the policy already i.e.

1. **All expenditure from 2008/09 onwards** – MRP using an Asset life basis:
 - Buildings over 50 years – per depreciation policy
 - IT equipment over 5 years - reflecting average life
 - Other Equipment over 7 years – reflecting actual average usage within the FRS
 - Vehicles – on actual estimated life of each vehicle

2. Vehicle Expenditure before 2008/09 – MRP on a proxy Asset Life basis using original cost, less cumulative MRP, over the remaining useful life of the individual vehicle.
3. Expenditure before 2008/09, (other than vehicles) – MRP on a proxy Asset Life basis using original cost, less cumulative MRP over average asset life as above

This means that after a specified time (depending on the life expectancy of the individual asset) there will be no further charge to the Revenue Account for MRP in relation to these assets.

9. Pay Policy Statement

Purpose of report

1. To bring to the attention of the Authority the requirement for the Service to publish an annual Pay Policy Statement.

Recommendation

The Chief Fire Officer recommends that the Hereford & Worcester Fire and Rescue Service Pay Policy Statement and supporting information are approved for publication on the Hereford & Worcester Fire and Rescue Service's website before 1 April 2012.

Introduction

2. Relevant authorities are required by section 38(1) of the Localism Act 2011 (openness and accountability in local pay) to prepare pay policy statements. These statements must articulate an authority's own policies towards a range of issues relating to the pay of its workforce, particularly its senior staff, Chief Officers and its lowest paid employees. Pay policy statements must be prepared for each financial year, beginning with 2012/13. They must be approved by the Fire and Rescue Authority and published on the Authority's website.
3. HWFRS falls within the definition of a 'relevant authority' and as such is required to prepare and publish a pay policy statement as described above.

Background

4. Increased transparency about how taxpayers' money is used, including in the pay and reward of public sector staff is now a legislated requirement. The Secretary of State published the Code of Recommended Practice for Local Authorities on Data Transparency on 29 September 2011. The Code enshrines the principles of transparency and asks relevant authorities to follow three principles when publishing data they hold. These are as follows:
 - responding to public demand;
 - releasing data in open formats available for re-use; and,
 - releasing data in a timely way.
5. This includes data on senior salaries and the structure of their workforce.

6. In addition, under these new arrangements, the full Fire and Rescue Authority should in the future be offered the opportunity to vote before large salary packages are offered in respect of a new appointment. The Secretary of State considers that £100,000 is the right level for that threshold to be set. For this purpose, salary packages should include salary, any bonuses, fees or allowances routinely payable to the appointee and any benefits in kind to which the officer is entitled as a result of their employment.

Pay Policy

7. The Act requires that authorities include in their pay policy statements, their approach to the publication of and access to information relating to the remuneration of chief officers. Remuneration includes salary (for chief officers who are employees) or payment under a contract for services (for chief officers who are self-employed), expenses, bonuses, performance related pay as well as severance payments.
8. The definition of chief officers (as set out in section 43(2)) is not limited to Heads of Paid Service or statutory chief officers. It also includes those who report directly to them (non-statutory chief officers), to their direct reports. The Act sets out the information that authorities are required to include in their pay policy statements as a minimum.

Conclusion/Summary

9. It is requirement that the Authority's approach to pay, as set out in the attached Pay Policy Statement, is accessible for citizens and enables local taxpayers to take an informed view of whether local decisions on all aspects of remuneration are fair and make best use of public funds.

Financial Considerations

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

Legal Considerations

Consideration	Yes/No	Reference in Report i.e paragraph no.
There are legal issues e.g. contractual and procurement, reputational issues that require consideration	Yes	Paragraphs 2,4,6,7

Additional Considerations

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

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

Supporting Information

Appendix 1 – Pay Policy Statement

Appendix 2 – Pay Policy Statement 2012/13

Contact Officer

Jackie Conway, Head of Human Resources
(01905 368339)

Email: jconway@hwfire.org.uk

Hereford & Worcester Fire and Rescue Service

Pay Policy Statement

Introduction

Pay for all Hereford & Worcester Fire and Rescue Service (HWFRS) staff is determined by the Local Government Employers with the Employers' Sides of the National Joint Council for Local Authority Fire and Rescue Services, the Middle Managers' Negotiating Body, the NJC for Brigade Managers of Local Authority Fire and Rescue Services, the Fire and Rescue Authority locally and representative bodies nationally. Pay awards are considered annually for all staff.

Terms and conditions of employment for staff within the HWFRS pay framework are set nationally with any variations negotiated and agreed locally.

Non Uniformed Support Staff

The HWFRS pay framework for non-operational support staff was implemented in 2003 in line with national guidance, with the grade for each role being determined by the national Greater London Provincial Council (LGPC) Job Evaluation scheme. The Scheme was developed to support Local Authorities in carrying out their obligations under the national agreement on single status. The national agreement required all Local Authorities, and a number of other public sector employers, to review their pay and grading frameworks to ensure fair and consistent practice for different groups of workers with the same employer.

For non-uniformed support staff any outcome of national consultations by the Local Government Employers in negotiation with the Trade Unions is applied in April each year.

Uniformed Staff

The HWFRS pay framework for operational staff was implemented in December 2003 following a rank-to-role exercise in line with National guidance, with the grade for each role being determined by a consistent job evaluation process.

For operational staff any outcome of national consultations by the Local Government Employers in negotiation with the Trade Unions is applied in July each year.

Chief Fire Officer /Chief Executive's Pay

The Chief Fire Officer/Chief Executive's pay is considered by the Fire and Rescue Authority. Account is also taken of other relevant available information, including the salaries of Chief Officers in other comparable Fire and Rescue Services nationally. To support the annual review, information may be provided on inflation, earnings growth and any significant considerations from elsewhere in the public sector.

Latest Pay Award

Annual pay awards take place as follows:

- Chief Officers – January

- Non-uniformed support staff - April
- Uniformed staff - July

However there has been no annual pay award to these groups since the following dates:

- Non-uniformed support staff - April 2009
- Uniformed staff - July 2009
- Chief Officers - January 2009

Appendix A details the remuneration relating to the above groups.

**Hereford & Worcester Fire and Rescue Authority
Pay Policy Statement 2012/13**

Job	Remuneration	Pay Relationship to CFO	Salary Range	
			Min	Max
1. Principal Officers				
Chief Fire Officer/Chief Executive	£121,254	Set by Appointments Committee		
Deputy Chief Fire Officer (DCFO)	£96,426	0.80		
Assistant Chief Fire Officer (ACFO)	£90,400	0.75		
Director of Finance and Assets	£72,320	0.60		
2. Monitoring Officer				
Clerk/Monitoring Officer (Under review)				
3. Statutory Chief Officer				
Treasurer (Under review)				
4. Senior Managers				
Area Commander Community Safety and Train	£70,536 *	0.58	£59,000	£70,536
Area Commander Operations	£70,536 *	0.58	£59,000	£70,536
Area Commander Corporate Services	£70,536 *	0.58	£59,000	£70,536
Head of Assets	£48,861	0.40	£45,195	£48,861
Head of Organisational Development	£48,861	0.40	£43,396	£48,861
Head of Human Resources	£48,861	0.40	£43,396	£48,861
Finance Manager	£45,195	0.37	£41,616	£45,195
Executive Personal Assistant	£26,276	0.22	£24,626	£28,636
5. Lowest Paid Employees **				
Uniformed				
Firefighter (Control)	£20,935	0.17	£20,099	£26,790
Non Uniformed				
General Assistant	£13,189	0.11	£12,489	£13,189

Notes:

* Includes 20% allowance to provide out of hours fire cover on a continuous rota system
Includes an additional 8% enhancement to provide a higher level of fire cover responsibility

** The lowest paid workers are paid in accordance with their job evaluation score which matches across to Scale 1 of the Service's Pay and Grading structure which is the lowest grade

All those in numbers 1, 2, 3, 4 above are provided with a mobile phone with the exception of the Executive Personal Assistant.
Any private use is chargeable

All Principal Officers and Senior Managers with the exception of Finance Manager, Head Of Human Resources, Head of Organisational Development and Executive PA, are provided with a motor vehicle for work purposes.
Any private use is chargeable

10. Draft Integrated Risk Management Plan - Action Plan 2012/13

Purpose of report

1. To approve the proposed IRMP Action Plan 2012/13.
-

Recommendations

The Policy and Resources Committee recommends that the Authority approves the following recommendations as contained in the proposed 2012/13 IRMP Action Plan:

- i) during 2012/13 we will deliver the outcomes of the 2011/12 review of Community Safety, which sought to identify methods for targeting the Service's resources more effectively in this area;***
- ii) during 2012/13 we will implement the agreed changes that result from the review of the current operational training strategy and provision;***
- iii) the 2011/12 IRMP Action Plan identified specific elements of fire cover within the Service including resources, which would be reviewed in 2011/12. In 2012/13 we will review fire cover across the remainder of the Service;***
- iv) we will continue to develop further opportunities to consolidate our collaboration with Shropshire and Wrekin Fire & Rescue Authority; and***
- v) we will review the provision of road traffic collision equipment across the Service and seek to implement any appropriate changes in order to improve the service we provide to the community.***

Background

2. Hereford & Worcester Fire and Rescue Service's three year Integrated Risk Management Plan (IRMP) 2009/12 sets out a broad set of strategic objectives and expires in March 2012. As part of the IRMP process, Fire and Rescue Services were required to produce annual action plans which set out each year's priorities to support the three year plan.
3. The National Framework, which made this a requirement, has now expired. The new National Framework is currently undergoing consultation and is unlikely to be issued formally until mid 2012.
4. In order to ensure an appropriate IRMP is in place, in the absence of the new National Framework, a further one year IRMP Action Plan has been developed for 2012/13. From 2013 onwards the new National Framework will provide Fire and Rescue Authorities with clear guidance on future IRMPs.

5. The proposed IRMP Annual Action Plan for 2012/13 was considered in detail by the Policy and Resources Committee on 7 September 2011 and approved for consultation by the full Authority on 28 September 2011.
6. During the 12 weeks from 28 September to 22 December 2011, a wide variety of individuals, groups and partnerships across the two counties were consulted on the proposed 2012/13 IRMP Action Plan. The Policy and Resources Committee considered the detail of the consultation process at its meeting on 25 January 2012.

Overview

7. The feedback received was generally favourable, in support of the proposals. The feedback and additional comments received by the Service has provided valuable stakeholder commentary and challenge which will help shape the development and implementation of the recommendations.
8. The Policy and Resources Committee considered the responses to each recommendation which were based on feedback from the questionnaires and written responses, as well as feedback from workshops and one-to-one visits. The responses are attached at Appendix 1 for information and as Members will see it has been recommended that no changes are made to the draft Action Plan.

Conclusion

9. Stakeholders have provided valuable feedback on the proposed IRMP Action Plan during the 12 week consultation process. The Policy and Resources Committee has considered the consultation process and the feedback received. Feedback was generally positive, therefore the Policy and Resources Committee recommends that there be no change to the proposed Action Plan and puts forward the recommendations for approval.

Financial Considerations

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

Legal Considerations

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

Additional Considerations

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

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

Appendix 1

Responses to Consultation Feedback

Background Papers

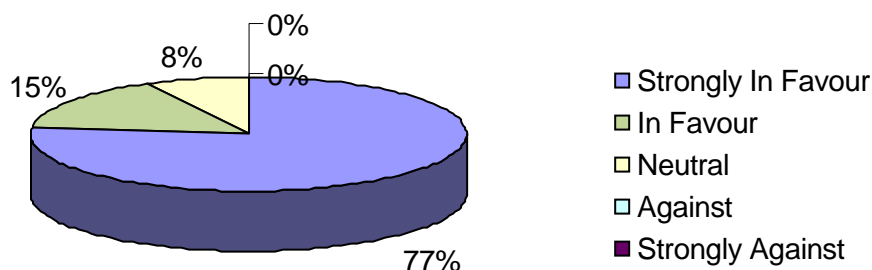
Policy and Resources Committee Agenda and Papers 25 January 2012

Contact Officer

J Pryce, Area Commander
(01905 368355)
Email: jpryce@hwfire.org.uk

Recommendation 1* During 2012/13 we will deliver the outcomes of the 2011/12 review of Community Safety, which sought to identify methods for targeting the Service's resources more effectively in this area.

What our stakeholders told us



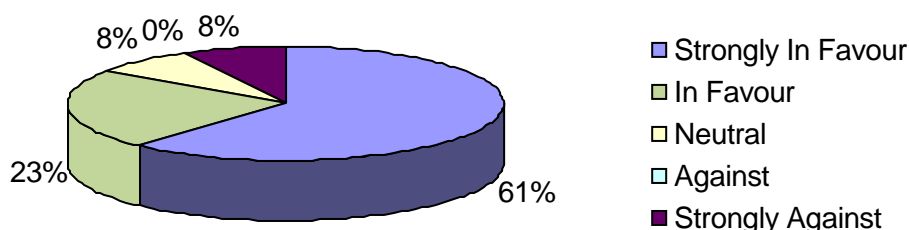
Our response

Stakeholders have commented that this should be achieved in a cost effective manner. It is the Service's opinion that these proposals will endeavour to achieve this, whilst targeting those most at risk.

Recommendation: Implement with no changes to the proposed recommendation.

Recommendation 2* During 2012/13 we will implement the agreed changes that result from the review of the current operational training strategy and provision.

What our stakeholders told us



Our response

Effective training is fundamental to ensuring the safety of our staff and the quality of the service we provide to our communities. This is the bedrock on which we operate our Service and it is pleasing to see support for our approach in this area.

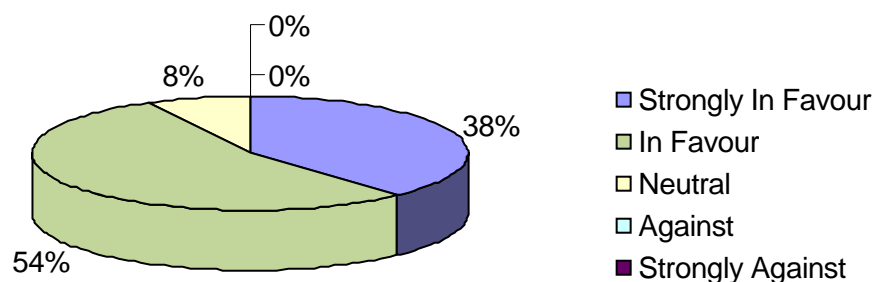
Recommendation: Implement with no changes to the proposed recommendation

* Due to the nature of these two recommendations, it was agreed that further engagement and communication would be conducted with those groups affected by the changes prior to full

implementation. It was noted however that this did not take away from the draft findings which were made available and were viewed very favourably. Both the changes in Community Fire Safety and the Training Strategy were viewed positively.

Recommendation 3 The 2011/12 IRMP action plan identified specific elements of fire cover within the Service including resources, which would be reviewed in 2011/12. In 2012/13 we will review fire cover across the remainder of the Service.

What our stakeholders told us



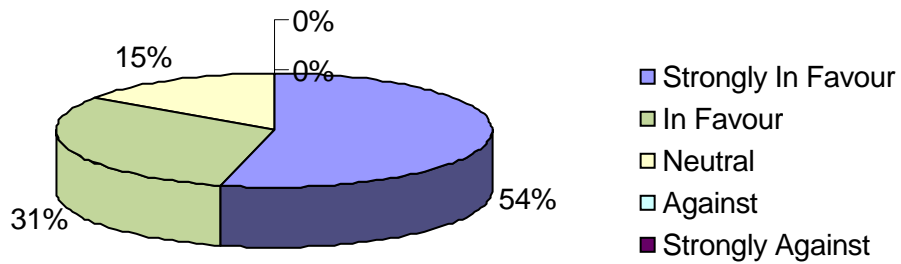
Our response

It is essential to regularly review the provision of fire cover across both counties to meet the changing needs of our communities. In deciding on how best to position our resources, we will use a range of information sources, consultation with stakeholders and professional judgement that will allow us to confidently determine our approach. Continued consultation and engagement was a key part of this recommendation going forward, particularly as the findings of the current review were not public yet.

Recommendation: Implement with no changes to proposed the recommendation

Recommendation 4 We will continue to develop further opportunities to consolidate our collaboration with Shropshire and Wrekin Fire & Rescue Authority (SWFRA).

What our stakeholders told us



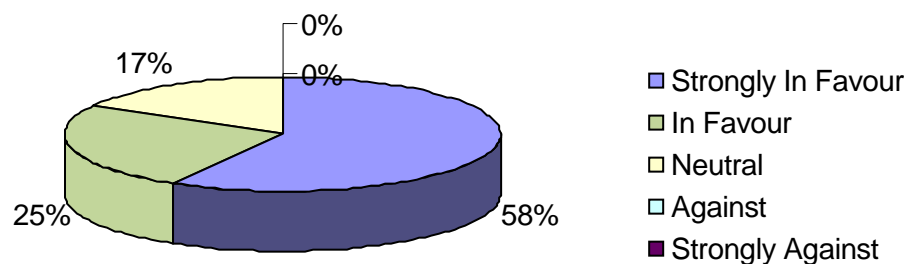
Our Response

There are considerable benefits to collaborative working with SWFRA. There are many cost and professional benefits from the proposed approach.

Recommendation: Implement with no changes to the proposed recommendation

Recommendation 5 We will review the provision of road traffic collision (RTC) equipment across the Service and seek to implement any appropriate changes in order to improve the service we provide to the community.

What our stakeholders told us



Our response

The provision of the right equipment in the right place at the right time, with trained personnel, is part of the Service's core strategy.

Recommendation: Implement with no changes to the proposed recommendations

11. Clarification of Officers' Delegation Scheme and Amendments to the Policy and Resources Committee's Terms of Reference

Purpose of report

1. To seek agreement to amend an element of the Officers' Delegation Scheme and refresh certain monetary levels.
 2. To amend the Terms of Reference of the Policy and Resources Committee to support the proposed amendments to the Officers' Delegation Scheme.
-

Recommendations

The Chief Fire Officer, Clerk and Treasurer recommend that:

The wording in the Officers' Delegation Scheme be amended as follows:

- 1. Paragraph 5.1 of the Scheme of Delegation be amended as detailed in paragraph 5 below.***
- 2. Paragraphs 3.6 and 5.4 of the Scheme of Delegation be amended as detailed in paragraph 10 below; and***
- 3. That the Terms of Reference of the Policy and Resources Committee be amended as detailed in paragraphs 7 and 12 below.***

Background

3. During a review of the Officers' Delegation Scheme it was felt that paragraphs 3.6, 5.1 and 5.4 would benefit from slight amendment and revision.

Delegation to the Clerk in Respect of Court Proceedings

4. Paragraph 5.1 of the delegation scheme currently reads:

“To decide the action to be taken in respect of legal proceedings and other matters involving the Authority, to arrange appearance before courts or tribunals in any such proceedings and matters, and to arrange for counsel, solicitors and other experts for legal proceedings, public inquiries, and other matters involving the Authority.”

5. Whilst it can be and has in the past been interpreted to include settlement and dismissal of any legal proceedings, the delegation lacks clarity. Whilst the Clerk has delegated authority to make minor interpretative changes to the Delegation Scheme, as the changes directly affect her delegated authority, she felt it wise to bring the matter to Members' attention. It is suggested that paragraph 5.1 of the delegation be amended to read as follows:

“To decide the action to be taken in respect of legal proceedings and other matters involving the Authority, to arrange appearance before courts or tribunals in any such proceedings and matters, and to arrange for counsel, solicitors and other experts for legal proceedings, public inquiries, and other matters involving the Authority. ***For the avoidance of doubt this delegated Authority includes the action to settle or terminate legal proceedings or other matters where it is considered by the Clerk to be in the best interests of the Authority. Where settlement of legal proceedings involves either the payment of, or receipt of compensation such decision to be made wherever possible in consultation with the Chief Fire Officer and Treasurer.***”

6. The amendment is felt necessary to ensure that the Clerk has the authority to not only commence proceedings, but also terminate them, where to do so would be in the best interests of the Authority. Members will be aware that often issues occur in the courtroom, or in negotiation, that change the basis of proceedings and it would be impractical or impossible to delay matters until either a meeting of the Authority or Group Leaders can be called to make a decision. To delay making a decision until a meeting could take place may often prejudice the position of the Authority and incur potentially significant costs.
7. It is also proposed to make an amendment to the Terms of Reference of the Policy and Resources Committee. Currently if the Clerk were to choose not to exercise delegated authority but refer the matter to Members it can only be referred to a full meeting of the Authority, this may not be the most appropriate meeting either because the matter is relatively small in nature or because the timing makes the Policy and Resources Committee more appropriate. It is therefore suggested that the following wording be inserted into the Policy and Resources Committee's Terms of Reference:

“Upon the advice of the Clerk to decide the action to be taken in respect of legal proceedings and other matters involving the Authority including the settlement and termination of legal proceedings and other matters.”

Level for Claims Settlement

8. The current Delegation Scheme gives both the Chief Fire Officer (para 3.6) and the Clerk (para 5.4) delegated authority to settle claims where proceedings have not been commenced up to the value of £5000. The actual wording of the Delegation is set out below:

3.6 “To settle, subject to discussion with the Clerk and Treasurer, any claim by or uninsured claim against the Authority up to £5,000.”

5.4 “To settle, subject to discussion with the Chief Fire Officer and Treasurer, any claim by or uninsured claim against the Authority up to £5,000.”

9. The figure has not been revised since the inception of the Fire Authority. By comparison officers already have authority to enter into contracts worth £100,000's where the governance requirements are far more onerous than for the settlement of claims. It is suggested that the value be amended to £20,000 to take account of the current financial values and reduce the time and cost taken to settle such claims. It is also suggested that further delegation be given, in consultation with the Chairman for claims up to £40,000. This would enable officers to respond quickly in any negotiations possibly preventing the commencement of costly legal proceedings whilst ensuring that there was Member involvement in the settlement.
10. It is therefore proposed that the Officer Delegation for both Chief Fire Officer and Clerk be amended to read:

“3.6 To settle, subject to consultation with the Chairman of the Fire and Rescue Authority, the Chief Fire Officer and Treasurer, any claim by or uninsured claim against the Authority up to £40,000.”

“5.4 To settle, subject to discussion with the Chief Fire Officer and Treasurer, any claim by or uninsured claim against the Authority up to £20,000.”
11. Again it is also suggested that where either an officer proposes not to exercise their delegated authority or where the sum required to settle the claim is above the limits of officer delegation, that there is an ability to refer the matter to the Policy and Resources Committee in preference to the Fire and Rescue Authority either because the matter is relatively simple or time requires an earlier response. It is suggested that the wording of the Terms of Reference of the Policy and Resources Committee be amended to read:
12. ***“With regard to claims or any uninsured claim where the matter is relatively simple or requires an early response and where officers propose not to exercise their delegations and or when the sum is above the limit of officer delegation, to refer the matter to the Policy and Resources Committee in preference to the Fire Authority in order to settle any claim by or claim against the Authority ”***

Conclusion

13. The proposed amendments to the Officers' Scheme of Delegations and the Policy and Resources Committee Terms of Reference will provide clarity and will reduce the time and cost to settle such claims. The Authority is asked to consider these proposed amendments.

Financial Considerations

Consideration	Yes/No	Reference in Report i.e paragraph no.
There are financial issues that require consideration	Yes	8-10

Legal Considerations

Consideration	Yes/No	Reference in Report i.e paragraph no.
There are legal issues e.g. contractual and procurement, reputational issues that require consideration	No	3-7

Additional Considerations

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

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

Background Papers

Officers' Delegation Scheme
Terms of Reference for the Policy and Resources Committee

Contact Officer

Anne Brown, Clerk to the Authority
(0845 12 24454)
Email: Abrown@hwfire.gov.uk

13. Policy and Resources Committee Report

Purpose of report

1. To inform the Authority of the proceedings of the Committee Meeting held on 25 January 2012.
-

Recommendation

That the Authority note the proceedings of the Committee meeting held on 25 January 2012.

Budget 2012/13 and Review of Medium Term Financial Plan

2. A report was considered that outlined the current position in relation to budgets for 2012/13 and beyond.
3. Members were reminded that a Medium Term Financial Plan had been agreed for 2010/11 – 2013/14 which was based on a set of assumptions about the future.
4. The Treasurer presented the report and drew Members' attention to the consequences of accepting the Council Tax Freeze Grant and talked through the possible budget gap and how it could be closed.
5. The Recommendations will be considered at item 7 on the agenda for this meeting.

West Midlands Contractor Framework

6. A report was considered that informed Members of the formation of the West Midlands Contractor Framework and the Authority's involvement in the consequent Partnering Agreement involving Worcestershire County Council, Herefordshire Council, West Mercia Police and The Fire and Rescue Authority.
7. The Clerk explained how the different authorities within the Framework worked together to drive down the cost of procurement. The West Midlands Contractor Framework had formulated a contract agreement which related to building services and could be used on projects over £1 million. This enabled smaller authorities such as the Fire and Rescue Authority to gain better value tenders because of the scale of the Framework Agreement.
8. Members noted the contents of the report and approved the use of Standing Order 5.1.f. (Regulation of Contracts) in awarding contracts under the Framework Agreement which negated the need to undertake a tendering exercise.

Retaining Staff with Specialist Skills

9. A report was considered that brought to the attention of the Policy and Resources Committee issues relating to potential skills gaps in the Service as a result of the possible changes to pension provision and sought agreement to a policy that mitigated the potential for this to happen.
10. The Chief Fire Officer presented the report and advised Members that currently 15 members of uniformed staff were eligible for retirement from the Service and could receive their full pension entitlement. Amongst these staff included those who had acquired specialist skills which had taken a number of years to develop. The proposed Policy allowed the Service to retain key skills as staff would be able to retire, access pension benefits, including a lump sum, and subsequently be re-employed with the pension being subject to abatement.
11. The Committee noted the contents of the report and agreed to the Service adopting the Policy relating to the retirement and re-employment of personnel.

Update to Work Programme 2011/12

12. A report was considered regarding amendments to the Work Programme of the Policy and Resources Committee. The Committee approved the Work Programme as amended for 2011/12.

Budget Monitoring 2011/12

13. A report was considered that informed the Policy and Resources Committee of the current position on budgets and expenditure for 2011/12.
14. The Committee noted the report.

Fees and Charges

15. A report was considered that updated the Committee on progress in implementing the Fire and Rescue Authority's decision on charging. Members were advised that in December 2010 the Authority had agreed a policy for charging for lift rescues and assistance to the Environment Agency.
16. It was noted that since the Authority had started to charge for lift rescues there had been a reduction in the number that had been carried out.
17. In the period July – December 2011, ten lift rescues had been carried out at £238 per rescue which had generated income of £2,380 for the Authority. Furthermore, it was reported that there had been no problems with payment of the invoices that had been sent for these rescues.
18. The Committee noted the report.

Draft Integrated Risk Management Plan – Action Plan 2012/13

19. A late report was considered that provided the Committee with details of the outcomes of the consultation process for the 2012/13 Integrated Risk Management Plan (IRMP) Action Plan which finished at the end of December 2011. The report was included on the agenda in order to give the Committee the opportunity to consider the results of the consultation exercise before it was approved by the Authority.
20. Members were informed that the consultation had finished on 22 December 2011 and the results of the consultation included a detailed response submitted by the Trade Unions and 13 responses submitted in writing.
21. The current IRMP process had followed a three year cycle and had been based on the National Framework. However, it was noted that a new National Framework was currently being consulted on and would be considered at the Committee's next meeting in March 2012.
22. The Committee recommended that the proposed IRMP Action Plan be submitted to the Authority for approval.

IRMP 2011/12 Update – Review of the Provision of Operational Training and Development

23. A report was considered that informed the Policy and Resources Committee of the outcomes of the Integrated Risk Management Plan (IRMP) 2011/12 Objective No. 6, the Review of Operational Training and Development.
24. Members were informed that a full review of operational training and associated procedures had taken place.
25. There were five key areas that were considered as part of the review namely:
 - Strategy, guidance and supporting documentation
 - Competence Recording Systems (Training Records)
 - Current Training Provision
 - Existing Training Facilities
 - Staffing and structure of Training and Development
26. The Committee noted the report.

IRMP 2011/12 Update – Review of the Community Safety Department

27. A report was considered that informed the Policy and Resources Committee of the outcomes of the Integrated Risk Management Plan (IRMP) 2011/12 Objective No. 2, the Review of the Community Safety Department. It was noted that a fundamental review of the Community Safety Department had taken place.

28. The review considered the following:

- Review of National Guidance
- Review of the Service's Community Safety activities and current Resource deployment
- Summary of existing and predicted demographical information
- Summary of known 'at risk' groups and order of priority ranking
- A profile of operational activity

29. The Committee noted the report.

Fire Fighting Water Supply

30. A report was considered that provided a summary of the current position with respect to the provision, inspection and maintenance of water supplies and requested support with a national campaign to change legislation, which would benefit the Fire and Rescue Authority.
31. The Committee noted the proactive steps that had been taken to secure fire fighting water supplies and endorsed the Service's support of a national campaign which would result in a change in legislation around the costs for ongoing maintenance of fire hydrants.

Joint Consultative Committee Update

32. The Committee noted a report that informed Members of the Policy and Resources Committee of the Joint Consultative Committee meeting held during December 2011.

Asset Management Strategy: Worcester Fire Station

33. A report was considered which sought approval from the Policy and Resources Committee to proceed with a proposal to replace Worcester Fire Station.
34. The Committee approved a proposal to replace the current Worcester Fire Station with a new building at a new location in Worcester City, within the budget allocation and approved an exemption to Standing Orders (para 5.1, Section G) due to the specific circumstances relating to the opportunity for a design and build at the Service's preferred location.

Financial Considerations

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

Legal Considerations

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

Additional Considerations

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

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

Background papers – Agenda and Papers from Policy and Resources Committee meeting held on 25 January 2012.

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14. Audit Committee Report

Purpose of report

1. To inform the Authority of the proceedings of the Audit Committee Meeting held on 18 January 2012.
-

Recommendations

The Audit Committee recommends that the Authority note:

- i) the proceedings of the Committee Meeting held on 18 January 2012; and***
- ii) that the Audit Committee have considered the Annual Audit letter 2010/11 which is attached at Appendix 1 to this report.***

Annual Audit Letter 2010/11

2. The Committee received the Annual Audit Letter 2010/11 from the Audit Commission which summarised the findings from the 2010/11 audit.
3. Members were advised that the Annual Audit Letter comprises two elements:
 - The audit of the Authority's financial statements; and
 - An assessment of the Authority's arrangements to achieve value for money in its use of resources.
4. The Audit Manager highlighted a number of points from the report including that the key findings were that the Authority had continued to focus on delivering good value services and were facing unprecedented government funding cuts. Also it was concluded that the Authority had adequate arrangements to secure economy, efficiency and effectiveness in the use of resources for the year ended 31 March 2011.
5. The Committee noted the report. A copy of the Annual Audit Letter is attached for all Members, which confirms the Authority is managing its finances well. The Audit Commission has concluded that the Authority has "proper arrangements in place to secure financial resilience."

Audit Plan 2011/12

6. The Committee considered a report regarding the Audit Plan 2011/12 which set out the work to be undertaken by the Audit Commission for the 2011/12 audit.
7. The proposed work included controls testing on:
 - General ledger
 - Payroll
 - Pensions payable
 - Reliance on brought forward controls
 - Assurance on Creditors and Pensions contributions
8. With regard to risks the following significant financial risks had been identified:
 - Securing financial resilience
 - Financial planning
 - Securing economy, efficiency and effectiveness
 - Improving efficiency and productivity
9. The fee for the audit was £73,048 which represented a 15.4% reduction on the audit fee for 2010/11.
10. The Committee noted the report.

Audit Committee Update

11. A report was considered that provided the Committee with an update from the Audit Commission on their progress in delivering their responsibilities as the Authority's external auditors.
12. The Committee noted the report.

Update on Auditors' Recommendations

13. A report was considered that updated Members on progress towards meeting the recommendations made by the External Auditor in October 2011.
14. With regard to the appointment of a directly employed Clerk and Treasurer, the Chief Fire Officer advised that he had been given authority by the FRA in December 2011 to seek a directly employed Treasurer and Clerk to ensure they were more embedded in the organisation.
15. Testing the culture of the organisation would be addressed by a questionnaire which would be agreed by the Senior Management Board.

16. Recommendations relating to the Firefighters' pension scheme had been fully implemented.
17. Recommendation 3 relating to Service Level Agreements would be addressed by reviewing the agreements with Herefordshire Council for legal services and Worcestershire County Council for pension services and payroll. Work would be undertaken to determine whether these agreements were relevant and where safeguards needed to be made.
18. The Committee noted the report and agreed that the recommendations made by the External Auditor would be reviewed when significant progress had been made.

Internal Audit Update

19. A report was considered that provided Members with an update on internal audit activities since the Audit Committee meeting held on 28 September 2011.
20. The report updated the Committee on work still being undertaken by Worcestershire County Council now that the internal audit function had transferred to the Internal Audit Service hosted by Worcester City Council.
21. The Committee noted the report.

Internal Audit Programme

22. A report was considered that presented the Internal Audit Programme 2011/12 which would be provided by Worcestershire Internal Audit Service.
23. The Committee noted the report.

Financial Considerations

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

Legal Considerations

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

Additional Considerations

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

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

Supporting Information

Appendix 1 – Annual Audit Letter

Papers from the Audit Committee Meeting held on 18 January 2012.

Background Papers

None

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Annual Audit Letter

Hereford and Worcester Fire and Rescue Authority

Audit 2010/11



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Traffic light explanation

Red ■ Amber ◆ Green ●

Key messages

This report summarises the findings from my 2010/11 audit. My audit comprises two elements:

- **the audit of your financial statements; and**
- **my assessment of your arrangements to achieve value for money in your use of resources.**

Key audit risk	Our findings
Unqualified audit opinion	●
Proper arrangements to secure value for money	●

Overview

- 1 You have continued to focus on delivering good value services in line with your plans and priorities. An increase in the number of calls for assistance has been reported as well as an increase in the number of incidents attended in 2010/11. You have highly developed performance management arrangements to enable you to monitor and challenge performance.
- 2 Unprecedented Government funding cuts will mean that you, councils and other public services will need to work both harder and smarter. You have already been proactive in recognising the need for change through the restructure of roles and responsibilities at a senior level in the Authority that were implemented during 2010/11.
- 3 Reductions in funding have been recognised and in light of this you have recognised that you will be required to make difficult decisions to

reduce costs and maintain your financial standing position. Preparations have commenced in several areas to minimise their impact.

- 4 Whilst there has been a necessary focus upon savings you have looked to continue to support projects that will help improve the Service. Investment in fire stations has been approved and implemented with the completion of the Pebworth station in 2010/11. Opportunities have also been taken to improve training facilities as part of this project.
- 5 You have responded to the cessation of the national FiReControl project and developed a joint outline business proposal for the formation of a shared resilient control room infrastructure with Shropshire Fire and Rescue Service. This paves the way for possible closer future collaboration between the two organisations with wide-ranging potential benefits including achieving economies of scale.
- 6 There will undoubtedly be uncertainties for staff during this period and senior management will play a key role in managing its impact on staff and in ensuring high quality services are maintained.

Audit opinion and financial statements

7 2010/11 was the year in which new management arrangements in respect of the finance team were put in place, including the appointment of an interim Treasurer and the Director of Finance and Assets taking on board additional responsibilities. This took capacity out of the finance team which it was believed could be accommodated. However, the complexities of the transition to International Financial Reporting Standards (IFRS) proved greater than envisaged and had a significant impact upon the quality of the initial financial statements presented for audit and the working papers to support them.

8 The financial statements presented for audit contained a material error. A journal had been processed incorrectly resulting in short term debtors and short term creditors being overstated by £2.5 million. This error was corrected and it did not impact on the reported surplus shown on the Comprehensive Income and Expenditure statement for the year.

9 My audit identified a number of errors that were non trivial and the number of disclosure corrections was large. All items were corrected for.

10 I issued an unqualified opinion on 29 September 2011. In my opinion the financial statements give a true and fair view of your financial position, income and expenditure and that for the firefighters' pension fund for the year ended 31 March 2011.

Value for money

11 As well as issuing an opinion on the financial statements, I issue a statutory Value for Money conclusion. For 2010/11 the Audit Commission determined two criteria for me to consider:

- securing financial resilience; and
- challenging how it secures economy, efficiency and effectiveness.

12 I concluded that the Authority has adequate arrangements to secure economy, efficiency and effectiveness in the use of resources for the year ended 31 March 2011.

Certificates

13 I presented my report into the retirement of the former Chief Fire Officer (CFO) to the Audit Committee on the 7 November 2011 together with supplementary Annual Governance Reports for both the financial years of 2009/10 and 2010/11.

14 This was the outstanding matter remaining to be considered for the completion of the Value for Money (VFM) conclusion for 2009/10. I have concluded that in all significant respects the Authority made proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2010. However, this is with the exception that whilst appropriate governance structures were in place weaknesses in the way the arrangements operated in practice in the matter of the former CFO meant that you were unable to evidence you had adequate arrangements in place to promote and demonstrate the principles and values of good governance during 2009/10.

15 The Authority has been open and transparent about the issue of the retirement of its former CFO. Since his appointment in April 2010 the new Chief Fire Officer has taken responsibility for ensuring any learning from the issue is acted upon. As a result of this and the actions already taken I am satisfied that the Authority can demonstrate that it had appropriate arrangements in place for 2010/11. I am also of the view that the failings in 2009/10 did not relate to or impact upon the operation of the fire service and there was no increase in risk to the people of Herefordshire and Worcestershire.

16 With all matters from the 2009/10 year having been resolved and upon the receipt of an updated letter of representation from the Treasurer I was able to issue my certificate to complete your 2009/10 and 2010/11 audits on the 15 November 2011.

Current and future challenges

Public sector finances

17 The Coalition Government's Comprehensive Spending Review (CSR) in October 2010 announced savings of, on average, 7.1 per cent for each local government body from April 2011 until 2015. In reality, the savings required for Fire and Rescue Authorities announced in December 2010 were around 25 per cent. Savings plans on existing arrangements alone are unlikely to be sufficient to meet this challenge.

18 The required savings are back loaded to allow Fire and Rescue Authorities time to assess opportunities for savings and consider how best to reconfigure the delivery of services in the longer term. You approved a four year Medium Term Financial plan from 2011/12 in February 2011. Your plan has identified a shortfall of £9 million in the period 2012/13 to 2014/15 based on a suite of assumptions. The Authority has recognised the reductions in funding and preparations have commenced to minimise their impact. In recognising the need for change there has been a restructuring of roles and responsibilities at a senior level in the Authority. Members, officers and staff have shared ideas on areas to identify efficiencies through Meeting the Challenge workshops informing the 2011/12 IRMP Action Plan proposals.

19 The robustness of financial management together with future service and financial strategies will be key to the Authority in achieving its priorities and maintaining financial resilience. There will undoubtedly be uncertainties for staff during this period and senior management will play a key role in managing its impact on staff and in ensuring high quality services are maintained.

20 The impact of the pressures on public sector finances will continue to present the Authority with significant challenges. The Authority recognises that it will have to make difficult decisions to reduce its costs and maintain its financial standing position, including considering increasing the funds raised through Council Tax to address the shortfall of £2.5 million projected for 2014/15. I am satisfied that your current arrangements for securing financial resilience and challenging how you secure economy, efficiency and effectiveness are soundly based and will continue to monitor the Authority's response and actions in this key area.

21 Whilst there has been a necessary focus upon savings you have looked to continue to support projects that will help improve the Service. Investment in fire stations has been approved and implemented with the completion of the Pebworth station in 2010/11. Opportunities have also been taken to improve training facilities as part of this project.

22 The cessation of the national FiReControl project has been responded to by the development of a joint outline business proposal for the formation of a shared resilient control room infrastructure with Shropshire Fire and Rescue Service. The Authority has a strong and developing strategic alliance with Shropshire and Wrekin Fire and Rescue Authority. Changes in systems and processes are discussed with them to ensure that there is similarity in the way the organisations work to allow cross border arrangements to support service delivery. Closer future collaboration between the two organisations provides opportunities for wide-ranging potential benefits including achieving economies of scale.

National initiatives

23 The next National Framework is currently being developed by Government. It is proposed the new Framework will be a short strategic document that re-sets the relationship between central Government and the Fire and Rescue Service. Stepping back from directing local services, it will place greater emphasis on local accountability for local services and focus on issues where there is a clear national interest, including national resilience. You are already well placed to address these issues through your performance management systems and established ways of consulting with local communities. However, the position will need to be reviewed once the new Framework is published.

24 In September 2011 the Government published:

- the Code of Recommended Practice for Local Authorities on Data Transparency; and
- Best Value Statutory Guidance.

25 The Transparency Code sets out central Government's views on the key principles for authorities in creating greater transparency and enhancing accountability through the publication of data. It is central Government's view that greater transparency of data is at the heart of enabling the public to hold politicians and public bodies to account. Publication of data should also be used to open new markets for local business, the voluntary and community sectors and social enterprises to run services or manage public assets. This Authority is being proactive to demonstrate compliance through the development of a local transparency web page but will need to keep the requirements under review.

26 The streamlined Best Value Statutory Guidance sets out Government's expectations of the way authorities should work with voluntary and community groups together with small businesses when facing difficult funding decisions. The guidance, taken together with measures such as Community Right to Challenge the Localism Bill, aims to promote authority leadership in providing a level playing field for all, including local, voluntary and community organisations. The Authority's performance management arrangements and approach to local consultation to meet the Government's expectations mean that you are well placed but you will need to ensure your response is proportionate.

Financial statements and annual governance statement

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

Overall conclusion from the audit

27 I issued an unqualified opinion on the Authority's 2010/11 accounts on 29 September 2011. My overall conclusion from my audit of the Authority's 2010/11 financial statements is that they present a true and fair view of the Authority's financial affairs and those of the firefighters' pension fund for the year. The issues I addressed in my audit are within my Annual Governance Report presented to the Audit Committee on the 28 September 2011 and only the most significant issues arising are repeated in this letter. I presented this report to the Audit Committee who considered it before approving the financial statements and before I issued my opinion. I issued a final accounts memorandum to management on minor issues identified during the audit and copied the letter to the Chair of the Audit Committee.

28 Supplementary Annual Governance Reports in respect of 2009/10 and 2010/11 were presented to the Audit Committee on the 7 November 2011 following the resolution of issues arising from the retirement of the previous Chief Fire Officer (CFO) that related to the 2009/10 year. There was no impact upon my opinions on both years' financial statements but my value for money conclusion in respect of 2009/10 was qualified (see paragraphs in respect of the previous CFO below). I certified both audits closed on 15 November 2011.

2010/11 financial statements

29 The initial financial statements were presented for audit on 30 June 2011, in line with the statutory deadline. However, the complexities of the transition to International Financial Reporting Standards (IFRS) proved greater than envisaged and had a significant impact upon the quality of the initial financial statements presented for audit and the working papers to support them.

30 The initial statements presented for audit contained a material error. A journal had been processed incorrectly resulting in short term debtors and short term creditors being overstated by £2.5 million. This error was corrected and it did not impact on the Authority's reported surplus shown on the Comprehensive Income and Expenditure statement for the year.

31 As part of my audit I did identify other errors (other than those of a trivial nature) as well as additional disclosures to ensure compliance with the International Financial Reporting Standards (IFRS) and reported these to management. All of these were amended.

32 The Authority is required to include an annual governance statement within its financial statements. I reviewed the statement and considered that it was consistent with my understanding of the authority.

Accounting for pension costs, liabilities and firefighters pension fund grant

33 I reviewed the accounting for pension costs, liabilities and firefighters pension fund grant in line with the requirements of the CIPFA Code of Practice and discussed its presentation with your officers. This is a complex area. As a result changes were made to the disclosures of the transactions within the initial financial statements. The changes had no impact upon the surplus shown on the Authority's Comprehensive Income and Expenditure statement for the year.

Significant weaknesses in internal control

34 I did not identify any significant weaknesses in your internal control arrangements. However, a number of control and process weaknesses have impacted upon the efficiency of my audit and required additional audit testing.

Data submission to the Government's Actuary Department

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

Property, plant and equipment accounting system

36 I found that the property, plant and equipment accounting system in place in the year was an informal year end process. A complete fixed asset register was not available for my audit until 8 September 2011. Although this process did not result in any material errors being identified in your initial financial statements the Authority has already implemented the asset management module integrated with the general ledger. The full use of this module should facilitate the preparation of the fixed asset register and the accounting for transactions relating to property, plant and equipment. The authority is improving its arrangements in this area.

International Financial Reporting Standards

37 The Authority had to prepare financial statements using the International Financial Reporting Standards (IFRS) for the first time in 2010/11. This required a considerable level of work including the restatement of the balance sheets for 2008/09 and 2009/10 to support the comparator disclosures. There were also substantial changes to the layout and structure of the initial financial statements including the number of disclosures required and the accounting policies.

38 The implementation of IFRS in Local Government has been a significant challenge for all authorities. However the complexities of the transition to IFRS proved greater than envisaged and had a significant impact upon the quality of the initial financial statements presented for audit and the working papers to support them.

Whole of Government Accounts

39 The Whole of Government Accounts (WGA) exercise covers approximately 1,300 separate bodies. This aims to provide a commercial style set of accounts for the public sector and are prepared by HM Treasury. The Authority is required by statute to submit financial data from its financial statements as part of WGA. This enables transactions between the various bodies to be identified so they are not double counted within the final set of Government accounts. To support these accounts I provided an assurance statement to the National Audit Office on 30 September 2011 confirming that the disclosure of the Authority's pension liability/ asset movements and other disclosures are consistent with the Authority's audited financial statements.

Audit fees

40 As a result of the issues highlighted above the audit took longer than I had previously experienced and planned for when the fee was agreed. The Authority is addressing these weaknesses. However, as a result of them I have had to undertake additional and further audit testing beyond that originally planned and the additional time spent in order to complete the audit was significant, resulting in an additional fee of £7,000. Appendix 1 summarises the audit fees.

Retirement of the previous Chief Fire Officer

41 My investigation into the matter of the retirement of the previous Chief Fire Officer (CFO) is complete and I presented my report (*Retirement of the Chief Fire Officer – report by the District Auditor dated 28 October 2011*) to the Audit Committee on the 7 November 2011.

42 As a result of the financial loss of £247,000 (in the form of tax penalties, settlement costs and professional advisers' fees) to which the Authority and its constituent councils are committed following the early retirement of the Authority's previous CFO and the level of public interest in how the situation arose I have carried out an independent review of the decision making process followed by the Authority. My principal objective was to consider whether the Authority had followed appropriate processes in confirming the outgoing CFO's right to retire and, once it had identified its error, that it had taken appropriate action. My key focus has been on identifying the key learning points for the Authority and constituent councils (Herefordshire Council and Worcestershire County Council.)

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

44 The Authority will bear £74,500 of the totality of the costs arising from this matter with the constituent councils meeting £122,500 each. Insurance arrangements have partially covered the total cost. I concluded that the circumstances leading to these payments are complicated and technical in nature. I was able to satisfy myself that the provision for costs associated with the retirement of the previous Chief Fire Officer included in the Authority's financial statements for 2010/11 was not materially misstated.

45 I made three recommendations to the Authority. These were:

- the Authority should improve processes and arrangements in its governance arrangements (not operational) that could help safeguard the Authority against recurrence of a similar situation;
- the Authority should strengthen arrangements for ensuring the requirements of the Fire-Fighters' Pension scheme are met by putting in place arrangements for the distribution of published guidance and circulars to appropriate officers; and
- the Authority should review the provisions within the Authority's service level agreements with its constituent bodies on a regular basis. This review to include the provisions for arrangements for the handling of disputes where the terms of the agreements have not been met and/or the performance of staff is below that expected to ensure appropriate safeguards are in place to protect the Authority's position.

46 All of the recommendations have been agreed by the Authority and actions put in place for them to be implemented.

47 This was the outstanding matter remaining to be considered for the completion of the Value for Money (VFM) conclusion for 2009/10. I have concluded that in all significant respects the Authority made proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2010 except that it did not put in place adequate arrangements to promote and demonstrate the principles and values of good governance. My reasons behind this conclusion are set out in detail in my supplementary annual governance report presented to the Audit Committee on the 7 November 2011. I certified the audit for 2009/10 closed on 15 November 2010/11.

48 It is important to note that my report recognises that the Authority has been open and transparent about the issue of the retirement of its former CFO. Since his appointment in April 2010 the new Chief Fire Officer has taken responsibility for ensuring any learning from the issue is acted upon. Under his leadership the Authority has already made improvements to its governance arrangements. In September 2010 it appointed an 'in-house' Treasurer on a short-term contract. An interim Deputy Monitoring Officer has now been appointed as Clerk on a fixed term contract. Both of these roles are more closely integrated into the Authority. The Authority has also carried out a review of its committee arrangements in order to ensure they remain the most efficient and effective for its operational delivery. As a result of this and the actions already taken on the three recommendations above I am satisfied that the Authority could demonstrate that it had appropriate arrangements in place for 2010/11. I am also of the view that the failings in 2009/10 did not relate to or impact upon the operation of the fire service and there was no increase in risk to the people of Herefordshire and Worcestershire.

National Fraud Initiative

49 The Authority participates in the National Fraud Initiative (NFI). This is a national exercise that matches electronic data within the audited body and between audited bodies to prevent and detect fraud, including police authorities, local probation trusts, fire and rescue authorities as well as local councils.

50 I reviewed the action taken by the Authority. I found that the Authority had submitted data returns for the 2010/11 exercise in line with timescales, followed up any identified matches and received full reports throughout the process.

Value for money

I considered whether the Authority is managing and using its money, time and people to deliver value for money. I assessed your performance in 2010/11 against the criteria specified by the Audit Commission and have reported the outcome as the value for money (VFM) conclusion.

I assess your arrangements to secure economy, efficiency and effectiveness in your use of resources against two criteria specified by the Audit Commission. My overall conclusion is that the Authority has adequate arrangements to secure, economy, efficiency and effectiveness in its use of resources.

My conclusion on each of the two areas is set out below.

Value for money criteria and key messages

Criterion	Key messages
<p>1. Financial resilience</p> <p>The organisation has proper arrangements in place to secure financial resilience.</p> <p>Focus for 2010/11:</p> <p>The organisation has robust systems and processes to manage effectively financial risks and opportunities, and to secure a stable financial position that enables it to continue to operate for the foreseeable future.</p>	<p><i>Financial governance</i></p> <p>There is capacity at senior level to provide strong leadership to the Authority.</p> <p>The authority has a sound understanding of the current financial environment and undertakes robust planning for the medium and long term.</p> <p>There is a strong link between the Authority Plan and Integrated Risk Management Plan.</p> <p><i>Financial planning</i></p> <p>It has undertaken scenario planning around the level of grant funding and considered these within the authority's detailed medium term financial plan to ensure that reserves are sufficient to meet future expenditure.</p>

Criterion	Key messages
	<p><i>Financial control</i></p> <p>The authority historically closely monitors its expenditure and does not exceed budget levels. In 2010/11 the authority reported an underspend detailed in its financial statements enabling funds to be identified to support expenditure. The level of underspend does not indicate weaknesses in financial control.</p>
<p>2. Securing economy efficiency and effectiveness</p> <p>The organisation has proper arrangements for challenging how it secures economy, efficiency and effectiveness.</p> <p>Focus for 2010/11:</p> <p>The organisation is prioritising its resources within tighter budgets, for example by achieving cost reductions and by improving efficiency and productivity.</p>	<p><i>Prioritising resources</i></p> <p>The senior team provide clear leadership on spending priorities and demonstrate a clear understanding of the resource requirements of the service.</p> <p>The Authority has adopted a strategic approach to identifying cost reductions and challenging spending and investment decisions. It makes decisions on prioritising its resources based on robust information. The service has challenged the existing delivery arrangements of its control room function and is moving forward with shared arrangements with Shropshire Fire and Rescue Service.</p> <p>Performance management is strong and appropriately challenged by the Policy and Resources Committee.</p> <p>The authority benchmarks its performance with other authorities to identify areas for improvement. There is a good track record of working in partnership within both Herefordshire and Worcestershire as well as with other Fire and Rescue Authorities.</p> <p><i>Improving efficiency and productivity</i></p> <p>The Authority understands its costs. It has a record of producing and using robust information to evaluate options and plans for savings. Efficiencies have been made and continue to be implemented.</p> <p>The cessation of the FiReControl project required a review of the way the function is delivered and how it will be delivered in future. The Authority has worked closely with Shropshire Fire and Rescue Service on procuring a command and control system paving the way for possible closer future collaboration.</p> <p>The sharing of stations with other emergency services has been actively considered to improve efficiency at reduced cost. Challenging targets are set and it is working with others to achieve its priorities.</p>

Closing remarks

I have discussed and agreed this letter with the Chief Fire Officer and Treasurer. I will present this letter at the Audit Committee in January 2012 and will provide copies to all authority members.

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.

Report	Date issued
Audit Strategy	January 2011
Annual Governance Report	September 2011
Whole of Government Accounts Assurance Statement	September 2011

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

Grant Patterson
District Auditor

23 November 2011

Appendix 1 - Fees

	Actual £	Proposed £	Variance £
Scale fee	86,400	79,400	7,000
Non-audit work	0	0	0
Total	£ 86,400	£79,400	£ 7,000

* The Audit Commission paid a rebate of £5,305 to you (£4,240 in April 2010 and £1,065 in December 2010) to subsidise the 'one-off' element of the cost of transition to IFRS for fire authorities.

Appendix 2 - Glossary

Annual governance statement

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

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

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

Audit opinion

On completion of the audit of the financial statements, I must give my opinion on the financial statements, including:

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

Opinion

If I agree that the financial statements give a true and fair view, I issue an unqualified opinion. I issue a qualified opinion if:

- I find the statements do not give a true and fair view; or
- I cannot confirm that the statements give a true and fair view.

Value for money conclusion

The auditor's conclusion on whether the audited body has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources based on criteria specified by the Audit Commission.

If I find that the audited body had adequate arrangements, I issue an unqualified conclusion. If I find that it did not, I issue a qualified conclusion.

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



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15. Appointments Committee Report

Purpose of report

1. To inform the Authority of the proceedings of the Committee Meeting held on 25 January 2012.

Recommendation

The Appointments Committee recommends that the Authority notes the proceedings of the Committee Meeting held on 25 January 2012.

Appointment of a Clerk/Monitoring Officer and a Treasurer

2. The Committee considered the qualifications and attributes of the Service's Director of Finance and Assets in relation to the role of Treasurer to the Authority and agreed to recommend the appointment of Mr Martin Rehorn to the role. This recommendation will be considered at item 5 of the agenda for this meeting.
3. In addition, the Committee considered the proposal to recruit a directly employed Clerk/Monitoring Officer. The Committee resolved that the Chief Fire Officer should commence an appointment process to recruit a directly employed Clerk/Monitoring Officer who is an experienced and qualified Local Authority Lawyer. It was agreed to delegate agreement of the job description, person specification, advertisement and method of recruitment to the Chief Fire Officer in consultation with the Chairman of the Fire and Rescue Authority.
4. The Appointments Committee will be involved in the selection process for the new Clerk/Monitoring Officer.

Financial Considerations

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

Legal Considerations

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

Additional Considerations

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

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

Background Papers

FRA Report – Appointment of a Treasurer (Section 151 Officer) – 15 February 2011

Appointments Committee Minutes – 25 January 2012

Contact Officer

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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
AC	Area Commander
AMP	Asset Management Plan
ARCC	Aeronautical Rescue Co-ordination Centre
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
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
CC	Crew Commander
COSHH	Control of Substances Hazardous to Health
CPA	Comprehensive Performance Assessment
CPS	Chemical Protection Suits
CRR	Community Risk Register
CS	Community Safety
CSR	Comprehensive Spending Review
CSU	Command Support Unit
DC	District Commander
DCFO	Deputy Chief Fire Officer
DDA	Disability Discrimination Act
DIM	Detection, Identification and Monitoring
DOFA	Director of Finance and Assets
DoH	Department of Health
DoT	Direction of Travel
DPA	Data Protection Act
EA	Environment Agency

Hereford & Worcester Fire and Rescue Authority

GLOSSARY OF TERMS

EAS	Electronic Availability System
ECS	Enhanced Command Support
EIR	Environmental Information Regulations
EPU	Environmental Protection Unit
ESLG	Equality Standard for Local Government
FBU	Fire Brigades Union
FDR	Fire Damage Report
FDS	Flexible Duty System
FireLink	The 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
FSPA	Fire Service Procurement Association
GC	Group Commander
HAZMAT	Hazardous Materials
HERMIT	Herefordshire Emergency Response to Major Incidents Team
HFSC	Home Fire Safety Check
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
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
JERA	Joint Emergency Response Arrangements
JFS	Juvenile Fire-setters Scheme
KPI	Key Performance Indicator
KLOE	Key Lines of Enquiry
LASER	Learning about Safety by Experiencing Risk
LEA	Local Education Authority
LGA	Local Government Association

Hereford & Worcester Fire and Rescue Authority

GLOSSARY OF TERMS

LGV	Light Goods Vehicle
LIBID	London Interbank Bid Rate
LPG	Liquid Petroleum Gas
LPSA	Local Public Service Agreement
LRF	Local Resilience Forum
LRI	Learning Resource International
LSGCM	Long Service and Good Conduct Medal
LSP	Local Strategic Partnership
LTCM	Long Term Capability Management
LTF	Local Training Facilities
MDT	Mobile Data Terminals
MIS	Management Information Systems
MISAR	Mercia Inshore Search and Rescue
MMFE	Management of Major Flood Emergencies
MoU	Memorandum of Understanding
MTFP	Medium Term Financial Plan
NCFSC	National Community Fire Safety Campaign
NEBOSH	National Examination Board in Occupational Safety and Health
NEET	Not in Education, Employment or Training
NFST	National Flood Support Team
NJC	National Joint Council for Local Authorities' Fire Brigades
NOS	National Occupational Standard
NVQ	National Vocational Qualification
OASD	Operational Assessment of Service Delivery
ODPM	Office of the Deputy Prime Minister
OJEU	Official Journal of the European Union
ORS	Opinion Research Services
PDR	Personal Development Review
PFI	Private Finance Initiative
PI	Performance Indicator
PMM	Principal Management Members
PMSO	Project Management Support Office
PO	Principal Officer
PPE	Personal Protective Equipment
PPP	Policy, Planning and Performance
PSA	Public Service Agreement
PSHE	Personal, Social, Health Education
PSRP	Public Services Radio Project
PWLB	Public Works Loans Board
QSA	Quality Systems Audit
R2R	Rank to Role
RB	Representative Body
RBIP	Risk Based Inspection Programme
RCC	Regional Control Centre
RCCC	Regional Civil Contingencies Committee
RDS	Retained Duty System
RHSCG	Regional Health and Safety Collaboration Group

Hereford & Worcester Fire and Rescue Authority

GLOSSARY OF TERMS

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
SARA	Severn Area Rescue Association
SBE	Standards Board for England
SCC	Strategic Command Centre
SCE	Supported Capital Expenditure
SCG	Strategic Command Group
SDA	Service Delivery Agreement
SFSO	Senior Fire Safety Officer
SFU	Small Fires Unit
SHA	Strategic Holding Area
SHEBA	Safety in the Home and Electric Under Blanket Assessment
SLA	Service Level Agreement
SC	Station Commander
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
TDC	Training and Development Centre
UoR	Use of Resources
USAR	Urban Search and Rescue
UWFS	Unwanted Fire Signal
VMDS	Vehicle Mounted Data System
WAN	Wide Area Network
WC	Watch Commander
YFA	Young Firefighters' Association