

Shropshire Fire Risk Management Services

Report of the Company Manager

For further information about this report please contact Company Manager Martin Timmis on 01743 260285 or Chair of the Board of Directors Councillor David Minnery on 01630 657885.

1 Purpose of Report

This report provides an update on the Fire Authority controlled company, Shropshire Fire Risk Management Services (SFMRs).

2 Recommendations

The Fire Authority is asked to note the update.

3 Background

At its meeting in April 2013 the Fire Authority agreed to the establishment of Shropshire Fire Risk Management Services, a company controlled by the Fire Authority. The Board of Directors of the company held its inaugural meeting on 16 July 2013, at which it agreed that trading should commence from that date.

The Fire Authority had delegated authority to the Chief Fire Officer, Treasurer, Monitoring Officer and Head of Finance jointly to agree the start-up date of the company. Following the close of the board meeting these officers agreed that the company should commence trading with immediate effect.

This report provides an update on developments since that time.

4 Update

Board Members

The Board members (appointed by the Fire Authority) are Councillors Mrs Barrow, Hartin, Kiernan, Mellings and Minnery. The Chair of the Board is Councillor Minnery.

Meetings

Since its inaugural meeting the Board has met three times in October and November 2013 and January 2014. Meetings henceforward will take place every other month.

Company Manager

At its November 2013 meeting the Chief Fire Officer and the Board agreed that the Area Manager Prevention should devote 75% to 80%, rather than 40%, of his time to the company. This was reported to the Fire Authority in December 2013. The arrangement will be reviewed in May 2014 and then again in November 2014 to assess its impact on service delivery.

Loan

In April 2013 the Fire Authority agreed to provide a start-up loan of £20,000 at commercial interest rates to the company. To date this facility has not been called upon by the company.

Performance

When reported at the January meeting of the Board, net profit for the company stood at approximately £20,000, despite the original financial forecast within the Business Case and Outline Business Plan that the company would operate at a loss in its first year.

Furthermore, even though a concerted launch of the company did not commence until February, there has been a steady flow of business and enquiries since trading commenced.

Reporting

The Company Business Case and Outline Business Plan (as agreed by the Fire Authority) states that officers will report the company's financial position quarterly to the Board of Directors and that the Chair of the Board will reflect this information back to the Fire Authority at appropriate intervals. This provides an opportunity for the Fire Authority to assure itself that the financial affairs of the company are in order and enables the tracking of profitability and business growth.

At its meeting in September 2013 the Fire Authority agreed that the company should report quarterly to its Audit and Performance Management Committee. The Board has agreed that, in the interests of openness and transparency, it should also provide regular updates on company progress to the full Fire Authority, hence this report

Launch

The Board decided upon a soft launch for the company, which took place throughout February.

Premises Licence

The company has entered into a licence with the Fire Authority for the provision of office accommodation and business support services. The cost to the company has been set at a commercial rate to ensure that it is not subsidised in any way.

5 Financial Implications

The full cost of any financial and administrative services, provided by officers of the Fire Authority, is recharged to the company, with the exception of 12 hours administrative time per month, which is included in premises licence.

6 Legal Comment

In order to be able to trade commercially the Authority has been required by law to set up a company. The Fire Authority controlled company ensures that the Authority does not receive any commercial or tax advantages over similar private sector companies in the market, compliance with state aid and competition law, and protects monies paid from the public purse as a result of limited liability.

Having established the company the Authority can extend assistance of whatever kind it thinks appropriate, including staff and other support services. The Authority must not, however, distort markets through the provision of inappropriate subsidies to the company. The Authority is, therefore, required to recover the costs of any accommodation, goods, services, staff or any other thing that it supplies to Shropshire Fire Risk Management Services in pursuance of, or to facilitate, the exercise of trading.

7 Initial Impact Assessment

As this report provides purely historical information, an Initial Impact Assessment has not been completed.

8 Appendices

There are no appendices attached to this report.

9 Background Papers

There are no background papers associated with this report.