

Shropshire Fire Risk Management Services Ltd. Performance Reporting

For further information about this report please contact Martin Timmis,
Company Manager, Shropshire Fire Risk Management Services, on 07967 465817.

1 Purpose of Report

This report provides information on the performance of the Fire Authority controlled company, Shropshire Fire Risk Management Services Ltd.

2 Recommendations

The Committee is asked to note the report.

3 Background

In April 2013 the Fire Authority agreed to establish a local authority controlled company, to be known as Shropshire Fire Risk Management Services Ltd (SFRMS).

Subsequently (in September 2013), the Fire Authority agreed that the company should report quarterly to the Audit and Performance Management Committee, with the first twelve months' performance being measured against the company's first year Business Plan. Future performance indicators would be decided by the Committee.

The purpose of reporting is to provide an opportunity for the Fire Authority to assure itself that the financial affairs of the company are in order and to enable the tracking of profitability and business growth.

4 Review of Business Plan

As over 12 months have now elapsed since the company began trading, the Board agreed at its meeting in September that it is timely for the company Business Plan to be reviewed. Revision is ongoing and was discussed at some length at an interim meeting of the Board on 27 October. The revised Plan will incorporate a suite of new performance measures and set out the relationship between the Fire Authority, the Fire and Rescue Service, the Board and the Business Plan.

The performance measures will be based on out-turns from Year 1 trading and increasing experience of what can be achieved in the short and medium term. Initial measures around customer volume and retention will remain as previously (50 new customers in year 1 then 100 per year thereafter, plus 100% retention).

5 Fire Industry Association Complaint

Members are aware that in February 2014 the Fire Industry Association (FIA) submitted a complaint to the European Commission alleging that the UK Government is in breach of European Union state aid rules. FIA contends that the use of the fire service 'brand' by fire and rescue service trading companies constitutes state aid. FIA included Shropshire and Wrekin Fire Authority's company in the list of companies, which, it alleged, were receiving such state aid.

The challenge is unlikely to be resolved in the near future. Officers remain confident, however, that SFRMS is operating in an appropriate manner at arm's length from the Service and that state-aid rules have not been abused. As previously reported, the revised business plan will detail the inter-relationship that exists.

6 Financial Implications

There are no financial implications arising directly from this report, which contains historical data relating to the company's performance.

7 Legal Comment

There are no legal implications arising directly from this report.

8 Initial Impact Assessment

As this report contains only historical data an Initial Impact Assessment has not been completed.

9 Appendices

Exempt papers – Shropshire Fire Risk Management Services Ltd:

11a – 2014/15 Financial Statements

11b – Performance Information

10 Background Papers

There are no background papers associated with this report.