



Communities Select Committee
26 September 2013

Income Generation Update

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Purpose of the report: Scrutiny of Services and Budgets

This report provides an update to specific issues and risks raised by the Select Committee in July 2013 in response to the Fire and Rescue Services Income Generation Report.

Introduction:

1. In July 2013 the Fire and Rescue Service presented a paper to the Select Committee in respect of income generation activities and broad proposals for the way forward. The committee raised a range of particular concerns and it was agreed that a further paper be produced for the Select Committee to address these concerns.
2. This paper seeks to address these concerns in so far as it is able at this early stage of income strategy development.

Risks and issues raised by the Select Committee

The potential for conflict of interest in using the SFRS brand for selling as well as providing its statutory non-chargeable core services to protect the public

3. This issue was explored in further detail with advice from the legal department and the Service can confirm that it does not intend to use the Surrey Fire and Rescue Service brand for any potential trading activity. This should mitigate any confusion by service users.

The need to maintain public confidence in the SFRS brand and its core service provision.

4. The separation of the service brand from any potential trading activity should enable public confidence to be maintained in SFRS core service provision. The focus of any trading activity would be to generate surplus through rigorous

business planning and ethical trading activities. This is in order to financially support delivery of front line service activities as part of the achievement of existing Medium Term Financial Plan (MTFP) targets.

The impact of income generation on maintaining and resourcing SFRS's statutory non chargeable core services

5. As stated above it is intended that the purpose of income generation is to resource and maintain Surrey Fire and Rescue Service's statutory non-chargeable core services. This will remain the prime purpose of the service and no trading activity will be undertaken that will compromise our ability to undertake and fulfil our statutory duty or the delivery of the Public Safety Plan 2020. This will be achieved through robust business, resource and activity planning, and will be monitored through the performance monitoring and audit activities of the Service and County Council.

Does SFRS has the spare capacity to resource these various income generation opportunities?

6. Following the principles set out in 5. above the service will undertake service and business planning to ensure it can firstly meet its statutory obligations including those set out in the Public Safety Plan 2020 and secondly utilise opportunities to generate income to support this ongoing service provision financially (as set out in the existing MTFP). Any trading activity will secure the resources required to deliver services without detriment to the Fire and Rescue Service as a principle of operation. This will be monitored closely through audit and inspection.

The achievability of SFRS additional income target of £660,000 by the end of the financial year 2017/18 and the sustainability of the various business models proposed.

7. The service has yet to enter the business planning phase of activity which will in time be able to answer the issue highlighted above in more detail. The business planning principles will be to assess and demonstrate whether the Service can both achieve the stated income target and provide a sustainable business model. This work is intended to be complete in January 2014.

Conclusions:

8. This paper is intended to reassure the committee that financial and operational rigour is being incorporated with regards to income generation and the broad proposals for the way forward.

Recommendations:

9. That the Select Committee:
 - 9.1 Note the content of this report.
 - 9.2 Continue to monitor and review the development of the SFRS income generation strategy.

Next steps:

The Service will continue to update the Select Committee in respect of its work with regard to income generation.

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Sources/background papers:

Cabinet Paper 26 March 2013: Strengthening the Council's approach to innovation:
Update on our innovation journey
Public Safety Plan 2020
Medium Term Financial Plan 2013/14 – 2017/18

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