

Minutes of the Executive Committee

18th December 2006 at 12 noon
at the Fire Service Headquarters, Birmingham

Present: Councillor Hinton (Chair);
Councillor Hogarth (Vice-Chair);
Councillors Bowen, Eustace, Gazey, Idrees and Ward.

Observers: Councillors S Davis, Douglas-Maul, Jackson, Jones,
Rogers and Ryder;
Mr Topliss.

Apology: Councillor Howard.

81/06 **Relocation Expenses at Corporate Board Level**

Approval was sought for a harmonised policy with regard to the payment of relocation expenses at Corporate Board Level.

In 1994 the Authority had approved a maximum limit of £25,000 for relocation expenses for senior uniformed staff. However, the recent appointment of a Corporate Board Level non-uniformed post had highlighted an anomaly; namely that the allowance for the non-uniformed staff had been reviewed in 1997 and had been set at £4,000.

Since then, as a consequence of property price rises, relocation costs had also increased sharply. It was therefore proposed to introduce a harmonised policy for all staff at Corporate Board Level.

There would be a sliding scale of repayment of these expenses if the individual was to leave the Authority within an 18 month period.

Additional expenditure in the current year would be met from savings identified within total staffing budgets. Future requirements would be considered during the budget setting process.

Resolved that the payment of relocation expenses be standardised for all staff at Corporate Board level and set at a maximum of £25,000.

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82/06 **Exclusion of the Public and Press**

Resolved that the public and press be excluded from the rest of the meeting to avoid the possible disclosure of exempt information under Part I of Schedule 12A to the Local Government Act 1972 as amended by the Local Government (Access to Information) (Variation) Order 2006 relating to the financial or business affairs of other persons (including the authority holding that information).

83/06 **Tenders for Modifications to Fire Training Buildings at Woodgate Valley, Handsworth, Wolverhampton, Coventry, Oldbury and Dudley**

The Committee opened five tenders received for modifications to fire training buildings at Woodgate Valley, Handsworth, Wolverhampton, Coventry, Oldbury and Dudley, in the following amounts:-

£194,742.00;
£212,769.00;
£229,529.51;
£240,968.00;
£244,626.00.

The estimated cost of the work was £250,000.

Resolved that subject to:-

- (a) the checking of the tender;
- (b) the preparation of a formal contract by the Clerk;
- (c) any necessary comments from the Government Departments concerned;

the tender submitted by Mansells, in the sum of £194,742.00 being the lowest received, be accepted.

84/06 **Creation of a Fire Service Mutual Insurance Company to Procure Insurance Cover**

The Committee considered a proposal to establish a mutual insurance company for the purchase of insurance.

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A number of Fire and Rescue Authorities (FRAs) had growing concerns over the cost and availability of insurance cover from traditional insurance providers given the changing nature of the services' activities. Work had therefore been underway for some months, coordinated and financed by FiReBuy, to evaluate the potential for procuring insurance cover other than through conventional insurance arrangements. Initial benchmarking data from 15 authorities proved that significant savings could be made by the formation of a fire service mutual insurance company.

A feasibility study, carried out by Charles Taylor Consulting PLC (CTC), indicated that a mutual insurance company could offer savings averaging 15% compared to current premium spend, plus a share of the surplus ("profits") once the financial base of the company was established.

The Treasurer outlined the financial implications and advised that a minimum of 15 authorities would need to be involved in order to outweigh the risks to WMFS. It was reported that approximately six had given a firm commitment to join by 31st December 2006.

Members welcomed the principle of establishing a mutual insurance company and recognised the benefits it could bring. However, Members also felt that further work was required before making a commitment to join by 31st December 2006. Members were keen to further discussions and work with other FRAs, in particular, Metropolitan Brigades, with a view to considering participating in a mutual arrangement in the future.

Resolved:-

- (1) that the West Midlands Fire Services declines the invitation to enter into an a mutual insurance arrangement at this current time;
- (2) that the Treasurer continue discussions and work with other FRAs, in particular, Metropolitan Brigades, with a view to considering participating in a mutual arrangement in the future.

(Meeting ended at 12.40 pm)

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