

ESSEX FIRE AUTHORITY

Essex County Fire & Rescue Service



MEETING

Policy and Strategy Committee

AGENDA ITEM

7

MEETING DATE

15 March 2017

REPORT NUMBER

EFA/019/17

SUBJECT

Day Crewed Housing

REPORT BY

Mike Clayton, Finance Director & Treasurer

PRESENTED BY

Mike Clayton, Finance Director & Treasurer

SUMMARY

This paper seek approval to delegate to Officers powers to dispose of day crewed housing in support of the 2020 programme objectives.

RECOMMENDATIONS

It is recommended that Members;

1. Note the importance of day crewed staff in the conversion of appliance crewing at those fire stations to On-Call;
2. Note the benefit of current day crewed staff remaining in service with secondary On-Call contracts;
3. Note the legal advice concerning the disposal of Fire Authority property; and
4. Delegate authority to the Acting Chief Fire Officer to dispose of day crewed housing in support of 2020 programme objectives.

BACKGROUND

There is an existing delegation (from September 2014) to the Chief Fire Officer allowing the disposal of empty day crewed housing. In June 2016 the Authority approved a programme of service changes that will see the crewing of fire appliances at the current day-crewed fire stations convert to On-Call from 2018 onwards. The support of the

existing firefighters employed on the day crewing system will be an important factor in the speed and success of this change. In addition, the retention of key skills through the process will also help ensure a successful transition.

Firefighters at day-crewed fire stations either occupy Authority owned housing or receive a rent allowance. Under previous assurances provided these arrangements will remain until 31 March 2020. After that date the requirements for wholetime firefighters at the day-crewed fire stations will have concluded. For firefighters who expect to remain in the Service after 2020 the position regarding housing for themselves and their families is a significant concern. The flexibility to allow the Authority to dispose of housing to the existing firefighter occupants is therefore a key consideration in the delivery of the 2020 programme of changes at these fire stations.

HOUSING DISPOSAL ISSUES

The Authority will need to comply with the law in the disposal of the housing stock owned by the Authority. The preferred option is to firstly offer the occupied properties to the existing occupying firefighters at the market value.

It is also desirable for the existing day crewed firefighters to continue in a secondary On-Call contract after the conversion – the opportunities to incentivise this are being explored.

TAXATION ISSUES

At present statutory exemptions mean that the provision of day crewed housing on a rent free basis is not a taxable benefit. One part of the test (Section 99(2) ITEPA 2003) is that it is the type of employment is one of the kinds of employment in the case of which it is customary for employers to provide living accommodation for employees. There is a risk that the result of this part of the test may change before 2020, or that this statutory exemption may end. Should such circumstances occur the Authority will need to decide how to manage the impact of the change.

FINANCIAL IMPLICATIONS

The disposal of the housing will give rise to a capital receipt for the Authority. In total the capital receipts are expected to be between £3m and £4m.

RISK ANALYSIS

The support of firefighters at the day crewed fire stations could be a key factor in the success of the changes to crewing at these stations. The adoption of an inflexible approach could increase the risks of the 2020 programme.

LEGAL IMPLICATIONS

The Authority can dispose of its property according to its general power under Section 5A Fire and Rescue Services Act 2004 and has a discretion to deal with the property in a manner it considers appropriate. The exercise of this discretion is informed by the Authority's fiduciary duties in respect of public funds and the general 'best value' duty conferred on the Authority by Section 3 Local Government Act 1999.

In practical terms, selling the properties at market value is likely to be in accordance with the Authority's duties. The market value of the land includes the value of any building on

it and its development potential. The valuation should consider the land as individual units and also as multiple units. The Authority will have broad discretion as to the identity of the people to whom it offers the properties for sale. Based on the information provided, offering the property in the first instance to its current occupants appears comfortably to fall within the range of that discretion.

In principle, Section 5A Fire and Rescue Services Act 2004 could arguably provide the basis for the Authority to make loans to assist in the purchase of land, provided it was of the view that such loans are appropriate in relation to carrying out its functions and purposes. However, there are a number of significant difficulties with making loans such that the Authority would need to approach the exercise of the general power for this purpose with great caution and in accordance with any applicable financial regulations.

In the event the provision of accommodation is taxable, it will not meet the criteria for a PAYE settlement agreement with HMRC.

USE OF RESOURCES

The use of the housing in support of the delivery of the 2020 programme objectives would help to minimise the programme risks and ensure the maximisation of the value of the Authority's assets.

ENVIRONMENTAL IMPLICATIONS

There are no environmental implications associated with this report.

| LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985 | |
|--|---|
| List of appendices attached to this paper: | |
| List of background documents (not attached): | |
| Proper Officer: | Mike Clayton |
| Contact Officer: | The Finance Director and Treasurer, Mike Clayton Essex County Fire & Rescue Service, Kelvedon Park, London Road, Rivenhall, Witham CM8 3HB Tel: 01376 576000 E-mail: mike.clayton@essex-fire.gov.uk |