

# ROYAL BERKSHIRE FIRE AUTHORITY



<b>COMMITTEE</b>	<b>AUDIT &amp; GOVERNANCE COMMITTEE</b>
<b>DATE OF MEETING</b>	<b>24 MARCH 2025</b>
<b>SUBJECT</b>	<b>FRIC VALUE FOR MONEY REPORT</b>
<b>LEAD OFFICER</b>	<b>CONOR BYRNE – HEAD OF FINANCE AND PROCUREMENT</b>
<b>LEAD MEMBER</b>	<b>N/A</b>
<b>EXEMPT INFORMATION</b>	<b>N/A</b>
<b>ACTION</b>	<b>FOR NOTE</b>

## **1. EXECUTIVE SUMMARY**

- 1.1 The Authority is a member of the Fire & Rescue Indemnity Company (“FRIC”), which provides insurance cover and risk mitigation advice for the Authority. FRIC has produced Value for Money assessments for each of its members. The purpose of this report is to share their assessment with the Committee.

## **2. RECOMMENDATIONS**

The Audit and Governance Committee is requested to:

- 2.1 **NOTE** the FRIC Value for Money Report as attached as **Appendix A**.

## **3. REPORT**

- 3.1 The Authority continues to benefit financially from its membership of FRIC. FRIC’s aim is to provide competitively priced cover, tailored to the Member’s needs. In the case of this Authority, the 2024/25 renewal cost is lower than the previous year’s cost - £432,509 compared to £435,057.
- 3.2 Due to the hybrid nature of FRIC the Authority has also benefited from Insurance Premium Tax savings, estimated at over £32,000 compared to commercial offerings.
- 3.3 The Authority received two payments of £13,962 and £13,850 in relation to the distribution of surpluses in relation to prior years. Such payments would not be made under the previous arrangements as the surpluses would have been retained by the insurer.

- 3.4 The Report also highlights where improvements in performance can drive future savings of nearly £10,000.
- 3.5 Authorities that have joined FRIC in recent years have saved considerable amounts of money compared to their previous arrangements, which suggests that all FRIC Members are saving significant amounts compared to what they would be paying to commercial providers.
- 3.6 Being a Member of FRIC has resulted in costs savings to the Authority both in respect of lower priced insurance cover than on the open market, and in not having to undertake a procurement exercise to obtain cover. Risk management strategies and effective claims handling for all FRIC Members has benefited Royal Berkshire by collectively keeping claims loss ratios low. This in turn has resulted in less erosion of Member funds thus building up a surplus, protecting the financial stability of the Mutual.
- 3.7 FRIC's Value for Money Report is attached as **Appendix A**.

#### **4. CONTRIBUTION TO STRATEGIC COMMITMENTS**

- 4.1 Sustainability: We are committed to ensuring that we provide a financially sustainable Service and take meaningful action to help address the climate emergency.

#### **5. FINANCIAL IMPLICATIONS**

- 5.1 The monetary benefits of being a member of FRIC are set out in the report.

#### **6. LEGAL IMPLICATIONS**

- 6.1 FRIC is a discretionary mutual and a company limited by guarantee, governed by its Articles of Association and Rules. Owned by its Fire Authority Members, it is operated for their common benefit by a Board of Directors.

#### **7. EQUALITY AND DIVERSITY IMPLICATIONS**

- 7.1 There are no equality or diversity implications in relation to this report.

#### **8. RISK IMPLICATIONS**

- 8.1 FRIC is a discretionary mutual and a company limited by guarantee, governed by its Articles of Association and Rules. Owned by its Fire Authority members, it is operated for their common benefit by a Board of Directors.

#### **9. SUSTAINABILITY IMPLICATIONS**

- 9.1 FRIC considers risks related to climate change and the impact that this may have on future costs and reinsurance programmes.

**10. CONSISTENCY WITH DUTY TO COLLABORATE**

10.1 Membership of FRIC is restricted to Fire Authorities in England & Wales, regardless of their governance arrangements. Currently there are 14 Member Authorities.

**11. PRINCIPAL CONSULTATION**

11.1 The Chief Fire Officer has been consulted.

**12. BACKGROUND PAPERS**

12.1 None

**13. APPENDICES**

13.1 Appendix A – FRIC Value for Money Report

**14. CONTACT DETAILS**

14.1 Conor Byrne - Head of Finance and Procurement  
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