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This circular is	<b>For information</b>	<b>For information</b>	<b>For information</b>
This circular is	<b>Not relevant to the National Framework</b>		
Status	<b>This circular sets out arrangements for trading by Fire and Rescue Authorities in England from 1 October 2009</b>		

# Trading by Fire and Rescue Authorities

## Issued by:

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FRS Finance and Performance Division

## Addressed to:

**The Chair of the Fire and Rescue Authority**  
**The Chief Executive of the County Council**  
**The Clerk to the Fire and Rescue Authority**  
**The London Fire Commissioner**  
**The Chief Fire Officer**

## Please forward to:

**Chairs of Regional Management Boards**  
**Directors of Finance**  
**Treasurers**

## Summary

This circular sets out the arrangements for trading by FRAs following completion of the CLG consultation on *'Proposed changes to the delivery of Local Authorities' and Fire & Rescue Authorities' Freedoms and Flexibilities after the introduction of Comprehensive Area Assessment.'*

## For further information, contact:

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## Trading by Fire and Rescue Authorities

### 1.0 Background

- 1.1 Transitional fire and rescue authority (FRA) trading powers, beyond full cost recovery, were due to expire on 30 September 2009. Therefore options for FRA trading were considered as part of the CLG consultation on *'Proposed changes to the delivery of local authorities' and FRAs' freedoms and flexibilities after the introduction of CAA.'*
- 1.2 The 12 week consultation was published on the 6 May 2009 and closed on 28 July 2009 (Fire and Rescue Service Circular 28/2009). This considered two questions in relation to FRA trading:
- Question 5: Should the power to trade be extended to permit all Fire and Rescue Authorities to trade in all of their services?
  - Question 6: If there is no agreement on the above, should the current FRA Trading Order be extended indefinitely?

### 2.0 Statutory Instrument and Consultation Responses

- 2.1 As a result of the consultation the Government has decided that FRAs in England should now be able to trade in any function - related activity that they are not already under a duty to provide (Option C). Under section 95(4) of the Local Government Act 2003 the power to trade must be exercised through a company.
- 2.2 Consequently a new Trading Order (Statutory Instrument 2009 No. 2393) comes into force on 1 October 2009 bringing these changes into effect. The Order revokes all existing powers to trade. Copies of the Statutory Instrument and the accompanying Explanatory Memorandum can be accessed through the Office of Public Sector Information website at [www.opsi.gov.uk](http://www.opsi.gov.uk).
- 2.3 The two final Impact Assessments of the effect that the Statutory Instrument will have on the costs of business may be accessed at: <http://www.communities.gov.uk/corporate/publications/impact-assessments/>
- 2.4 The Impact Assessments detail the responses to the trading questions from the Freedoms & Flexibilities consultation. The complete response to all eight questions in the consultation will be published shortly.

### 3.0 Further Information

- 3.1 For any enquiries on FRA trading powers please contact Anna Wadsworth.

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