

FRA Trading

Update and next steps

- The Local Government (Best Value Authorities) (Power to Trade) (England) (Amendment) Order 2004 (Statutory Instrument 2004 No. 2307) came into force on 1st October 2004. It gives the power to trade to those FRAs that had interpreted the 1947 Act power as including a power to trade. It specifies the authority and the service which that authority can provide.
- The Order was subsequently amended in 2004 & 2007 and was originally intended to expire on 29 September 2007.

- Following a consultation in 2007 the FRA Trading Order was extended for two years and will now cease at midnight on 29 September 2009.
- A 12 week consultation was already planned on the wider proposed changes to freedoms and flexibilities after the introduction of Comprehensive Area Assessment (CAA) in March 2009 and it was logical to include the questions on FRA trading powers within this rather than issue a separate consultation.
- 12 week consultation will be published early May

- Three options are being considered for FRAs trading powers:
 - A** – to do nothing and let powers cease;
 - B** – to extend existing specified FRA trading order until revoked; or
 - C** – to provide FRAs with powers to trade in any services which they are not under a duty to provide.

- This will be reflected as two questions in the Freedoms & Flexibilities consultation:

Should the power to trade be extended to permit all Fire & Rescue Authorities to trade in all of their services?

If there is no agreement on the above, should the current FRA Trading Order be extended indefinitely?

Recommended Option

- CLG recommends Option C as the preferred option since it has been our intention that FRAs should have the same scope of access to trading powers as local authorities and that these should be part of the proposed freedoms and flexibilities package.
- All options will be considered in light of responses to the consultation on freedoms and flexibilities.
- The consultation will also include a question on whether the power to trade should be extended to all local authorities.

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