

1939 and that individual applications for the formation of a fire district have been declined by the Minister. It is proposed that the Fire Committee of a fire district or a secondary fire district may include in its annual estimate of expenditure an amount sufficient to enable the territorial local authority to recover, over a period of not less than five or more than ten years, the capital cost without interest of any land, buildings, plant, and equipment purchased out of revenue since the beginning of 1939. Interest and sinking fund on loans raised for fire-brigade purposes may in all cases be included in the annual estimates.

27 Under the existing method of collecting the insurance contributions, each of the 60 Fire Boards obtains from about 40 underwriters a return of premiums received from the fire district. After the annual estimates are approved by the Minister the Board makes quarterly demands on each underwriter, the amount of the levy being determined by the proportion which the premium income of the underwriter bears to the total. This system is cumbersome, and would be intolerably so if extended to 160 local authorities. The draft Bill provides that all contributions from both underwriters and Government shall be collected by the Council and by it distributed in quarterly cheques to each Fire Board or Fire Committee. Provision is made for the Council to obtain one return of premium income covering all fire districts throughout the country. After approval of its own and the local estimates, it will make the appropriate quarterly levies on the underwriters. It will also submit returns of approved estimates to Treasury, which will be authorized to pay the Government contribution in four quarterly instalments.

28. In order to simplify still further the financial arrangements and to avoid the necessity of making levies on 160 local authorities, the Bill provides that the expenses of the Council shall be borne in equal shares by the Government and underwriters. If the Council exercises its powers of delegation to a reasonable extent and advantage is taken of the existing departmental office system (see paragraphs 18 and 20), the overhead costs should not be considerable. The main items of expenditure would be :—

	£
Fees, travelling-expenses, and meeting costs	1,000
Secretarial charges	1,000
Technical officer : Salary and expenses	1,500
Research and educational work	1,000
Departmental office charges	1,000
Subsidy to the United Fire Brigades' Association	2,500
Total	<u>£8,000</u>

29. The half-share of the expenses of the Council and the special subsidies for the protection of Government property referred to in paragraph 19 (estimated at not more than £8,000 per annum) will reduce the Government contributions in fire districts below the overall percentage shown in paragraph 25. The draft Bill provides that after making these payments the balance of the Government contribution—excluding its share of the subsidy to the secondary fire districts—shall be paid to the controlling authorities in the fire districts. It would be a sufficient allowance for all contingencies to assume that the two items referred to above will at no time exceed 5 per cent. of the total costs of the Service. The contributory position least favourable to the local authorities would therefore be : underwriters, 50 ; local authorities, 40 ; Government, 10 (excluding special subsidies—see paragraph 19). If the administration of the Council develops as anticipated, the Government contribution would be increased in most years to 11 per cent. or 12 per cent.