



**Wednesday,
20 September 2017
10.30 am**

**Meeting of
Fire Authority
Fire Service HQ
Winsford**

Contact Officer:
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Democratic Services

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Cheshire Fire Authority

Notes for Members of the Public

Attendance at Meetings

The Cheshire Fire Authority welcomes and encourages members of the public to be at its meetings and Committees. You are requested to remain quiet whilst the meeting is taking place and to enter and leave the meeting room as quickly and quietly as possible.

All meetings of the Authority are held at Fire Service Headquarters in Winsford. If you plan to attend please report first to the Reception Desk where you will be asked to sign in and will be given a visitors pass. You should return your pass to the Reception Desk when you leave the building. There are some car parking spaces available on site for visitors at the front of the Headquarters Building. Please do not park in spaces reserved for Fire Service personnel.

If you feel there might be particular problems with access to the building or car parking please contact the Reception Desk at Fire Service Headquarters on Winsford (01606) 868700.

Questions by Electors

An elector in the Fire Service area can ask the Chair of the Authority a question if it is sent to the Monitoring Officer at Fire Service HQ to arrive at least five clear working days before the meeting. The contact officer named on the front of the Agenda will be happy to advise you on this procedure.

Access to Information

Copies of the Agenda will be available at the meeting. A copy can also be obtained from the contact officer named on the front of the Agenda. Alternatively, individual reports are available on the Authority's website (www.cheshirefire.gov.uk)

The Agenda is usually divided into two parts. Members of the public are allowed to stay for the first part. When the Authority is ready to deal with the second part you will be asked to leave the meeting room, because the business to be discussed will be of a confidential nature, for example, dealing with individual people and contracts.

This agenda is available in large print, Braille, audio CD or in community languages upon request by contacting; Telephone: 01606868414 or email: equalities@cheshirefire.gov.uk

Recording of Meetings

Anyone attending the meeting should be aware the Authority audio-records its meetings. There is a protocol on reporting at meetings which provides further information. Copies are available on the Service's website www.cheshirefire.gov.uk or alternatively contact Democratic Services for details

Fire Evacuation

If the Fire Alarm sounds you should make your way to the nearest exit as quickly as possible and leave the building. Please follow any instructions from staff about evacuation routes.



**MEETING OF THE FIRE AUTHORITY
WEDNESDAY, 20 SEPTEMBER 2017**

Time : 10.30 am

Lecture Theatre - Fire Service Headquarters, Winsford, Cheshire

AGENDA

Part 1 - Business to be discussed in public

1 PROCEDURAL MATTERS

1A Recording of Meeting

Members are reminded that this meeting will be audio-recorded.

1B Apologies for Absence

1C Chair's Announcements

To receive any announcements that the Chair wishes to make prior to the commencement of the formal business of the meeting.

1D Declaration of Members' Interests

Members are reminded that the Members' Code of Conduct requires the disclosure of Statutory Disclosable Pecuniary Interests, Non-Statutory Disclosable Pecuniary Interests and Disclosable Non-Pecuniary Interests.

1E Minutes of Fire Authority

To confirm as a correct record the minutes of the Fire Authority Meeting held on 21st June 2017.

(Pages 1 - 16)

1F Minutes of Performance and Overview Committee

To receive, for information, the minutes of the Performance and Overview Committee meeting held on 28th June 2017.

(Pages 17 - 22)

1G Minutes of Closure of Accounts

To receive, for information, the minutes of the meeting of the Performance and Overview Committee acting as the Closure of Accounts Committee, held on 28th June 2017.

(Pages 23 - 26)

1H Minutes of Governance and Constitution Committee

To receive, for information, the minutes of the Governance and Constitution Committee meeting held on 5th July 2017.

(Pages 27 - 30)

1I Notes of the Member Training and Development Group

To receive, for information, the notes of the Member Training and Development Group meeting held on 6th July 2017.

(Pages 31 - 34)

ITEMS REQUIRING DISCUSSION / DECISION

2	Audit Findings Report 2016-17	(Pages 35 - 70)
3	Final Accounts 2016-17	(Pages 71 - 78)
4	Annual Statement of Assurance 2016-17	(Pages 79 - 114)
5	Annual Report 2016-17	(Pages 115 - 116)
6	Draft Integrated Risk Management Plan 2018-19 (IRMP 15)	(Pages 117 - 120)
7	Enhancement of Current Provision for Maternity and Adoption Leave	(Pages 121 - 128)
8	Training Centre Programme and Sadler Road Site Requirements	(Pages 129 - 140)

PART 2 - BUSINESS TO BE DISCUSSED IN PRIVATE



MINUTES OF THE MEETING OF THE FIRE AUTHORITY held on Wednesday, 21 June 2017 at Lecture Theatre - Fire Service Headquarters, Winsford, Cheshire at 10.30 am

PRESENT: Councillors M Biggin, D Bailey, P Booher, H Deynem, A Dirir, D Flude, P Harris, D Mahon, D Marren, J Mercer, G Merry, K Mundry, S Nelson, S Parker, R Polhill, B Rudd, T Sherlock, M Simon, M Tarr, J Weatherill and S Wright

1 PROCEDURAL MATTERS

A Recording of Meeting

Members were reminded that the meeting would be audio-recorded.

B Apologies for Absence

Apologies for absence were received from Councillors E Johnson, J Saunders and the Police and Crime Commissioner for Cheshire – David Keane.

C Appointments to the Fire Authority

It was noted that the following Members had been appointed to the Fire Authority by the respective constituent authorities:

Representing Cheshire East Borough Council (5 Con, 2 Lab, 1 Ind)

Conservative

Cllr D Marren
Cllr G Merry
Cllr J Saunders
Cllr M Simon
Cllr J Weatherill

Labour

Cllr D Bailey
Cllr D Flude

Independent

Cllr D Mahon

Representing Cheshire West and Chester Borough Council (3 Con, 4 Lab)

Conservative

Cllr H Deynem
Cllr E Johnson
Cllr S Parker

Labour

Cllr P Booher
Cllr J Mercer
Cllr B Rudd
Cllr T Sherlock

These Members were appointed for 2016-17. Appointments for 2017-18 to be confirmed after the Fire Authority has met.

Representing Halton Borough Council (3 Lab)

Labour

Cllr P Harris
Cllr S Nelson
Cllr R Polhill

Representing Warrington Borough Council (1 Lib Dem, 4 Lab)

Labour

Cllr A Dirir
Cllr K Mundry
Cllr M Tarr
Cllr S Wright

Liberal Democrat

Cllr M Biggin

Note: The Police and Crime Commissioner for Cheshire, Mr David Keane, has also been afforded certain rights in relation to Fire Authority business, including the right to attend meetings.

D Election of Chair

The Director of Governance and Commissioning asked for nominations from Members for the position of Chair. Councillor B Rudd was nominated unopposed and was duly appointed Chair of the Fire Authority.

RESOLVED:

That Councillor B Rudd be appointed as Chair of Cheshire Fire Authority until the annual meeting in June 2018.

On taking the Chair Councillor Rudd thanked Members for their continued support.

E Election of Deputy Chair

The Chair invited nominations for the position of Deputy Chair. Councillor S Nelson was nominated unopposed and was duly appointed Deputy Chair of the Fire Authority. Councillor Nelson also thanked Members for their continued support.

RESOLVED:

That Councillor S Nelson be appointed as Deputy Chair of Cheshire Fire Authority until the Annual Meeting in June 2018.

F Appointment of Group Spokespersons

RESOLVED:

That the following appointments of Group Spokespersons be noted:

Conservative: Councillor G Merry

Democratic: Councillor M Biggin

Labour: Councillor B Rudd

G Appointment of Lead Members

RESOLVED:

That the following appointments of Lead Members be noted:

Cheshire East: Councillor G Merry

Cheshire West and Chester: Councillor T Sherlock

Halton: Councillor S Nelson

Warrington: Councillor K Mundry

H Chair's Announcements

The Chair asked Members to note the content of the Chair's announcements which included details of the Authority's achievements and events Members had attended since the last Fire Authority meeting in April 2017.

I Declaration of Members' Interests

There were no declarations of Members' Interests.

J Minutes of Fire Authority

RESOLVED:

That the minutes of the meeting of the Fire Authority held on 26th April 2017 be approved as a correct record.

Matters Arising:

Item 6 – Scope of Crewe and Ellesmere Port Review

Members sought clarification on the reporting timetable for the review of the second fire engines at Crewe and Ellesmere Port. The Chief Fire Officer and Chief Executive confirmed that the Members' Planning Day scheduled for the 14th July would be the first stage of the reporting cycle with a formal report being presented to the Fire Authority at the September meeting.

Members asked for clarification on the number of fire appliances available for cover and also for further information on the activity levels and types of incidents that the SIUs attended. They also expressed concerns that SIUs were being mobilised to all incidents on a number of occasions. The Chief Fire Officer and Chief Executive confirmed that there were 32 fire appliances currently available to provide cover on a day to day basis. He added that further details on cover arrangements and activity levels would be provided at the July planning day and that the Head of Service Delivery would provide Members with a breakdown of the types of incidents that the SIUs attended.

K Minutes of Performance and Overview Committee

RESOLVED:

That the minutes of the Performance and Overview Committee meeting held on 1st March 2017 be received, for information.

L Minutes of Governance and Constitution Committee

The minutes of the meeting of the Governance and Constitution meeting held on 12th June 2017 were submitted together with a copy of the report that had been submitted to the Committee in respect of the creation of a new decision-making body.

The Director of Governance and Commissioning informed Members that the Governance and Constitution Committee had discussed the report and made a number of recommendations to the Authority which were set out on the Fire Authority agenda. Members were asked to consider the recommendations made and decide if they wished to endorse them. He added that if the recommendations were agreed then Members were also asked to authorise the Director of Governance and Commissioning to make the necessary amendments to the Constitution (including the Members Allowance Scheme) to give effect to them.

Members discussed the proposals and it was confirmed that the Fire Authority would continue to make strategic decisions in respect of estates and property-related matters. The role of the new body would be to provide guidance to officers.

RESOLVED That:

[1] the minutes of the Governance and Constitution Committee meeting held on 12th June 2017 be received;

[2] a new decision-making body be created;

[3] the body be named Estates and Property Committee with the following responsibilities:

Ensuring that the Fire Authority's property management arrangements are appropriate, providing guidance to officers as necessary;

Providing guidance to officers and the Fire Authority in relation to property transactions;

Providing guidance to officers and the Fire Authority in relation to the sharing of its sites/premises with third parties;

Assisting in the co-ordination of and agreeing the prioritisation of property-related projects/programmes;

Assisting in the co-ordination of and agreeing the prioritisation of environmental projects/programmes and supporting officers and the Fire Authority in the delivery of matters that further the Authority's Environmental Strategy;

Engaging in key procurement issues as necessary;

Overseeing the arrangements for Safety Central.

- [4] the membership of the Committee comprise of 7 Members (including the 4 Lead Members and the Procurement and Environment Member Champions plus one other Member) and one of the independent (non-elected) member;**
- [5] the Members' Allowance Scheme be amended so that the role of Chair of the Committee be allocated a special responsibility allowance in line with that payable to the Chair of Governance and Constitution Committee; and**
- [6] the Director of Governance and Commissioning be authorised to make such amendments to the Constitution (including the Members' Allowance Scheme) as are necessary to give effect to the decisions above.**

M Appointments to Committees etc., Outside Bodies and Member Roles

The Director of Governance and Commissioning introduced the report which covered the following items:

- a) Responsibilities of the Fire Authority and its committees, boards etc.;
- b) Political proportions on the Fire Authority;
- c) Political proportionality rules (where they apply and where they don't and their affect upon the allocation of seats on committees etc.);
- d) Appointment of Members to available seats on committees etc;
- e) Appointment of independent members;
- f) Appointments to outside bodies;
- g) Appointment of Member Champions; and
- h) Endorsement of Member/officer buddy arrangements.

Members were asked to note that the report had been prepared on the basis that Members agreed to the creation of a new decision-making body with seven Members appointed to it. Appendix 2B of the report contained information in respect of the political proportionality rules and allocation of seats on committees etc. Appendix 2C contained details of appointments required to committees, boards and groups. Appendix 3 showed the required appointments to outside bodies and Appendix 4 detailed Member Champion roles. Details of the proposed nominations to the various committees, outside organisations and member champion roles were provided by the three political groups and distributed at the meeting.

A complete list of the appointments made at the Fire Authority meeting is attached as an annex to these minutes.

RESOLVED That:

- [1] the responsibilities of the Fire Authority set out in Appendix 1 be confirmed;**
- [2] the responsibilities of Committees, Boards and Groups set out in Appendix 2A (with the addition of the new Member decision-making body – Estates and Property Committee) be agreed;**
- [3] the political proportions on the Fire Authority set out in paragraph 4 be agreed;**
- [4] the approach to the allocation of seats explained in paragraphs 6 and 7 and Appendix 2B be agreed;**
- [5] the appointments required as set out in Appendix 2C (see annex) be agreed;**
- [6] the appointment of independent members (to act in an advisory capacity) as set out in paragraphs 11 and 12 of the report and shown in Appendix 2C (see annex) be agreed;**
- [7] the appointments to outside bodies set out in Appendix 3 (see annex) be agreed;**
- [8] the appointments of Member Champions set out in Appendix 4 (see annex) be agreed; and**
- [9] the continuation of the Member/officer buddy arrangements be agreed.**

N Timetable of Meetings 2017-18

RESOLVED:

That the Timetable of Meetings for 2017-18 be noted.

O Constitution

RESOLVED:

That the Fire Authority's constitution be re-adopted subject to the inclusion of the arrangements for the new decision-making body (Estates and Property Committee).

2 END OF YEAR FINANCIAL REPORT 2016-17

The Head of Finance presented the end of year financial report for 2016-17 to Members. She drew attention to paragraph 3 of the report which detailed the current position in relation to the revenue underspend (£2.34m) and explained that Appendices 1 and 1A provided a more detailed analysis of the key areas of underspend. She informed Members that the year end position in respect of the capital programme showed an overspend of £226k equating to just under 1%

variance against a total programme of £22.9m. The remaining projects in the capital programme were now either complete or progressing well with the successful openings of Powey Lane and Penketh Fire Stations and delivery of new appliances. Further details were provided in Appendix 2 of the report.

The reserve position was detailed in paragraph 13 of the report and the Head of Finance drew Members' attention to the reduction of approx £10m in the total usable reserves as a result of the investment provided as part of the Emergency Response Programme (ERP). The remainder of the earmarked reserves (£20.1m) would be utilised to complete the ERP and support the implementation of IRMP proposals and the Medium Term Financial Plan (MTFP). The Head of Finance informed Members that the figures excluded the provisional year end underspend of £1.5m which was subject to audit.

Members discussed the report and it was mentioned that the reserves could be required for the refurbishment of existing fire stations. It was noted that reserves may also be required to support the MTFP because there was still uncertainty over future funding arrangements.

A Member queried whether the earmarked reserves for the IRMP could be used for both capital and revenue budgets and a Member requested further information on the budget for cross-border working with Greater Manchester Fire and Rescue Service. The Head of Finance confirmed that reserves could be used for either capital or revenue spend with the exception of capital receipts which could only be used for further capital investment or repayment of debts. She also noted the request for further information on the budget for cross-border working and confirmed that this would be provided in due course.

RESOLVED: That

[1] The 2016-17 end of year financial position be noted.

3 TREASURY MANAGEMENT ANNUAL REPORT 2016-17

The Head of Finance introduced this report which provided a review of the Authority's treasury management activities during 2016-17. The report also provided information about compliance with the Authority's Treasury Management Practices during the year.

The Head of Finance highlighted the key areas of the report and provided details on the following:

- a) the Authority's loans portfolio position at 31st March 2017;
- b) the Authority's investment portfolio position at 31st March 2017;
- c) a summary of performance for the year 2016-17; and
- d) the Authority's performance in 2016-17 against the key Prudential Indicators.

Members were satisfied with the content of the report and the explanatory notes provided.

RESOLVED: That

[1] the report on Treasury Management activities for 2016-17 be noted.

4 MEMBER DEVELOPMENT PROGRAMME 2017-18 AND REVIEW OF MEMBER DEVELOPMENT 2016-17

The report provided details of the Member Development Programme for 2017-18 to Members for approval. The Programme had previously been presented to the Member Training and Development Group (MTDG) at its meeting on 21st March 2017 and it had recommended that the programme be submitted to the Fire Authority for approval.

The report also contained a review of the Service's member development activities over the last year which included a summary of the delivery of the Member Development Programme and progress on the development and implementation of the Member Development Strategy 2017-18.

Councillor Flude, Chair of the MTDG thanked all Members of the Fire Authority for their attendance and contributions to the Authority's Member Development Programme throughout 2016-17. She also welcomed Lesley Thomson, the new independent representative on the group and thanked her for her input and support over the last twelve months. Finally she thanked all the officers who had supported member development throughout the year and emphasised the importance of member development activities going forward and the need to ensure that Members gained an understanding of the requirements of the Home Office inspection regime when it was introduced.

RESOLVED: That

[1] the 2017-18 Member Development Programme (attached as Appendix 1 to the report) be approved; and

[2] the review of Member Development activities for 2016-17 (attached as Appendix 2 to the report) be noted.

Annex - Appointments to Committees, Boards and Groups for 2017-18

APPOINTMENTS TO COMMITTEES, BOARDS AND GROUPS FOR 2017-18

There are 23 elected Members of Cheshire Fire Authority drawn from the four unitary authorities of Cheshire East (8), Cheshire West and Chester (7), Halton (3) and Warrington (5).

FIRE AUTHORITY – 23 Members

Appointed as 8 Con: 13 Lab: 1 Lib Dem: 1 Ind
(Now 8 Con: 13 Lab: 2 Dem)

Chair: Cllr B Rudd
Deputy Chair: Cllr S Nelson (and Lead Member, Halton)
Lead Members: Cheshire East – Cllr G Merry
Cheshire West and Chester – Cllr T Sherlock
Warrington – Cllr K Mundry

Group Spokesperson(s): Conservative – Cllr G Merry
Democratic – Cllr M Biggin
Labour – Cllr B Rudd

Representing Cheshire East Council (5 Con, 2 Lab, 1 Ind)

Conservative	Labour	Independent
Cllr D Marren	Cllr D Bailey	Cllr D Mahon
Cllr G Merry	Cllr D Flude	
Cllr J Saunders		
Cllr M Simon		
Cllr J Weatherill		

Representing Cheshire West and Chester Council (3 Con, 4 Lab)

Conservative	Labour
Cllr N Jones	Cllr D Beckett
Cllr E Johnson	Cllr J Mercer
Cllr S Parker	Cllr B Rudd
	Cllr T Sherlock

Representing Halton Borough Council (3 Lab)

Labour
Cllr P Harris
Cllr S Nelson
Cllr R Polhill

Representing Warrington Borough Council (4 Lab, 1 Lib Dem)

Labour	Liberal Democrat
Cllr A Dirir	Cllr M Biggin
Cllr K Mundry	
Cllr M Tarr	
Cllr S Wright	

Amendments made 29th June – shown in red

BODIES COVERED BY POLITICAL PROPORTIONALITY RULES

PERFORMANCE AND OVERVIEW COMMITTEE – 7 Members and 1 independent member

Chair: Cllr P Harris

Deputy Chair: Cllr T Sherlock

CONSERVATIVE	LABOUR	DEMOCRATIC	independent member
Cllr J Saunders	Cllr D Bailey	Cllr M Biggin	A Ruddy
Cllr M Simon	Cllr A Dirir		
	Cllr P Harris		
	Cllr T Sherlock		

Substitute Members for Performance and Overview Committee

CONSERVATIVE	LABOUR	DEMOCRATIC
Cllr N Jones	Cllr R Polhill	Cllr D Mahon

GOVERNANCE AND CONSTITUTION COMMITTEE – 6 Members and 2 independent members

Chair: (Labour Member*) Cllr S Wright

Deputy Chair: Cllr R Polhill

CONSERVATIVE	LABOUR	DEMOCRATIC	independent members
Cllr E Johnson	Cllr D Beckett	Cllr M Biggin	A Ruddy
Cllr D Marren	Cllr R Polhill		L Thomson
	Cllr S Wright		

Substitute Members for Governance and Constitution Committee

CONSERVATIVE	LABOUR	DEMOCRATIC
Cllr N Jones	Cllr J Mercer	Cllr D Mahon

BRIGADE MANAGER'S PAY AND PERFORMANCE COMMITTEE – 7 Members

It is the usual convention that the Committee includes the Fire Authority Chair, Deputy Chair, and Group spokesperson(s).

Chair: Cllr B Rudd

Deputy Chair: Cllr S Nelson

CONSERVATIVE	LABOUR
Cllr E Johnson	Cllr D Flude
Cllr G Merry	Cllr S Nelson
Cllr S Parker	Cllr B Rudd
	Cllr M Tarr

Substitute Members for Brigade Manager's Pay & Performance Committee

CONSERVATIVE	LABOUR
Cllr D Marren	Cllr D Bailey

Amendments made 29th June – shown in red

ESTATES AND PROPERTY COMMITTEE – 7 Members

Chair: Cllr J Mercer

Deputy Chair: Cllr K Mundry

CONSERVATIVE	LABOUR	DEMOCRATIC	independent member
Cllr E Johnson	Cllr J Mercer	Cllr D Mahon	A Ruddy or L Thomson
Cllr G Merry	Cllr S Nelson		
	Cllr K Mundry		
	Cllr T Sherlock		

Substitute Members for new Decision-making Body

CONSERVATIVE	LABOUR	DEMOCRATIC
Cllr S Parker	Cllr D Flude	Cllr M Biggin

Note: Appointments to this body should include the four Lead Members and the Procurement and Environment Member Champions.

JOINT CONSULTATIVE COMMITTEE – 4 Members

Chair: Labour Member* Cllr R Polhill Deputy Chair: Cllr P Harris

CONSERVATIVE	LABOUR
Cllr S Parker	Cllr P Harris
Cllr M Simon	Cllr R Polhill

Substitute Members for Joint Consultative Committee

CONSERVATIVE	LABOUR
Cllr D Marren	Cllr D Bailey

* A Labour Chair is indicated on committees with an even number of seats to ensure that the Labour Group is able to have the casting vote. The alternative would be to increase seat numbers.

BODIES NOT COVERED BY POLITICAL PROPORTIONALITY RULES

MEMBER TRAINING AND DEVELOPMENT GROUP – 4 Members and 1 Independent Member

Chair: Cllr D Flude

CONSERVATIVE	LABOUR	independent members
Cllr S Parker	Cllr D Flude	L Thomson
Cllr M Simon	Cllr M Tarr	

Amendments made 29th June – shown in red

RISK MANAGEMENT BOARD – 2 Members

CONSERVATIVE	LABOUR
Cllr J Weatherill	Cllr S Nelson

PHOENIX BOXING CLUB BOARD – 2 Members (from Warrington Members)

Members	Substitute Members
Cllr K Mundry	Cllr A Dirir
Cllr S Wright	Cllr M Tarr

HEALTHY HEART RUNCORN TRAINING GYM BOARD – 1 Member (from Halton Members)

Member
Cllr S Nelson

PENSION BOARD – 1 Member

Member
Member Champion for Pensions

BODIES WHERE NO APPOINTMENTS ARE REQUIRED

CLOSURE OF ACCOUNTS COMMITTEE

The Performance and Overview Committee sits as the Closure of Accounts Committee and meets once a year to close the Authority's accounts.

STAFFING COMMITTEE – 4 Members

The Staffing Committee consists of four Members drawn from the Brigade Managers Pay and Performance Committee and, wherever possible the committee must be convened in political proportion.

BUSINESS CONTINUITY COMMITTEE

The membership of the Business Continuity Committee comprises the Chair, Deputy Chair Group Spokesperson(s) and Lead Member(s). The Committee meets on an ad-hoc basis, as required.

UNITARY PERFORMANCE MANAGEMENT GROUPS

The Unitary Performance Area Groups are the performance delivery groups in each of the Unitary Performance Areas and are chaired by the local Unitary Performance Manager, and attended by the local Members for that area.

OUTSIDE BODIES – INFORMATION

REGIONAL APPOINTMENTS – NORTH WEST

(A) NORTH WEST FIRE FORUM

This forum oversees collaborative work being undertaken by the fire and rescue services in the North West.

NB: 3 representatives only - Chair, Deputy Chair and Leader of Main Opposition

Members
Chair of Fire Authority – Cllr B Rudd
Deputy Chair of the Fire Authority – Cllr S Nelson
Leader of Main Opposition - Cllr G Merry

(B) NW FIRE CONTROL LTD – BOARD OF DIRECTORS

This Company is jointly owned by the Authority and Cumbria County Council, Greater Manchester Fire and Rescue Authority and Lancashire Combined Fire Authority. It is responsible for the provision of call handling and mobilising services to the Authorities. It has a Board of Directors and each Authority is able to appoint two of its Members to the Board.

NB: 2 representatives only - Chair + 1

Members
Chair of the Fire Authority – Cllr B Rudd
Cllr S Nelson

REGIONAL APPOINTMENTS – OTHER

(C) LOCAL GOVERNMENT ASSOCIATION (LGA) - FIRE COMMISSION

The Fire Commission provides a focus for the needs and concerns of fire authorities. All Fire and Rescue Services with full or corporate membership have the right to nominate a representative to this forum. At Cheshire this is usually the Chair of the Authority. Additional Members from Fire Authorities are appointed as necessary by the political groups to ensure political balance. The Commission meets quarterly and is an opportunity for Members to network and share information and ideas. The Commission is subject to the Constitution and Standing Orders of the Local Government Association.

Amendments made 29th June – shown in red

Member

Chair of Fire Authority – Cllr B Rudd

(D) SAFER CHESHIRE EAST PARTNERSHIP

Safer Cheshire East Partnership is a statutory requirement under the Crime and Disorder Act 1998 and Cheshire Fire Authority is a statutory partner. The Fire Authority is represented by a Senior Officer and a (Cheshire East) Fire Authority Member is also appointed by the Fire Authority. The partnership meets on a 6-monthly basis and its key priorities include crime prevention, anti-social behaviour, preventing offending, road safety and domestic abuse.

NOTE: There is currently a large scale sub-regional review taking place on Community Safety Partnerships and Cheshire East are also reviewing the arrangements for the Safer Cheshire East Partnership.

Member

Cllr M Simon

(E) SUB-REGIONAL PUBLIC LEADERSHIP BOARD

The Board provides strategic direction and focus on sub-regional matters for any sub-regional commissions, working groups, sub-committees, project steering groups or task and finish groups established to develop and implement sub-regional strategy. The Board comprises of elected Leaders of Cheshire East Council, Cheshire West and Chester Council and Warrington Borough Council, the Chairs of the Cheshire Police Authority and Cheshire Fire Authority, the Chair of Cheshire and Warrington Local Enterprise Partnership and the Chair of the Cheshire, Warrington & Wirral PCT Cluster. In addition the Leader of Halton Borough Council has membership of the Board in an Associate Capacity.

Member

Chair of the Fire Authority – Cllr B Rudd

MEMBER CHAMPION ROLES

KEY MEMBER REPRESENTATION ON OTHER GROUPS – Non political – aligned to skills and interests

Equality and Diversity Sits on Equality Task Group (Note : 2 appointments were made to this position in 2016/17)	Cllr A Dirir Cllr J Mercer
Health and Safety Sits on Health and Safety Committee	Cllr D Flude
Information and ICT	Cllr R Polhill
Environment	Cllr T Sherlock
Procurement	Cllr J Mercer
Finance (Note : 2 appointments were made to this position in 2016/17)	Cllr S Nelson Cllr G Merry
Older People	Cllr S Parker
Young People	Cllr D Bailey
Performance Management	Cllr M Tarr
Commercial/Business Risk Reduction	Cllr S Parker
Industrial Relations (JCC Chair)	Cllr R Polhill
Road Safety	Cllr M Simon
Pensions (Pension Board Chair)	Cllr D Marren
Sprinklers	Cllr D Bailey

NOTE: A review of the effectiveness of the current Member Champion roles will be undertaken by the Member Training and Development group and will commence in September 2017.

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**MINUTES OF THE MEETING OF THE PERFORMANCE AND OVERVIEW COMMITTEE
held on Wednesday, 28 June 2017 at Lecture Theatre - Fire Headquarters, Cheshire at
10.00 am**

PRESENT: Councillors D Bailey, M Biggin, A Dirir, P Harris, J Saunders, T Sherlock and M Simon and independent member A Ruddy

1 PROCEDURAL MATTERS

A Recording of Meeting

Members were reminded that the meeting would be audio-recorded.

B Apologies for Absence

No apologies for absence were received.

Chair and Membership of Committee

Members noted the appointment of a Chair and membership of the Performance and Overview Committee for 2017-18, as agreed by the Fire Authority at its annual meeting on 21 June 2017 and listed below:

Councillors:

P Harris – Chair
T Sherlock – Deputy Chair
D Bailey
M Biggin
A Dirir
J Saunders
M Simon

Substitutes:

H Deynem
D Mahon
R Polhill

Independent Member:

A Ruddy

C Declaration of Members' Interests

There were no declarations of Members' interests.

D Minutes of the Performance and Overview Committee

RESOLVED: That

[1] the minutes of the meeting of the Performance and Overview Committee held on Wednesday 1st March 2017 be confirmed as a correct record.

2 END OF YEAR FINANCIAL REPORT 2016-17

The Accountant introduced the report which presented the 2016-17 year end review of the Authority's financial position. He informed Members that, from the first to third quarter reviews, the overall forecast revenue underspend was £0.816m. At the end of the fourth quarter there was a further underspend of £1.52m, resulting in an overall underspend of £2.34m for the year. The key areas of underspend arose from Service Delivery, central contingencies and provisions.

The Accountant referred Members to the Authority's capital programme, detailed in Appendix 2 of the report. He highlighted that the year end position of the capital programme showed an overspend of £226k against a total programme of £22.9m. The Accountant informed Members that most of the programme was within budget or forecast to be underspent upon completion with the exception of the Emergency Response Programme (ERP). This showed an overspend of £796k against an overall budget of £17.4m (a 4.6% variance). The key reasons for the overspend were minor re-measurements, unforeseen costs and increased costs of fitting out the new Safety Centre at Lymm. However, the overall package remained within the contingency (£871k) agreed by Members at the outset of the ERP in December 2015.

The Accountant drew Members' attention to the Authority's reserves and the fact that during 2016-17 a net £10.2m of the reserves were utilised to fund the capital programme, including the building of the new fire stations. The remaining £20.1m was earmarked to complete the ERP and support the IRMP and Medium Term Financial Plan. General reserves currently stood at £6.5m (just over 15% of the Authority's net budget). He concluded by referring Members to the note within the report which highlighted that the current figures concerning the general reserve excluded the provisional year end underspend of £1.5m which was subject to audit.

A Member requested that the Committee be briefed regularly concerning financial matters due to uncertainties surrounding the current economic and political climate. The Accountant informed Members that the Authority had entered into a fixed four year settlement with the government and that Members would remain briefed should changes occur.

RESOLVED: That

[1] Members note the 2016-17 year end position.

3 END OF YEAR REVIEW - IRMP PROGRAMMES AND PROJECTS 2016-17

The Director of Governance and Commissioning provided Members with an update on the Service's 2016-17 Integrated Risk Management Plan programmes and projects by taking them through the health report, attached as Appendix 1.

The Director of Governance and Commissioning drew Members' attention to the programmes and projects which previously and currently had an amber status within the health report. He informed Members of the progress made in respect of the Blue Light Collaboration Programme and explained the challenges the Service faced concerning the delivery of the programme by April 2018. He referred Members to updates on Penketh and Lymm fire stations, highlighting areas where minor delays and snagging had occurred.

He informed Members that they would receive an update concerning the duty system reviews and on call recruitment situation for Ellesmere Port and Crewe at the Members' Planning Day scheduled for 14th July 2017.

The Director of Governance and Commissioning concluded by referring Members to the update within the report on the Authority's sprinkler campaign. He informed Members that an update would be taken to Members at the Committee's meeting in September to provide a position statement in light of the recent incident at Grenfell Tower in North Kensington. A Member queried whether officers could provide details of the cost of retrospectively fitting sprinklers in properties. It was agreed that this information would be provided at the Committee's meeting in September.

A Member requested clarification concerning the increased risk score for Crewe and Ellesmere Port on call recruitment within the health report. The Deputy Chief Fire Officer informed Members that the increased risk related to the delivery of the project and not to service levels.

A Member welcomed the decision to take further information on the Authority's sprinkler campaign to Members later in the year. He reminded Members that the Service had campaigned for a change in legislation concerning sprinklers and had approached housing associations, landlords and property owners regarding the installation of sprinklers.

The Deputy Chief Fire Officer informed Members that the Authority had led on the sprinkler campaign and that the Service had offered to jointly fund/subsidise the installation of sprinklers. He informed Members that offers were being renewed and that a budget remained in place. He also advised that the Service did not currently have the legislative right to enter private homes. He reiterated that Members would receive regular updates on the Service's work and progress concerning sprinklers and that Members who sat on the Sprinkler Group would be invited to the Committee's meeting in September.

A Member queried what the Service was currently doing in Cheshire to reassure residents with concerns about the safety of their homes. The Director of Governance and Commissioning informed Members that the Service had been informed that no cladding of the type fitted at Grenfell Tower had been found on tower blocks in Cheshire. However, there was a need to consider other types of cladding from a fire safety perspective. The Service did not have the facilities to test the cladding. The Head of Protection and Organisational Performance informed Members that cladding had been removed from several tower blocks within the area.

A Member queried whether the Service had any legislative powers concerning

compliance and the safety of unregulated, multiple occupancy housing and how the Authority could improve this situation. The Deputy Chief Fire Officer informed Members that the Service worked alongside building inspectors and could prosecute if fire safety issues were found in unregistered homes in multiple occupation. He highlighted the importance of local intelligence from Members. He informed Members that information would be provided to Members concerning the work of the Service's fire prevention team.

RESOLVED: That

[1] the End of Year IRMP Programmes and Projects Review for 2016-17 be noted.

4 END OF YEAR REVIEW - PERFORMANCE 2016-17

The Head of Protection and Organisational Performance introduced the report which provided Members with an update on the 2016-17 end of year review of performance for each of the Service's key performance indicators (KPIs).

He referred Members to the Corporate Performance Scorecard, attached as Appendix 1 to the report, which reflected the end of year position against targets set and the year-on-year direction of travel for the Service's KPIs. Officers expanded on each of the KPIs, providing further context particularly where targets set had not been achieved. These included the number of recorded deaths and injuries in primary fires, fires in non-domestic premises and on call availability.

The Head of Protection and Organisational Performance informed Members that a number of the incidents included in the statistics for the number of deaths in primary fires were still to be considered by the Coroner where cause of death would be confirmed. He also highlighted that there was an indication that some incidents had been miscoded within the data relating to the number of injuries in primary fires and that individuals included in the figures may have received a 'precautionary check' rather than been treated for an injury.

The Head of Service Delivery provided further detail concerning the Service's current performance for on call availability, informing Members that on call availability had increased by 5.8% from Q1 to Q4. He highlighted the performance differences between the different on call shift systems, with nucleus on call appliances achieving 98% availability, primary on call appliances achieving 77% availability and secondary on call appliances achieving 48% availability. He highlighted actions that would be required to improve performance during the next quarter, including scoping a new approach to on call recruitment involving moving towards monthly initial courses to provide more opportunities for new candidates. He also informed Members that the On Call Availability Reward Scheme (OCARs) has had a positive impact on on call availability.

A Member queried whether it would be possible for officers to include the duty system of appliances attending incidents within the daily incident summary that was sent out to officers and Members. The Head of Service Delivery confirmed that it was possible and that he would communicate this to the officers responsible for

sending out the information.

A Member queried what rewards were in place for wholetime firefighters and whether the cardiac response scheme would continue if the Fire Brigades Union (FBU) withdraws its support. The Deputy Chief Fire Officer informed Members that the Service provided several wellbeing services and rewards schemes, including medical assistance for staff, mental health support and training and continual professional development (CPD) payments. He also informed Members that the Service wished to continue the cardiac response scheme and would work alongside the FBU to try to continue to operate the scheme within Cheshire.

RESOLVED: That

[1] the end of year review of performance for 2016-17 be noted.

5 END OF YEAR - INTERNAL AUDIT PROGRESS REPORT AND DIRECTOR OF AUDIT OPINION

Kevin Lloyd (the Auditor), a representative from Mersey Internal Audit Agency (MIAA) was in attendance at the meeting to present the Internal Audit Progress Report (attached as Appendix 1) and Director of Audit Opinion (attached as Appendix 2) to Members.

He drew Members' attention to the Internal Audit Progress Report and highlighted work in progress which would be reported to the Committee following completion. It included work being undertaken concerning site specific risk information and the Service's partnership arrangements. He informed Members of the assurance definitions and risk classifications, as contained within Appendix A. He also referred Members to Appendix B to the report, which contained information on general performance indicators and an overview of output delivery.

The Auditor referred Members to the Director of Audit Opinion and Annual Report 2016-17. He informed Members that the overall opinion for the period covering 2016-17 was that significant assurance could be given. He highlighted the key commentary provided within the report which provided context to the significant assurance level received by the Authority. This included challenging issues in respect of financial sustainability, strategic monitoring of the Service's performance by the Authority, governance arrangements concerning the Blue Light Collaboration Programme and the potential undertaking of more formal assessments and inspections in the future following the Service's move from the Department for Communities and Local Government to the Home Office in early 2016.

RESOLVED: That

[1] the end of year Internal Audit Progress Report and Director of Audit Opinion and Annual Report 2016-17 be noted.

6 FORWARD WORK PROGRAMME

The forward work programme for 2017-18 was considered by Members. The

Director of Governance and Commissioning informed Members that the environment and sustainability annual update scheduled for September would be taken to the Estates and Property Committee initially and brought back to the Committee at a later date. The inclusion of an update for the Committee concerning work associated with the incident at Grenfell Tower was also agreed (to be presented at an appropriate time).

A Member queried whether the North West Fire Control Annual Performance Report would include call handling times alongside response times. The Chair advised Members to approach officers for this information and the Head of Operational Policy and Assurance agreed to provide further information on this for the Member that had requested the information.



**MINUTES OF THE MEETING OF THE PERFORMANCE AND OVERVIEW COMMITTEE
ACTING AS THE CLOSURE OF ACCOUNTS COMMITTEE held on Wednesday, 28 June
2017 at Lecture Theatre - Fire Service Headquarters, Winsford, Cheshire at 12.00 pm**

PRESENT: Councillors D Bailey, M Biggin, A Dirir, P Harris, J Saunders, T Sherlock, and M Simon and independent member A Ruddy.

1 PROCEDURAL MATTERS

A Recording of Meeting

Members were reminded that the meeting would be audio-recorded.

B Membership of Committee

Members of Performance and Overview Committee fulfil the role of the Closure of Accounts Committee.

C Apologies for Absence

No apologies for absence were received.

D Declaration of Members' Interests

There were no declaration of Members' interests.

2 2016-17 DRAFT FINAL ACCOUNTS

The Accountant introduced the report and advised Members that it was a statutory requirement that the Treasurer approved the draft annual accounts of the Authority by the end of June each year. He explained that, as part of the annual accounts process, a draft set of accounts was reported to this Committee for its consideration. He advised that the accounts were subject to external audit and that this process had already commenced. Once the audit was completed the accounts would be formally considered for approval by the Fire Authority at its meeting in September.

The Accountant highlighted that from 2017-18 the deadlines for the approval of accounts would change. The accounts would need to be approved by the Treasurer by 31st May 2018, and would need to be approved by the Authority by 31st July 2018. Plans were in place to deliver the accounts within the new deadlines and the relevant Member meetings would be timetabled accordingly.

The Accountant provided initial context to the report by referring Members to the Statement of Responsibilities within the report, which included the responsibilities of the Authority and the responsibilities of the Treasurer to the Authority. He drew Members' attention to the Narrative Report, attached as Appendix 1 to the report,

which provided an introduction to the accounts. He highlighted that an important supporting document to the accounts was the Authority's annual Governance Statement, which explained how the Authority managed its governance and internal control measures. Appendix 2 to the report explained the Treasurer's view as to why the Authority should be considered as a going concern.

The Accountant referred Members to the financial statements within the accounts. For 2016-17 the accounts included a new statement called 'The Expenditure and Funding Analysis'. It showed how annual expenditure was used and funded from Government grants and council tax by the Authority in comparison with those resources consumed or earned by the Authority in accordance with generally accepted accounting practices. It also showed how this expenditure was allocated for decision making purposes between the Authority's services and departments.

He drew Members' attention to the Comprehensive Income and Expenditure Statement which captured the inflow and outflow of resources for the financial year up to 31 March, which were received or incurred as part of the ordinary activities of the Authority. He highlighted that the net expenditure for the cost of services for 2016-17 was £40.2m, with gross income at £2.1m and gross expenditure at £42.3m. The figure concerning the (Surplus)/Deficit on Provision of Services for 2016/17 showed a deficit of £14.3m compared to £6.2m in 2015-16. The Accountant informed Members that this had increased by £8.1m compared to 2015-16 due mainly to higher IAS 19 pension costs, higher depreciation costs and lower grant income.

The Accountant also referred Members to the Movement in Reserves Statement 2016/17 which indicated the movement from the start of the year to the end on the different reserves held by the Authority, divided into 'usable' reserves and other 'unusable' reserves. He drew Members' attention to the general fund balance which changed from £7.4m to £7.9m over the financial year. He informed Members that the Authority started 2016-17 with £36.7m of usable reserves and by the end of the financial year these had reduced to £28.1m, reflecting the investment made through the Emergency Response Programme in new fire stations and the Safety Centre at Lymm together with the annual vehicle replacement programme.

A Member queried whether the IRMP reserves were used for both capital and revenue expenditure and whether the Service allocated a specific amount to either. He also queried how the Services' levels of reserves compared nationally. The Accountant informed the Committee that no specific percentage of IRMP reserves were designated for capital or revenue expenditure and that there were currently no national statistics available to compare the Service's reserves against.

The Accountant referred Members to the Balance Sheet which detailed the value, as at the Balance Sheet date, of the assets and liabilities recognised by the Authority. He drew Members' attention to short-term investments, short-term debtors and creditors, long-term assets and net pension liability (IAS 19). He also drew Members' attention to the Cash Flow Statement and Firefighter Pension Fund.

A Member asked for further information concerning the Authority's short-term debtors. The Accountant informed Members that further detail was contained within

Note 15 to the accounts which broke down the £4.7m owed to the Authority into categories. A Member requested a breakdown of the figures behind the 'unusable' reserves. The Accountant informed Members that further detail on the 'unusable' reserves was contained in Note 20 and the increase reflected the growth in the value of assets.

The Accountant concluded by referring Members to page 18 of the draft accounts which contained a list of the notes to the accounts that provided further detail on all areas within the main body of the report.

RESOLVED: That

- [1] the draft Statement of Accounts 2016-17 and going concern document (Appendix 2) be noted.**

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MINUTES OF THE MEETING OF THE GOVERNANCE AND CONSTITUTION COMMITTEE held on Wednesday, 5 July 2017 at Lecture Theatre - Fire Headquarters, Cheshire at 10.00 am

PRESENT: Councillors M Biggin, E Johnson, R Polhill, A Ruddy, L Thomson and S Wright and independent members A Ruddy and L Thomson

1 PROCEDURAL MATTERS

A Recording of Meeting

Members were reminded that this meeting would be audio-recorded.

B Membership of Committee

The appointment of a Chair and membership of the Governance and Constitution Committee for 2017-18 was initially agreed by the Fire Authority at its annual meeting on 21st June 2017.

Following these appointments notification of revised appointments from Cheshire West and Chester was received. As a consequence of this and following consultation with the relevant group spokespersons, two changes took place to the membership of this Committee. Members were asked to note the revised membership, listed below:

Councillors:

S Wright – Chair
R Polhill – Deputy Chair
M Biggin
D Beckett
E Johnson
D Marren

Substitutes:

N Jones
D Mahon
J Mercer

Independent Members:

L Thomson
A Ruddy

C Apologies for Absence

Apologies for absence were received from Councillors D Beckett and D Marren.

D Declarations of Members' Interests

There were no declarations of Members' interests.

E Minutes of the Governance and Constitution Committee

RESOLVED: That

[1] the minutes of the meeting of the Governance and Constitution Committee held on Monday 12th June 2017 be confirmed as a correct record.

2 COMPLIMENTS AND COMPLAINTS - ANNUAL REPORT 2016-17

The Director of Governance and Commissioning introduced the report which provided information regarding compliments and complaints received about the Service during the period 1st April 2016 to 31st March 2017. He explained that this report was presented annually in this format.

The Director of Governance and Commissioning provided an overview of the Service's performance for responding to and resolving complaints. He referred Members to a table in the report which contained performance comparison figures from the past five reporting periods. He informed Members that the overall volume remained steady.

He also drew Members' attention to Appendix 1 of the report which provided brief details of the informal complaints received and whether they had been resolved within the timescale set out in the Service's procedure.

Members were referred to a number of key themes that had arisen during the reporting period. The Director of Governance and Commissioning highlighted the inclusion of incidents within Appendix 1 that were not direct complaints against the Service or had resulted from a misunderstanding. He informed Members that the incidents were captured within the database to ensure that a central record was maintained which ensured that the queries were investigated and resolved.

The Director of Governance and Commissioning drew Members' attention to complaints received concerning the use of images from incidents on the Service's social media sites. He informed Members that permission was sought by the Service for the use of images from incidents and that images would be removed if requested. A Member queried how the Service ensured that permission was obtained and whether the purpose of sharing images was explained to individuals. The Director of Governance and Commissioning committed to discussing the process with the Communications team, in case there were any lessons to learn which needed to be implemented.

He concluded by referring Members to Appendix 2 to the report which contained a brief outline of the formal complaint received by the Service during the reporting period. As some details of the formal complaint were confidential in nature, he informed Members that further information would be provided in Part 2 of the

meeting.

Due to their nature there was no discussion about the compliments needed.

RESOLVED: That

[1] the information regarding compliments and complaints made during the period 1st April 2016 to 31st March 2017 be noted.

3 SUMMARY OF MEMBERS ATTENDANCE - MUNICIPAL YEAR 2016-17

The Director of Governance and Commissioning informed Members that the report contained information relating to Members' attendance for the last municipal year. He referred Members to a revised Appendix 1 to the report, was provided to Members at the meeting. It summarised Member attendance at meetings of the Fire Authority and three main committees: Performance and Overview Committee, Governance and Constitution Committee and Policy Committee for the municipal year 2016-17. It was noted that the revised Appendix showed the performance of the independent Members accurately, i.e. 6 out of 7 meetings and 4 out of 4 meetings.

Members were asked to consider whether they wished to further discuss the process adopted in respect of the monitoring of attendance. Members noted the report without debate.

RESOLVED: That

[1] the revised summary of Member attendance at meetings of the Authority and its three main committees for 2016-17 be noted.

4 WHISTLEBLOWING POLICY AND PROCEDURE - ANNUAL REPORT 2016-17

The Director of Governance and Commissioning introduced the report which provided an update on the current position in relation to the Authority's Whistleblowing Policy and Procedure. It was noted that the policy was updated in July 2016 when changes were made to reflect the recommendations made in the Government's Guidance for Employers and Code of Practice for Whistleblowing. Members were informed that the policy had been reviewed and only minor amendments were made, such as updated job titles and contact details for officers and the inclusion of the Chair of the Committee within the key contacts list, a copy of which was attached as Appendix 1 to the report.

The Director of Governance and Commissioning informed Members that the Authority had been contacted by Safecall since the last report to the Committee in 2016. He informed Members that further information would be provided during Part 2 of the meeting.

The Chair of the committee wished to record that any Member could be approached by any member of staff.

RESOLVED: That

[1] the content of the report be noted.

5 EXCLUSION OF PRESS AND PUBLIC

RESOLVED:

That under Section 100(A) (4) of the Local Government Act 1972, as amended by the Local Government (Access to Information) Order 2006, the press and public be excluded from the meeting for the items of business listed below on the grounds that they involve the likely disclosure of exempt information as defined in Schedule 12 A to the Act in the paragraphs indicated:

Item 6: Further details concerning matters arising from Item 2 and Item 4

Paragraph(s)

(2) Information which is likely to reveal the identity of an individual

(3) Information relating to the financial or the business affairs of any particular person (including the authority holding that information)

6 FURTHER DETAILS CONCERNING MATTERS ARISING FROM ITEM 2 AND ITEM 4

The Director of Governance and Commissioning presented information relating to Item 2 and Item 4.

RESOLVED:

That the information be noted.



MINUTES OF THE MEETING OF THE MEMBER TRAINING AND DEVELOPMENT GROUP held on Thursday, 6 July 2017 at P O Conference Room - Fire Service Headquarters, Winsford, Cheshire at 10.00 am

PRESENT: Councillors D Flude, S Parker, M Simon and L Thomson

1 APOLOGIES

Councillor M Tarr.

2 NOTES FROM THE PREVIOUS MEETING

RESOLVED: That

the notes of the meeting held on 21st March 2017 be approved as a correct record.

3 MEMBER DEVELOPMENT PROGRAMME 2017-18: QUARTERLY MONITORING

The Member Development Programme for 2017/18 was approved at the annual Fire Authority meeting in June and the Member Training and Development Group (MTDG) were asked to review progress against the current programme.

The Governance and Corporate Planning Manager presented the report and provided an update on the delivery of the programme to date. She explained that new Members induction sessions were included in the programme and there were 3 new Members on the Fire Authority for 2017/18. The induction session would be tailored to individual needs and unfortunately the first two sessions planned for 14th and 21st June had not been held as the constituent authority appointments in respect of two of the newly appointed Members were not approved until 21st June. It was noted that these two new Members were attending a session which combined sessions 1 & 2 on 6th July 2017 and that the third new Member was a returning long-standing Member who did not need to attend the full induction programme. It was also noted that Safeguarding training would need to be factored into the programme during 2017/18 as this was required every 3 years. It was suggested that Democratic Services contacted Cheshire East Council to see if the training they were currently in the process of delivering could be utilised.

The MTDG were satisfied with the current programme but did ask for further information on whether there would be a briefing for new Members on the remit of the newly-formed Estates and Property Committee. They also asked if the Members appointed to the Committee would receive a briefing/training on its role and responsibilities. Members expressed concern over the clarity provided in respect of the remit of the Committee and also on how any decisions made would be scrutinised. The Governance and Corporate Planning Manager re-iterated that the Authority would continue to make strategic decisions in respect of estates and property-related matters and that the role of the new body would be to provide guidance to officers.

It was suggested that all Members receive copies of the agenda and papers for the new Committee to raise awareness of the remit of the Committee and its work programme. The MTDG also asked if the terms of reference could be reviewed to ensure there was clarity for all Members on the Committee's remit.

A summary of attendance and feedback received for planning days in 2016/17 was provided and the MTDG requested that copies of this information is sent to them following each planning day. This can then be discussed at the next MTDG meeting to see if there is any further action required in respect of low attendance levels or low evaluation scores throughout the year.

RESOLVED: That

- [1] progress on the delivery of the 2017/18 Member Development Programme be noted;**
- [2] Democratic Services ensure agenda and papers for the Estates and Property Committee meetings are distributed to all Fire Authority Members; and**
- [3] the MTDG receive summaries of attendance and feedback received following each planning day and copies be provided at the next MTDG meeting for review.**

**4 MEMBER DEVELOPMENT STRATEGY 2017-18 IMPLEMENTATION PLAN:
QUARTERLY MONITORING**

The Member Development Strategy for 2017/18 was approved by the Fire Authority in December 2016 and it was agreed that the MTDG would monitor the implementation of the Strategy on a quarterly basis. This report provided an update on progress made in respect of the delivery of the implementation plan.

The Governance and Corporate Planning Manager explained that a number of key objectives were being delivered and a brief outline of progress was provided. It was noted that all PDRs for 2016/17 had been completed and work was being undertaken on the delivery of individual training needs that had been identified. Copies of the Fire Authority Member job description and letter from the Chair of the Fire Authority emphasising the importance of attending training and continuity of membership had been sent to the constituent authorities as part of the information packs sent prior to appointments being made.

It was noted that the review of the effectiveness of the current Member Champion roles would commence in September 2017 and a discussion on the content/format of the proposed Member satisfaction survey was the next item on the agenda.

RESOLVED: That

- [1] progress on the delivery of the 2017/18 Member Development Strategy be noted.**

5 MEMBER SATISFACTION SURVEY

The MTDG discussed the proposals to carry out a Member satisfaction survey which was an action on the Member Development Strategy as part of the continuous development activities.

The Governance and Corporate Planning Manager provided some details on the questions included in the Staff satisfaction survey and Members felt that the Member survey would need to be more specific about the service Member receive. A query was also raised on whether Survey Monkey could be used.

Members agreed that Democratic Services would develop the proposals further and submit the draft survey to the MTDG at the October meeting. It was also suggested that the survey be launched to coincide with the next round of Personal Development Reviews.

RESOLVED: That

- [1] the Governance and Corporate Planning Manager submits the draft survey questions to the next MTDG meeting on 5th October 2017; and**
- [2] Democratic Services to liaise with Communications to review whether Survey Monkey could be used to carry out the survey.**

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CHESHIRE FIRE AUTHORITY

MEETING OF: CHESHIRE FIRE AUTHORITY
DATE: 20TH SEPTEMBER 2017
REPORT OF: GRANT THORNTON

SUBJECT: AUDIT FINDINGS REPORT 2016-17

Purpose of Report

1. To present the audit findings of the external auditor Grant Thornton.

Recommended: That

- [1] The content of the Audit Findings Report 2016-17 be noted.

Information

2. Grant Thornton, the external auditors to Cheshire Fire Authority, has produced its Audit Findings Report 2016-17 which is attached to this report as Appendix 1.
3. Representatives from Grant Thornton will attend the meeting to present the report and receive questions from Members.

CONTACT: JOANNE SMITH, FIRE SERVICE HQ, WINSFORD
TEL [01606] 868804
BACKGROUND PAPERS: NONE

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The Audit Findings for Cheshire Fire Authority

Year ended 31 March 2017

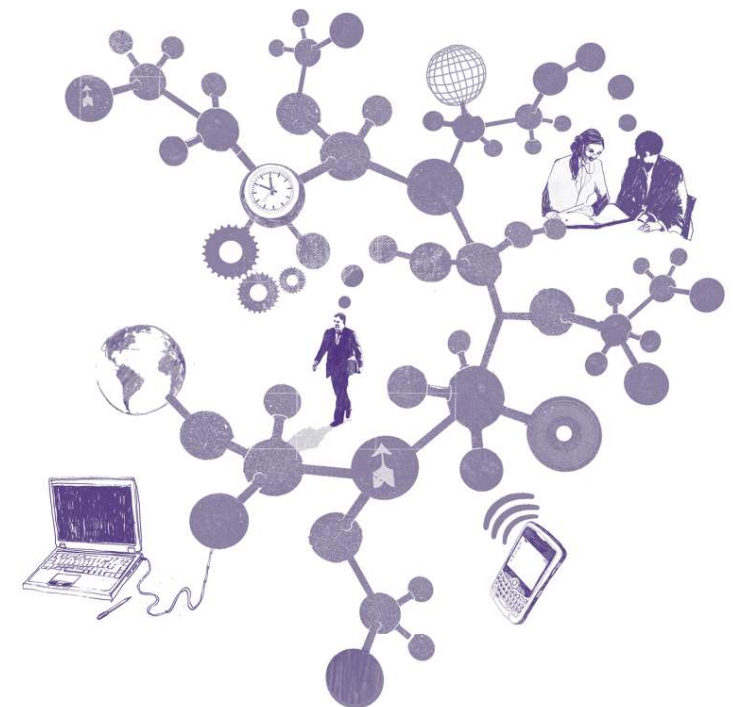
21 August 2017

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Councillor Bob Rudd
Chair Cheshire Fire Authority
Cheshire Fire and Rescue Authority HQ
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21 August 2017

Dear Councillor Rudd

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Audit Findings for Cheshire Fire Authority for the year ending 31 March 2017

The Audit Findings report highlights the key findings arising from the audit that are significant to the responsibility of those charged with governance (in the case of Cheshire Fire Authority, the Authority itself), to oversee the financial reporting process, as required by International Standard on Auditing (UK & Ireland) 260, the Local Audit and Accountability Act 2014 and the National Audit Office Code of Audit Practice. Its contents have been discussed with officers.

As auditor we are responsible for performing the audit, in accordance with International Standards on Auditing (UK & Ireland) ('ISA (UK&I)'), which is directed towards forming and expressing an opinion on the financial statements that have been prepared by management with the oversight of those charged with governance. The audit of the financial statements does not relieve management or those charged with governance of their responsibilities for the preparation of the financial statements.

The contents of this report relate only to those matters which came to our attention during the conduct of our normal audit procedures which are designed primarily for the purpose of expressing our opinion on the financial statements and giving a value for money conclusion. Our audit is not designed to test all internal controls or identify all areas of control weakness. However, where, as part of our testing, we identify any control weaknesses, we will report these to you. In consequence, our work cannot be relied upon to disclose defalcations or other irregularities, or to include all possible improvements in internal control that a more extensive special examination might identify. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

We would like to take this opportunity to record our appreciation for the kind assistance provided by the finance team and other staff during our audit.

Yours sincerely

Robin Baker

Engagement lead

Chartered Accountants

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Appendices

A Draft Audit Opinion

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Section 1: Executive summary

01. Executive summary

02. Audit findings

03. Value for Money

04. Fees, non audit services and independence

05. Communication of audit matters

Purpose of this report

This report highlights the key issues affecting the results of Cheshire Fire Authority ('the Authority') and the preparation of the Authority's financial statements for the year ended 31 March 2017. It is also used to report our audit findings to management and those charged with governance in accordance with the requirements of ISA (UK&I) 260, and the Local Audit and Accountability Act 2014 ('the Act').

Under the National Audit Office (NAO) Code of Audit Practice ('the Code'), we are required to report whether, in our opinion, the Authority's financial statements give a true and fair view of the financial position of the Authority and its income and expenditure for the year and whether they have been properly prepared in accordance with the CIPFA Code of Practice on Local Authority Accounting.

We are also required to consider other information published together with the audited financial statements (including the Annual Governance Statement (AGS) and Narrative Report, whether it is consistent with the financial statements, apparently materially incorrect based on, or materially inconsistent with, our knowledge of the Authority acquired in the course of performing our audit; or otherwise misleading.

We are required to carry out sufficient work to satisfy ourselves on whether the Authority has made proper arrangements to secure economy, efficiency and effectiveness in its use of resources ('the value for money (VFM) conclusion'). Auditor Guidance Note 7 (AGN07) clarifies our reporting requirements in the Code and the Act. We are required to provide a conclusion whether in all significant respects, the Authority has put in place proper arrangements to secure value for money through economic, efficient and effective use of its resources for the year.

The Act also details the following additional powers and duties for local government auditors, which we are required to report to you if applied:

- a public interest report if we identify any matter that comes to our attention in the course of the audit that in our opinion should be considered by the Authority or brought to the public's attention (section 24 of the Act);
- written recommendations which should be considered by the Authority and responded to publicly (section 24 of the Act);
- application to the court for a declaration that an item of account is contrary to law (section 28 of the Act);
- issue of an advisory notice (section 29 of the Act); and
- application for judicial review (section 31 of the Act).

We are also required to give electors the opportunity to raise questions about the accounts and consider and decide upon objections received in relation to the accounts under sections 26 and 27 of the Act.

Introduction

In the conduct of our audit we have not had to alter or change our audit approach, which we communicated to you in our Audit Plan dated 29 March 2017.

Our audit is substantially complete although we are finalising our procedures in the following areas:

- obtaining requested external confirmations relating to investments,
- review of the final version of the financial statements
- obtaining and reviewing the management letter of representation
- review of the final Annual Governance Statement
- updating our post balance sheet events review, to the date of signing the opinion; and
- review of the Authority's Whole of Government Accounts return.

We received the draft financial statements and accompanying working papers at the commencement of our work, in accordance with the agreed timetable.

Key audit and financial reporting issues

Financial statements opinion

We have identified no adjustments affecting the Authority's reported financial position (details are recorded in section two of this report). The draft financial statements for the year ended 31 March 2017 recorded total comprehensive income and expenditure of £54.247m. Our audit work on the financial statements has not altered this position. We have recommended a number of minor adjustments to improve the presentation and disclosure of the financial statements.

Last year, we raised the accounting treatment by the Authority of its 25 per cent share in North West Fire Control (NWFC), which is assessed as a joint operation. Whilst income and expenditure is included within the Authority's accounts, its share of assets and liabilities are excluded on the basis of not being material. IFRS 11 requires all income, expenditure, assets and liabilities to be included and reflected in the Authority's accounts. Following discussions during the year with the other three members of NWFC, officers again decided for 2016/17 not to account for the Authority's share of NWFC's assets and liabilities on the basis of materiality.

There is a need for the Authority to comply with accounting standards including International Financial Reporting Standards in preparing its accounts irrespective of materiality. In our view, the Authority's share of assets and liabilities should be reflected in the financial statements. We recommend the Authority incorporate all its share of NWFC into its accounts commencing 2017/18.

Further details are set out in section two of this report.

We anticipate providing a unqualified audit opinion in respect of the financial statements (see Appendix B).

Other financial statement responsibilities

As well as an opinion on the financial statements, we are required to give an opinion on whether other information published together with the audited financial statements is consistent with the financial statements. This includes if the AGS and Narrative Report is misleading or inconsistent with the information of which we are aware from our audit.

Based on our review of the Authority's Narrative Report and AGS we are satisfied that they are consistent with the audited financial statements. We are also satisfied that the AGS meets the requirements set out in the CIPFA/SOLACE guidance and that the disclosures included in the Narrative Report are in line with the requirements of the CIPFA Code of Practice.

Controls

Roles and responsibilities

The Authority's management is responsible for the identification, assessment, management and monitoring of risk, and for developing, operating and monitoring the system of internal control.

Our audit is not designed to test all internal controls or identify all areas of control weakness. However, where, as part of our testing, we identify any control weaknesses, we report these to the Authority.

Findings

Our work has not identified any control weaknesses which we wish to highlight for your attention.

Further details are provided within section two of this report.

Value for Money

Based on our review, we are satisfied that, in all significant respects, the Authority had proper arrangements in place to secure economy, efficiency and effectiveness in its use of resources.

The Authority continues to have effective arrangements in place to manage its financial position with a surplus being delivered in 2016/17 of £1.5m. The Authority approved its 2017/18 budget with a 1.99% precept increase which also included a savings requirement of £2.3m which management has identified will be delivered mainly through changes to the Authority's service delivery models. The Authority continues to develop its collaborative working with Cheshire Police and progress has been made with the planned investment in new facilities during the year.

Further detail of our work on Value for Money are set out in section three of this report.

Other statutory powers and duties

We have not identified any issues that have required us to apply our statutory powers and duties under the Act. We have not had to issue a Public interest report; make any written recommendations; apply to the court for a declaration that an item of account is contrary to law; issue an advisory notice or make an application for judicial review.

The way forward

Matters arising from the financial statements audit and our review of the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources have been discussed with the Head of Finance.

Acknowledgement

We would like to take this opportunity to record our appreciation for the assistance provided by the Head of Finance, the finance team and other staff during our audit.

Grant Thornton UK LLP
21 August 2017

Section 2: Audit findings

01. Executive summary

02. Audit findings

03. Value for Money

04. Fees, non audit services and independence

05. Communication of audit matters

Materiality

In performing our audit, we apply the concept of materiality, following the requirements of ISA (UK&I) 320: Materiality in planning and performing an audit. The standard states that 'misstatements, including omissions, are considered to be material if they, individually or in the aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements'.

As we reported in our audit plan, we determined overall materiality to be £724k (being 2% of gross revenue expenditure). We have revised this figure on receipt of the draft financial statements to £847k as a result of the increase in gross expenditure shown in the draft accounts.

We also set an amount below which misstatements would be clearly trivial and would not need to be accumulated or reported to those charged with governance because we would not expect that the accumulated effect of such amounts would have a material impact on the financial statements. We have defined the amount below which misstatements would be clearly trivial to be £42k. This is an increase of £5k from the figure reported in our audit plan resulting from the increased gross revenue expenditure.

As we reported in our audit plan, we identified the following items where we decided that separate materiality levels were appropriate. These remain the same as reported in our audit plan.

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Balance/transaction/disclosure	Explanation	Materiality level
Disclosures of officers' remuneration, salary bandings and exit packages in the notes to the financial statements	Due to public interest in these disclosures and the statutory requirement for them to be made.	£5k
Disclosure of related party transactions in the notes to the financial statements	Due to public interest in these disclosures.	£20k (Individual misstatements will also be evaluated with reference to how material they are to the other party).

Misstatements, including omissions, are considered to be material if they, individually or in the aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements; Judgments about materiality are made in light of surrounding circumstances, and are affected by the size or nature of a misstatement, or a combination of both; and Judgments about matters that are material to users of the financial statements are based on a consideration of the common financial information needs of users as a group. The possible effect of misstatements on specific individual users, whose needs may vary widely, is not considered. (ISA (UK&I) 320)

Audit findings against significant risks

In this section we detail our response to the significant risks of material misstatement which we identified in the audit plan. As we noted in our plan, there are two presumed significant risks which are applicable to all audits under auditing standards.

Risks identified in our audit plan	Work completed	Assurance gained and issues arising
<p>The revenue cycle includes fraudulent transactions</p> <p>Under ISA (UK&I) 240 there is a presumed risk that revenue may be misstated due to the improper recognition of revenue.</p> <p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 46</p>	<p>Having considered the risk factors set out in ISA240 and the nature of the revenue streams at Cheshire Fire Authority, we have determined that the risk of fraud arising from revenue recognition can be rebutted, because:</p> <ul style="list-style-type: none"> • there is little incentive to manipulate revenue recognition • opportunities to manipulate revenue recognition are very limited • the culture and ethical frameworks of local authorities, including Cheshire Fire Authority, mean that all forms of fraud are seen as unacceptable <p>Therefore we do not consider this to be a significant risk for the Authority.</p>	<p>Our audit work has not identified any issues in respect of revenue recognition.</p>
<p>Management over-ride of controls</p> <p>Under ISA (UK&I) 240 it is presumed that the risk of management over-ride of controls is present in all entities.</p>	<p>We have undertaken the following work in relation to this risk:</p> <ul style="list-style-type: none"> • Review of journal entry process, including a walkthrough of controls • Review of accounting estimates, judgments and decisions made by management • Selection of unusual journal entries for testing back to supporting documentation • Review of unusual significant transactions. 	<p>Our audit work has not identified any evidence of management over-ride of controls. In particular the findings of our review of journal controls and testing of journal entries has not identified any significant issues.</p> <p>We set out later in this section of the report our work and findings on key accounting estimates and judgements.</p>

"Significant risks often relate to significant non-routine transactions and judgmental matters. Non-routine transactions are transactions that are unusual, due to either size or nature, and that therefore occur infrequently. Judgmental matters may include the development of accounting estimates for which there is significant measurement uncertainty." (ISA (UK&I) 315) . In making the review of unusual significant transactions "the auditor shall treat identified significant related party transactions outside the entity's normal course of business as giving rise to significant risks." (ISA (UK&I) 550)

Audit findings against significant risks continued

We have also identified the following significant risks of material misstatement from our understanding of the Authority. We set out below the work we have completed to address these risks.

Risks identified in our audit plan	Work completed	Assurance gained and issues arising
<p>Valuation of property, plant and equipment</p> <p>The Authority re-values its assets on a rolling basis over a five year period. The Code requires that the Authority ensures that the carrying value at the balance sheet date is not materially different from the current value. This represents a significant estimate by management in the financial statements.</p>	<p>We have undertaken the following work in relation to this risk:</p> <ul style="list-style-type: none"> • Reviewed management's processes and assumptions for the calculation of the estimate • Reviewed the competence, expertise and objectivity of any management experts used • Reviewed the instructions issued to valuation experts and the scope of their work • Discussed with the valuer the basis on which the valuation is carried out and challenged key assumptions • Reviewed and tested any revaluations made during the year to ensure they were input correctly to the asset register • Evaluated the assumptions made by management for those assets not revalued during the year and how management has satisfied themselves that these are not materially different to current value. 	<p>Work on property plant and equipment conducted to date has not highlighted any issues that we would wish to bring to your attention.</p> <p>Our work included testing a sample of 10 asset additions during the year to ensure that expenditure had been properly approved and correctly recorded. We also confirmed for a sample of 10 assets that ownership and legal title was in the name of the Authority by agreement to property deeds. No issues arose from our audit testing.</p>

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Audit findings against significant risks continued

Risks identified in our audit plan	Work completed	Assurance gained and issues arising
<p>Valuation of pension fund net liability</p> <p>The Authority's pension fund asset and liability as reflected in its balance sheet represents a significant estimate in the financial statements.</p>	<p>We have undertaken the following work in relation to this risk:</p> <ul style="list-style-type: none"> Identified the controls put in place by management to ensure that the pension fund liability is not materially misstated. Assessed whether these controls were implemented as expected and whether they are sufficient to mitigate the risk of material misstatement Reviewed the competence, expertise and objectivity of the actuary who carried out your pension fund valuation. Gained an understanding of the basis on which the valuation is carried out Procedures to confirm the reasonableness of the actuarial assumptions made Reviewed the consistency of the pension fund asset and liability and disclosures in the notes to the financial statements with the actuarial report from your actuary. 	<p>Our audit work has not identified any significant issues in relation to the risk identified.</p> <p>For LGPS and the two firefighter pension schemes we undertook a review of the relevant actuary's work to satisfy ourselves that the pension liabilities are fairly stated in the financial statements. In doing so we engaged our own independent actuary to assess the methodology and assumptions used by the schemes actuary.</p> <p>For LGPS we have confirmed with the LGPS external auditor that the controls over membership data were operating as intended. For the two firefighter schemes we have reviewed the information sent to the actuary ourselves and confirmed it was consistent with our expectations.</p> <p>For both LGPS and the firefighter pension schemes we have reviewed the assumptions used for each of these variables. Our own independent actuary has also confirmed that they are comfortable that the assumptions used by both Mercer and GAD are reasonable for the purpose of valuing the pension fund liabilities as at 31 March 2017.</p>

Audit findings against other risks

In this section we detail our response to the other risks of material misstatement which we identified in the Audit Plan.

Risks identified in our plan	Work completed	Assurance gained & issues arising
<p>Operating Expenses</p> <p>Year end creditors and accruals are understated or not recorded in the correct period.</p>	<p>We have undertaken the following work in relation to this risk:</p> <ul style="list-style-type: none"> • Documentation of processes and controls • Evaluation and walkthrough of controls • Tested a sample of expenditure transactions for the year • Tested the year-end accrued expenditure • Tested a sample of payables at year-end • Completed 'cut-off' testing of expenditure recorded in the general ledger to test for understated and unrecorded liabilities. 	<p>Our audit work has not identified any significant issues in relation to the risk identified.</p>
<p>Employee remuneration</p> <p>Employee remuneration accruals are understated.</p>	<p>We have undertaken the following work in relation to this risk:</p> <ul style="list-style-type: none"> • Documentation of the system and identification of controls and walkthrough test of the payroll system • Tested a sample of payroll transactions for the year • Substantive testing of significant year end payroll accruals • A trend analysis of pay by month to confirm there are no unusual fluctuations throughout the year • Testing of the reconciliation between the payroll system and the amounts recorded in the financial statements • Reviewed and tested the remuneration report and exit package disclosures. 	<p>Our audit work has not identified any significant issues in relation to the risk identified.</p>

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"In respect of some risks, the auditor may judge that it is not possible or practicable to obtain sufficient appropriate audit evidence only from substantive procedures. Such risks may relate to the inaccurate or incomplete recording of routine and significant classes of transactions or account balances, the characteristics of which often permit highly automated processing with little or no manual intervention. In such cases, the entity's controls over such risks are relevant to the audit and the auditor shall obtain an understanding of them." (ISA (UK&I) 315)

Audit findings against other risks continued

Risks identified in our plan	Work completed	Assurance gained & issues arising
<p>Fire Pensions Benefits Payable</p> <p>Benefits improperly computed / Claims liability understated.</p>	<p>We have undertaken the following work in relation to this risk:</p> <ul style="list-style-type: none"> • Documented the processes and controls in place in the pensions benefits system • Walkthrough testing to confirm the operation of controls is in line with our understanding • Scanned and identified unusual items or unusual variations in the payments made • Compared the total pensioner payroll with comparative figures and rationalised these by reference to the changes to the expected value (e.g. pension increases, new pensioners, deaths) • Substantive testing of pension benefit payments made in the year. 	<p>Our audit work has not identified any significant issues in relation to the risk identified.</p>
<p>Fire Pensions Contributions Receivable</p> <p>Contributions revenue is fraudulently recognised.</p>	<p>We have undertaken the following work in relation to this risk:</p> <ul style="list-style-type: none"> • Documented management's processes and controls for deduction of employee and employer deductions • Substantively tested a sample of payroll deductions to ensure the correct % rate has been applied • Completed a predictive analytical review of the contribution revenue. 	<p>Our audit work has not identified any significant issues in relation to the risk identified.</p>

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Audit findings against other risks continued

Risks identified in our plan	Work completed	Assurance gained & issues arising
<p>Changes to the presentation of local authority financial statements</p> <p>CIPFA has been working on the 'Telling the Story' project, for which the aim was to streamline the financial statements and improve accessibility to the user and this has resulted in changes to the 2016/17 Code of Practice.</p> <p>The changes affect the presentation of income and expenditure in the financial statements and associated disclosure notes. A prior period adjustment (PPA) to restate the 2015/16 comparative figures is also required.</p>	<p>We have undertaken the following work in relation to this risk:</p> <ul style="list-style-type: none"> • Documented and evaluated the process for recording the required financial reporting changes to the 2016/17 financial statements • Reviewed the re-classification of the Comprehensive Income and Expenditure Statement (CIES) comparatives to ensure that they are in line with the Authority's internal reporting structure • Reviewed the appropriateness of the revised grouping of entries within the Movement In Reserves Statement (MIRS) • Tested the classification of income and expenditure for 2016/17 recorded within the Cost of Services section of the CIES • Tested the completeness of income and expenditure by reviewing the reconciliation of the CIES to the general ledger • Tested the classification of income and expenditure reported within the new Expenditure and Funding Analysis (EFA) note to the financial statements • Reviewed the new segmental reporting disclosures within the 2016/17 financial statements to ensure compliance with the CIPFA Code of Practice. 	<p>Our audit work has identified that the required presentational changes have generally been appropriately made.</p> <p>For fullest compliance with the Code, we requested that the new Expenditure and Funding Analysis be presented as a note to the accounts, rather than as a primary statement. Following discussions, officers have renamed the Expenditure and Funding Analysis as a note.</p>

Significant matters discussed with management

	Significant matter	Commentary
Page 52	<p>1. Discussions or correspondence with management regarding accounting practices, the application of auditing standards, or fees for audit or other services.</p>	<p>Last year, we raised the accounting treatment by the Authority of its 25 per cent share in North West Fire Control (NWFC), a joint operation. Whilst income and expenditure is included within the Authority's accounts, its share of assets and liabilities are excluded on the basis of not being material. IFRS 11 requires all income, expenditure, assets and liabilities to be included.</p> <p>We discussed with management the arrangements and the related accounting treatment of Cheshire Fire Authority's share (25%) of North West Fire Control's balances. We are satisfied that management has demonstrated that it is appropriate to treat this arrangement as a joint operation.</p> <p>For joint operations, IFRS 11 requires a reporting authority that is a joint operator to recognise in relation to its joint interest in a joint operation, all:</p> <ul style="list-style-type: none"> • its assets, including its share of any assets held jointly; • its liabilities, including its share of any liabilities incurred jointly; • its revenue from the sale of its share of the output arising from the joint operation; • its share of the revenue from the sale of the output by the joint operations; and • its expenses, including its share of any expenses incurred jointly. <p>Management has determined that Cheshire Fire Authority's share of NWFC assets, liabilities and operating revenues and expenses are not again material for 2016/17. The Authority has therefore not made any accounting adjustments for its share of NWFC's balances, above those processed as part of day-to-day transactions with NWFC through its income and expenditure account. We have reviewed the Authority's share of NWFC balances on a line by line basis and confirmed that after intra-group balances have been deducted, the Authority's share is not material. Whilst they are not material they should be reflected in the Authority's financial statements.</p> <p>There is a need for the Authority to comply with accounting standards including International Financial Reporting Standards in preparing its accounts irrespective of materiality. We recommend the Authority incorporate all its share of NWFC into its accounts going forward.</p> <p>Management response</p> <p>Noted. Cheshire Fire will liaise with the other partners in NWFC along with their auditors and Grant Thornton to discuss the reporting requirements in preparation for the 2017/18 accounts.</p>



Accounting policies, estimates and judgements

In this section we report on our consideration of accounting policies, in particular revenue recognition policies, and key estimates and judgements made and included with the Authority's financial statements.

Accounting area	Summary of policy	Comments	Assessment
<p>Revenue recognition</p> <p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 53</p>	<ul style="list-style-type: none"> Government grants and third party contributions and donations are recognised as due to the Authority when there is reasonable assurance that the Authority will comply with the conditions attached to the payments, and the grants or contributions will be received Revenue from the provision of services is recognised when the Authority can measure reliably the percentage of completion of the transaction and it is probable that economic benefits or service potential associated with the transaction will flow to the Authority Revenue from the sale of goods is recognised when the Authority transfers the significant risks and rewards of ownership to the purchaser and it is probable that economic benefits or service potential associated with the transaction will flow to the Authority. 	<ul style="list-style-type: none"> The Authority's accounting policy is appropriate under IAS 18 Revenue and CIPFA's Code of Practice on Local Government Accounting 2016-17 A significant amount of the Authority's revenue is predictable meaning that there is minimal judgement involved in identifying when to recognise income We are satisfied that the Authority has recognised income in accordance with its accounting policies Revenue recognition policies are appropriately disclosed. 	<p style="text-align: center;">● Green</p>
<p>Going concern</p>	<p>The Head of Finance has a reasonable expectation that the services provided by the Authority will continue for the foreseeable future. Members concur with this view. For this reason, the Authority continue to adopt the going concern basis in preparing the financial statements.</p>	<p>We have reviewed the Authority's assessment and are satisfied with management's assessment that the going concern basis is appropriate for the 2016/17 financial statements.</p>	<p style="text-align: center;">● Green</p>

Assessment

Accounting policies, estimates and judgements continued

Accounting area	Summary of policy	Comments	Assessment
Judgements and estimates	Key estimates and judgements include: <ul style="list-style-type: none"> • Pension fund valuations and settlements • Asset revaluations, depreciation and impairments • Provisions and accruals, including business rate appeals and bad debt provisions • Fair value of financial instruments. 	<ul style="list-style-type: none"> • The Authority's policies on estimates and judgements are reasonable and appropriately disclosed • The Authority has appropriately relied on the work of experts for asset revaluations, pension fund valuations, insurance provisions, and financial instrument fair values. 	 Green
Other accounting policies	We have reviewed the Council's policies against the requirements of the CIPFA Code of Practice.	The Authority's accounting policies are appropriate and consistent with previous years.	 Green

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Assessment

Other communication requirements

We set out below details of other matters which we, as auditors, are required by auditing standards and the Code to communicate to those charged with governance.

	Issue	Commentary
1.	Matters in relation to fraud	<ul style="list-style-type: none"> We have previously discussed the risk of fraud with the Head of Finance and Members and the work to address this. We have not been made aware of any incidents of fraud in the period and no other issues have been identified during the course of our audit procedures.
2.	Matters in relation to related parties	<ul style="list-style-type: none"> From the work we carried out, we have not identified any related party transactions which have not been disclosed.
3.	Matters in relation to laws and regulations	<ul style="list-style-type: none"> You have not made us aware of any significant incidences of non-compliance with relevant laws and regulations and we have not identified any incidences from our audit work.
4.	Written representations	<ul style="list-style-type: none"> A standard letter of representation has been requested from the Authority which is included in the Authority meeting papers.
5.	Confirmation requests from third parties	<ul style="list-style-type: none"> We requested from management permission to send confirmation requests for bank balances, loans and investments. This permission was granted and the requests were sent to a number of institutions. We have now received all confirmations except in relation to investments from Goldman Sachs which are still awaited.
6.	Disclosures	<ul style="list-style-type: none"> Our review found no material omissions in the financial statements. For fullest compliance with the Code of Practice, we requested that the new Expenditure and Funding Analysis be presented as a note to the accounts, rather than as a primary statement.

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Other communication requirements continued

	Issue	Commentary
7.	Matters on which we report by exception	<ul style="list-style-type: none"> We are required to report on a number of matters by exception in a number of areas: <p>We have not identified any issues we would be required to report by exception in the following areas:</p> <ul style="list-style-type: none"> If the Annual Governance Statement does not meet the disclosure requirements set out in the CIPFA/SOLACE guidance or is misleading or inconsistent with the information of which we are aware from our audit The information in the Narrative Report is materially inconsistent with the information in the audited financial statements or our knowledge of the Authority acquired in the course of performing our audit, or otherwise misleading.
8.	Specified procedures for Whole of Government Accounts	<p>We are required to carry out specified procedures (on behalf of the NAO) on the Whole of Government Accounts (WGA) consolidation pack under WGA group audit instructions.</p> <ul style="list-style-type: none"> Note – this work is not required as the Authority does not exceed the threshold.

Adjusted misstatements

There have been no adjustments made to the draft accounts.

Unadjusted misstatements

There are no unadjusted misstatements.

Misclassifications and disclosure changes

The table below provides details of misclassification and disclosure changes identified during the audit which have been made in the final set of financial statements.

Adjustment type	Value £'000	Account balance	Impact on the financial statements
1 Disclosure	N/A	Expenditure and Funding Analysis	A presentational change to show the Expenditure and Funding Analysis as a Note to the accounts in accordance with the Code.
2 Disclosure	N/A	N/A	Various minor disclosure changes.
3 Disclosure	N/A	Exit Packages	An amendment to note 23 and note 24 to include Payment in Lieu of Notice (PILON) costs in line with the Code. Reported termination costs of £121,630 changed to £138,257.

Section 3: Value for Money

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Background

We are required by section 21 of the Local Audit and Accountability Act 2014 ('the Act') and the NAO Code of Audit Practice ('the Code') to satisfy ourselves that the Authority has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources. This is known as the Value for Money (VFM) conclusion.

We are required to carry out sufficient work to satisfy ourselves that proper arrangements are in place at the Authority. The Act and NAO guidance state that for local government bodies, auditors are required to give a conclusion on whether the Authority has put proper arrangements in place.

In carrying out this work, we are required to follow the NAO's Auditor Guidance Note 3 (AGN 03) issued in November 2016. AGN 03 identifies one single criterion for auditors to evaluate:

In all significant respects, the audited body takes properly informed decisions and deploys resources to achieve planned and sustainable outcomes for taxpayers and local people.

AGN03 provides examples of proper arrangements against three sub-criteria but specifically states that these are not separate criteria for assessment purposes and that auditors are not required to reach a distinct judgement against each of these.

Risk assessment

We carried out an initial risk assessment in March 2017 based on the NAO's auditor's guidance note (AGN03). In our initial risk assessment, we considered:

- our cumulative knowledge of the Authority, including work performed in previous years in respect of the VFM conclusion and the opinion on the financial statements
- the findings of other inspectorates and review agencies
- any illustrative significant risks identified and communicated by the NAO in its Supporting Information
- any other evidence which we considered necessary to conclude on your arrangements.

We did not identify any significant risks from our initial risk assessment. We did however recognise that the Authority continues to face significant on-going financial challenges. Our assessment of risk is balanced by the fact that we consider the Authority has effective arrangements in place to manage its finances.

The Authority set a balanced budget for 2016/17 which formed the first year of the Medium Term Financial Strategy (MTFS) for the 4 year period to 2019/20.

The actual 2016/17 outturn position was an underspend of £1.5m against a revised budget of £42.03m, increasing the Authority's general reserves to £7.99m at the year end. The main reasons for the underspend were lower than anticipated pay costs, unutilised contingencies and business rate income received. The Authority is keen to use any underspend to help support the changes needed to the Authority's service delivery models.

During the year, the Authority also spent £13.1m on capital (non current assets), with the main areas of spend relating to the build of two new fire stations at Powey Lane, Mollington, and Penketh, and the on-going construction costs of Lymm Fire Station and Safety Central totalling some £9.9m, fire appliances and hydraulic platforms (£2.2m) and other vehicles and operational equipment (£0.95m). During 2017/18 the Authority will open the new Lymm Fire Station and Safety Central which includes interactive hi-tech learning zones designed to simulate the most common avoidable harms in the community.

The Authority continues to respond to meeting the challenges of Blue Light Collaboration with Cheshire Police to integrate back-office and professional services. The arrangements for closer working are overseen by the Blue Light Collaboration Board. The Authority agreed previously to co-locate its headquarters to the current Police headquarters at Clemonds Hey to foster closer working arrangements as well as generate financial efficiencies for both organisations. The transition to the Police headquarters has commenced and is expected to be completed during the autumn of 2017. The provision of joint support services to both Fire and Police has also commenced with IT services now being delivered jointly. The remaining services will transfer to joint provision during 2017/18.

We have continued our review of relevant documents up to the date of giving our report, and have not identified any further significant risks where we need to perform further work.

Significant qualitative aspects

AGN 03 requires us to disclose our views on significant qualitative aspects of the Authority's arrangements for delivering economy, efficiency and effectiveness.

In arriving at our conclusion, our main considerations were:

- As in previous years, the Authority delivered an underspend position for 2016/17 with a year end outturn underspend of £1.5m. This was in line with the Authority's expectation for 2016/17 and represents 3.6% of turnover
- For 2017/18, the Authority approved its budget in February 2017. The Authority set a budget of £41.3m. The budget aims to deliver a year end break even position. The budget requires savings of £2.3m which management consider will be delivered mainly through changes to the Authority's service delivery models
- The Authority's Medium Term Financial Plan covering the period 2016/17 to 2019/20 which incorporates the comprehensive spending review and the future financial challenges faced by the Authority. The Authority needs to deliver some £4.0m in savings between 2016/17 and 2019/20 of which £2.3m relate to 2017/18. The Authority aims to achieve these savings through changes to its service delivery models. Whilst the Authority consider these savings challenging, they believe they are achievable
- The Authority's committee structures which enables a clear focus on the Authority's policies and monitoring of performance. The Authority has an effective strategic and financial planning process which includes rigorous review and challenge by members. The Authority invited earlier in the year the Cheshire Police and Crime Commissioner to join the Fire Authority as a member. This should help develop further integration between the Fire Authority and Police
- The progress being made by the Authority working with Cheshire Police on Blue Light Collaboration with a view to integrating back-office and professional services. The transition to the Police headquarters has commenced and is expected to be completed during the autumn of 2017. The provision of joint support services to both Fire and Police has also started with IT services now being delivered jointly. The remaining services will transfer to joint provision during 2017/18.

Overall conclusion

Based on the work we performed to address the risks identified, we concluded that Cheshire Fire Authority had proper arrangements in all significant respects to ensure it delivered value for money in its use of resources. The text of our report, which confirms this can be found at Appendix B.

Significant difficulties in undertaking our work

We did not identify any significant difficulties in undertaking our work on your arrangements which we wish to draw to your attention.

Significant matters discussed with management

There were no matters where no other evidence was available or matters of such significance to our conclusion or that we required written representation from management or those charged with governance.

Any other matters

There were no other matters from our work which were significant to our consideration of your arrangements to secure value for money in your use of resources.

Section 4: Fees, non-audit services and independence

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05. Communication of audit matters

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We confirm below our final fees charged for the audit and provision of other and non-audit services.

Fees 2016/17

	Proposed fee £	Final fee £
Authority audit	29,860	29,860
Total audit fees (excluding VAT)	29,860	29,860

The proposed fees for the year were in line with the scale fee set by Public Sector Audit Appointments Ltd (PSAA).

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Independence and ethics

Ethical Standards and ISA (UK&I) 260 require us to give you timely disclosure of matters relating to our independence. In this context, we disclose the following to you:

- We confirm that there are no significant facts or matters that impact on our independence as auditors that we are required or wish to draw to your attention. We have complied with the Auditing Practices Board's Ethical Standards and confirm that we are independent and are able to express an objective opinion on the financial statements.
- We confirm that we have implemented policies and procedures to meet the requirements of the Auditing Practices Board's Ethical Standards.
- For the purposes of our audit we have made enquiries of all Grant Thornton UK LLP teams providing services to the Council. We can confirm that no non-audit services were identified.

Independence and other services

We have considered whether other services might be perceived as a threat to our independence as the Authority’s auditor and have ensured that appropriate safeguards are put in place

	Service provided to	Fees £	Threat?	Safeguard
Audit related services				
	The Authority does not have any subsidiary or other companies where we have provided audit related services.	N/A		
Non-audit services				
	We have not provided any non-audit services to the Authority or other related subsidiary or companies.	N/A		
	TOTAL	N/A		

The above non-audit services are consistent with the Authority’s policy on the allotment of non-audit work to your auditor.

Section 5: Communication of audit matters

01. Executive summary

02. Audit findings

03. Value for Money

04. Fees, non audit services and independence

05. Communication of audit matters

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Communication to those charged with governance

ISA (UK&I) 260, as well as other ISAs, prescribe matters which we are required to communicate with those charged with governance, and which we set out in the table opposite.

This document, The Audit Findings, outlines those key issues and other matters arising from the audit, which we consider should be communicated in writing rather than orally, together with an explanation as to how these have been resolved.

Respective responsibilities

The Audit Findings Report has been prepared in the context of the Statement of Responsibilities of Auditors and Audited Bodies issued by Public Sector Audit Appointments Limited (<http://www.psa.a.co.uk/appointing-auditors/terms-of-appointment/>)

We have been appointed as the Authority's independent external auditors by the Audit Commission, the body responsible for appointing external auditors to local public bodies in England at the time of our appointment. As external auditors, we have a broad remit covering finance and governance matters.

Our annual work programme is set in accordance with the Code of Audit Practice ('the Code') issued by the NAO (<https://www.nao.org.uk/code-audit-practice/about-code/>). Our work considers the Authority's key risks when reaching our conclusions under the Code.

It is the responsibility of the Authority to ensure that proper arrangements are in place for the conduct of its business, and that public money is safeguarded and properly accounted for. We have considered how the Authority is fulfilling these responsibilities.

Our communication plan	Audit Plan	Audit Findings
Respective responsibilities of auditor and management/those charged with governance	✓	
Overview of the planned scope and timing of the audit. Form, timing and expected general content of communications	✓	
Views about the qualitative aspects of the entity's accounting and financial reporting practices, significant matters and issues arising during the audit and written representations that have been sought		✓
Confirmation of independence and objectivity	✓	✓
A statement that we have complied with relevant ethical requirements regarding independence, relationships and other matters which might be thought to bear on independence. Details of non-audit work performed by Grant Thornton UK LLP and network firms, together with fees charged Details of safeguards applied to threats to independence	✓	✓
Material weaknesses in internal control identified during the audit		✓
Identification or suspicion of fraud involving management and/or others which results in material misstatement of the financial statements		✓
Non compliance with laws and regulations		✓
Expected modifications to auditor's report, or emphasis of matter		✓
Unadjusted misstatements and material disclosure omissions		✓
Significant matters arising in connection with related parties		✓
Significant matters in relation to going concern	✓	✓

Appendices

A. Draft Audit Opinion

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A: Draft Audit opinion

We anticipate we will provide Cheshire Fire Authority with an unmodified audit report

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHESHIRE FIRE AUTHORITY

We have audited the financial statements of Cheshire Fire Authority (the "Authority") for the year ended 31 March 2017 under the Local Audit and Accountability Act 2014 (the "Act"). The financial statements comprise the Comprehensive Income and Expenditure Statement, the Movement in reserves Statement; the Balance Sheet, the Cash Flow Statement and the related notes and include the firefighters' pension fund financial statements comprising the Fund Account, the Net Assets Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2016/17.

This report is made solely to the members of the Authority, as a body, in accordance with Part 5 of the Act and as set out in paragraph 43 of the Statement of Responsibilities of Auditors and Audited Bodies published by the Public Sector Audit Appointments Limited. Our audit work has been undertaken so that we might state to the Authority's members those matters we are required to state in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Authority and the Authority's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the Treasurer and auditor

As explained more fully in the Statement of Responsibilities, the Treasurer is responsible for the preparation of the Statement of Accounts, which includes the financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2016/17, which give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law, the Code of Audit Practice published by the National Audit Office on behalf of the Comptroller and Auditor General (the "Code of Audit Practice") and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Authority's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Treasurer; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Narrative Report and the Annual Governance Statement to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion:

- the financial statements present a true and fair view of the financial position of the Authority as at 31 March 2017 and of its expenditure and income for the year then ended; and
- the financial statements have been prepared properly in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2016/17 and applicable law.

Opinion on other matters

In our opinion, the other information published together with the audited financial statements in the Narrative Report, and the Annual Governance Statement for the financial year for which the financial statements are prepared is consistent with the audited financial statements.

Matters on which we are required to report by exception

We are required to report to you if:

- in our opinion the Annual Governance Statement does not comply with the guidance included in 'Delivering Good Governance in Local Government: Framework (2016)' published by CIPFA and SOLACE; or
- we have reported a matter in the public interest under section 24 of the Act in the course of, or at the conclusion of the audit; or
- we have made a written recommendation to the Authority under section 24 of the Act in the course of, or at the conclusion of the audit; or
- we have exercised any other special powers of the auditor under the Act.

We have nothing to report in respect of the above matters.

Conclusion on the Authority’s arrangements for securing economy, efficiency and effectiveness in its use of resources

Respective responsibilities of the Authority and auditor

The Authority is responsible for putting in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.

We are required under Section 20(1)(c) of the Act to be satisfied that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

Scope of the review of the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources

We have undertaken our review in accordance with the Code of Audit Practice, having regard to the guidance on the specified criteria issued by the Comptroller and Auditor General in November 2016, as to whether the Authority had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people. The Comptroller and Auditor General determined this criteria as that necessary for us to consider under the Code of Audit Practice in satisfying ourselves whether the Authority put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2017.

We planned our work in accordance with the Code of Audit Practice. Based on our risk assessment, we undertook such work as we considered necessary to form a view on whether in all significant respects the Authority has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

Conclusion

On the basis of our work, having regard to the guidance on the specified criteria issued by the Comptroller and Auditor General in November 2016, we are satisfied that in all significant respects the Authority put in place proper arrangements for securing economy, efficiency and effectiveness in its use of its resources for the year ended 31 March 2017.

Certificate

We certify that we have completed the audit of the financial statements of the Authority in accordance with the requirements of the Act and the Code of Audit Practice.

[Signature]

Robin Baker
for and on behalf of Grant Thornton UK LLP, Appointed Auditor

4TH Floor
Royal Liver Building
Liverpool
L3 1PS

xx September 2017



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CHESHIRE FIRE AUTHORITY

MEETING OF: CHESHIRE FIRE AUTHORITY
DATE: 20TH SEPTEMBER 2017
REPORT OF: CHIEF FIRE OFFICER AND CHIEF EXECUTIVE
AUTHOR: HEAD OF FINANCE

SUBJECT: FINAL ACCOUNTS 2016-17

Purpose of Report

1. The Authority is required to approve its final accounts for publication before the end of September. This report provides an overview of the accounts and should be read in conjunction with the Audit Findings Report.
2. Copies of the accounts have not been attached to this report because of their considerable length. Hard copies of the accounts will be available in group rooms prior to the meeting and are available on the internet for Members to access.

Recommended that:

- [1] the accounts are formally approved for publication;
- [2] the current balances of the Authority's reserves are noted;
- [3] the Authority's underspend in 2016-17 is transferred to the capital reserve; and
- [4] the terms of the Letter of Representation are approved and the Chair of the Authority is authorised to sign it.

Background

3. The draft final accounts were reported to the Performance and Overview Committee acting as the Closure of Accounts Committee on 28th June 2017.
4. The End of Year Finance and Performance Report 2016-17, reported to the Fire Authority meeting in June, identified a forecast underspend against the Authority's revised budgets of £1.519m.

Final Accounts

5. The Authority's external auditors, Grant Thornton, have now completed their audit and intend to issue an unqualified opinion. This means that they are satisfied that the accounts fairly reflect the financial position of the Authority.

The Audit Findings Report also comments favourably on the systems of internal financial control and includes a positive value for money conclusion.

6. Following the audit, the Authority has agreed to make some minor changes to the draft accounts as signed off by the Treasurer and presented to the Closure of Accounts Committee. These changes do not affect the position on the Authority's Comprehensive Income and Expenditure Statement or Balance Sheet.
7. The accounts show an underspend of £1.519m against the revised revenue budget of £42.031m. Details of this may be seen in the narrative report on page 5 of the accounts. The budget is revised after the quarterly performance reports to Performance and Overview Committees and the Authority during the year. In total for 2016-17 these reports projected an underspend of £2.336m, including the £1.519m reported at year end. It is recommended that the underspend is transferred into the capital reserve to fund future capital expenditure.
8. The Authority has adopted a financial health target that requires the final outturn position on the revenue budget to be within 1% of the revised budget. The actual figure is 3.61%. As Members will be aware, the Authority has anticipated and prepared for reductions in expenditure necessary to balance future years' budgets and to fund capital expenditure, and this is reflected in the level of underspend in 2016-17.
9. The Authority's Balance Sheet shows a significant liability of £532.577m in respect of pensions as a result of the need to account for liabilities under International Accounting Standard IAS19. This standard requires the Authority to estimate all its future pension liabilities in respect of existing pensioners and current staff and does not represent an immediate call on resources. It is a liability which is discharged over the lifetime of pensioners and staff.
10. The effect of IAS19 is that it makes the Balance Sheet look as though the Authority is significantly indebted. Whilst future pension liabilities cannot be ignored, removing the liability under IAS19 would show that the Authority's net assets are worth £81.258m

Reserves

11. The Authority's overall reserve position is shown in the Movement in Reserves Statement on page 13 of the accounts. The Authority started 2016/17 with £36.7m of usable reserves and by the end of the financial year these had reduced to £28.1m reflecting the investment made through the Emergency Response Programme (ERP) in new fire stations and the safety centre at Lymm together with the annual vehicle investment programme.
12. The General Reserve has a balance of £8m (including £1.5m recommended in this report to be transferred into the capital reserve). The remaining balance is retained in case any of the Authority's corporate risks materialise. The level of

this Reserve is currently being reviewed in order to inform the 2018-19 budget setting process.

13. The most significant earmarked reserves held by the Authority are the IRMP and capital reserves, which together amount to around £12.7m. However, the conclusion of the building of the new fire stations and safety centre in early 2017-18, along with other planned use to support the revenue and capital impact of future IRMP related projects and proposed capital expenditure (e.g. the training centre) will utilise a significant part of these remaining reserves.
14. In addition the Authority has earmarked reserves to support the purchase of operational equipment and personal protective equipment and to support the development of ICT systems.
15. At this particularly challenging time, it is considered prudent to ensure that the Authority retains the capability to quickly respond to changing circumstances and the ability to call on reserves forms a key part of the Authority's financial strategy as it restructures the delivery of its services.

Capital

16. The Authority invested £13.047m in non current assets in 2016-17. This includes significant expenditure on the capital element of the ERP. The Authority has a financial health indicator which requires slippage to be no more than 25% of the capital programme. Overall slippage is around 13% and this is mainly due to Lymm Fire Station and Safety Centre fit outs being completed early in 2017/18 together with some delay in the acquisition of new vehicles due to the lengthy build times.

Letter of representation

17. Each year, the Authority is required to sign a letter of representation to the Auditors. The letter explains the Authority's responsibilities in relation to the audit, and a copy is attached to this report. It is recommended that the Authority approves the letter and authorises the Chair to sign it.

Financial Implications

18. This report deals with financial matters. There are no direct budgetary implications as a result of the report.

Legal Implications

19. The approval and publication of the accounts is a legal requirement.

Equality & Diversity Implications

21. There are no equality and diversity implications arising from this report.

Environmental Implications

22. Copies of the accounts will be made available in electronic format, but the number of hard copies published will be kept to a minimum in recognition of the environmental impact.

Grant Thornton UK LLP
Royal Liver Building
Liverpool
L3 1PS

20 September 2017

Dear Sirs

CHESHIRE FIRE AUTHORITY
Financial Statements for the year ended 31 March 2017

This representation letter is provided in connection with the audit of the financial statements of Cheshire Fire Authority for the year ended 31 March 2017 for the purpose of expressing an opinion as to whether the financial statements give a true and fair view in accordance with International Financial Reporting Standards and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2016/17 and applicable law.

We confirm that to the best of our knowledge and belief having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

Financial Statements

- i We have fulfilled our responsibilities for the preparation of the financial statements in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2016/17 ("the Code") which give a true and fair view in accordance therewith.
- ii We have complied with the requirements of all statutory directions affecting the Authority and these matters have been appropriately reflected and disclosed in the financial statements.
- iii The Authority has complied with all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance. There has been no non-compliance with requirements of regulatory authorities that could have a material effect on the financial statements in the event of non-compliance.
- iv We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud.
- v Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
- vi We are satisfied that the material judgements used in the preparation of the financial statements are soundly based, in accordance with the Code and adequately disclosed in the financial statements. There are no other material judgements that need to be disclosed.

- vii Except as disclosed in the financial statements:
 - a there are no unrecorded liabilities, actual or contingent
 - b none of the assets of the Authority has been assigned, pledged or mortgaged
 - c there are no material prior year charges or credits, nor exceptional or non-recurring items requiring separate disclosure.
- viii We confirm that we are satisfied that the actuarial assumptions underlying the valuation of pension scheme assets and liabilities for IAS19 Employee Benefits disclosures are consistent with our knowledge. We confirm that all settlements and curtailments have been identified and properly accounted for. We also confirm that all significant post-employment benefits have been identified and properly accounted for.
- ix Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of the Code.
- x All events subsequent to the date of the financial statements and for which the Code requires adjustment or disclosure have been adjusted or disclosed.
- xi Actual or possible litigation and claims have been accounted for and disclosed in accordance with the requirements of the Code.
- xii The financial statements are free of material misstatements, including omissions.
- xiii We have no plans or intentions that may materially alter the carrying value or classification of assets and liabilities reflected in the financial statements.
- xiv We believe that the Authority's financial statements should be prepared on a going concern basis on the grounds that current and future sources of funding or support will be more than adequate for the Authority's needs. We believe that no further disclosures relating to the Authority's ability to continue as a going concern need to be made in the financial statements.

Information Provided

- xv We have provided you with:
 - a access to all information of which we are aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
 - b additional information that you have requested from us for the purpose of your audit; and
 - c unrestricted access to persons within the Authority from whom you determined it necessary to obtain audit evidence.
- xvi We have communicated to you all deficiencies in internal control of which management is aware.
- xvii All transactions have been recorded in the accounting records and are reflected in the financial statements.

- xxiii We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- xxix We have disclosed to you all our knowledge of fraud or suspected fraud affecting the Authority involving:
 - a management;
 - b employees who have significant roles in internal control; or
 - c others where the fraud could have a material effect on the financial statements.
- xx We have disclosed to you all our knowledge of any allegations of fraud, or suspected fraud, affecting the Authority's financial statements communicated by employees, former employees, regulators or others.
- xxi We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements.
- xxii We have disclosed to you the identity of all the Authority's related parties and all the related party relationships and transactions of which we are aware.
- xxiii We have disclosed to you all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.

Annual Governance Statement

- xxiv We are satisfied that the Annual Governance Statement (AGS) fairly reflects the Authority's assurance and governance framework and we confirm that we are not aware of any significant risks that are not disclosed within the AGS.

Narrative Report

- xxv The disclosures within the Narrative Report fairly reflect our understanding of the Authority's financial and operating performance over the period covered by the financial statements.

Approval

The approval of this letter of representation was minuted by the Authority at its meeting on 20 September 2017.

Yours faithfully

Name.....

Position.....

Date.....

Name.....

Position.....

Date.....

Signed on behalf of the Authority

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CHESHIRE FIRE AUTHORITY

MEETING OF: FIRE AUTHORITY
DATE: 20TH SEPTEMBER 2017
REPORT OF: DIRECTOR OF GOVERNANCE AND COMMISSIONING
AUTHOR: CHRIS ASTALL

SUBJECT: ANNUAL STATEMENT OF ASSURANCE 2016-17

Purpose of Report

1. The purpose of this report is to present Members of the Fire Authority with the Annual Statement of Assurance 2016-17.

Recommended that:

- [1] Members approve the Annual Statement of Assurance 2016-17 for publication on the Service's website

Background

2. The Fire and Rescue National Framework (2012) requires fire authorities to publish an Annual Statement of Assurance (the Statement). The guidance published by the Department for Communities and Local Government (DCLG) in July 2012 allows fire and rescue authorities considerable flexibility over the format of the Statement. One of the aims of the Statement is to provide an easily accessible way in which communities, government, local authorities and partners may make a valid assessment of how the service is performing.
3. The Statement outlines the significant financial and operational issues facing the Authority which need to be effectively managed and highlights areas where further improvements can be made to evidence compliance with the Authority's Local Code of Corporate Governance.
4. The Statement is intended to act as a 'signpost' document directing the reader to more detailed information which is published on the Service's website or other related linked sites.
5. A draft version of the Statement for 2016-17 was presented to the Governance and Constitution Committee in June 2017 for review and challenge prior to being presented to the Fire Authority.

Information

Local Code of Corporate Governance

6. CIPFA/SOLACE published a new framework 'Delivering Good Governance in Local Government' applicable to public sector organisations from 2016-17 onwards. As a result a revised Local Code of Corporate Governance, reflecting the new framework has been produced. A summary of the framework is attached as Appendix 2 to this report.

The Compliance Process

7. The Authority currently fulfils its financial and governance assurance requirements through the production and validation of the Annual Accounts and the Annual Governance Statement (AGS) (which include associated controls, scrutiny, and audits). The AGS forms part of the Statement.
8. The Annual Statement of Assurance for 16-17 is attached as Appendix 1 to this report. In the interest of transparency all compliance and assurance documentation and other relevant links and signposts will be accessible directly from the Service's website.

Financial Implications

9. There are no significant financial implications other than staff time involved in research, evidence gathering and publication.

Legal Implications

10. The Fire and Rescue National Framework for England (2012) and the addendum published in 2014 sets out the Government's priorities and objectives for fire and rescue authorities and introduces additional requirements concerned with governance in its broadest sense. The Framework requires the Authority to publish an annual Statement of Assurance.

Equality & Diversity Implications

11. There are no differential impacts on any particular section of the community arising from this report. Any issues relating to the publication and communication of the publication have been considered as part of the full equality impact assessment carried out on the Corporate Consultation and Engagement Strategy.

Environmental Implications

12. There are no specific impacts on the environment arising from this report.

**CONTACT: JOANNE SMITH, FIRE SERVICE HQ, WINSFORD
TEL [01606] 868804**

BACKGROUND PAPERS:

Appendix 1 – Statement of Assurance 2016-17

Appendix 2 – Revised Local Code of Corporate Governance Principles

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Making Cheshire Safer

Annual Statement of Assurance 2016 - 2017



Contents

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2. Financial Assurance.....	4
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4. Operational Assurance.....	13
5. Assurance Conclusion.....	17

DRAFT

1. Introduction

This is Cheshire Fire & Rescue Authority's fifth annual Statement of Assurance in line with the Government's requirements set out in the *Fire and Rescue National Framework* for England.

Intended Purpose of Statement of Assurance

The aim of the Statement of Assurance is to provide an easy and accessible way in which communities, government, local authorities and partners may make a valid assessment of their local fire and rescue authority's performance.

Statements of Assurance are published annually by fire and rescue authorities to integrate where practicable with existing governance reporting arrangements.

Complying with the Statement of Assurance

The published Statement of Assurance guidance sets out compliance requirements under three broad headings :

Financial:

Cheshire Fire Authority is responsible for ensuring public money is properly accounted for and used economically, efficiently and effectively. The Authority has a robust budget monitoring process that is subject to close scrutiny. The Head of Finance is responsible for ensuring that the right controls are in place to ensure that financial assets are properly managed, financial reporting is accurate and that the Annual Statement of Accounts is prepared in accordance with statutory requirements.

[Financial Regulations](#)

[Statement of Accounts](#)

Governance:

The Authority is required to ensure that its business is conducted in accordance with the law and proper standards and that public money is safeguarded, properly accounted for, and used economically, efficiently and effectively. The Authority is required by law to produce an "**Annual Governance Statement**" (AGS). The AGS and supporting compliance evidence can be located in section 3 of this document.

Operational:

The Authority is required to comply with a range of laws, regulations and guidance, the following is a list of some of the key legislation:

[Fire and Rescue Services Act 2004](#)

[Civil Contingencies Act 2004](#)

[Regulatory Reform \(Fire Safety\) Order 2005](#)

[Fire and Rescue Services \(Emergencies\) \(England\) Order 2007](#)

[Localism Act 2011](#)

[Fire and Rescue National Framework for England 2012](#)

[Local Government Act 1999](#)

[Health & Safety & Work Act 1974](#)

To ensure that the Authority can demonstrate how it complies with these requirements, a number of detailed assessments are undertaken. These include:

- Health and Safety policy and framework with regular progress being presented to the Service Management Team (SMT).

- Operational capability against risk to ensure that the right resources, procedures and skills are available to professionally respond to communities within target response times that are resources are aligned to risk.
- An annual review of operational risk and performance supplemented by quarterly scrutiny Member and officer meetings.
- Risk Management Board monitoring and scrutiny of corporate risks.
- Compliance against National Framework requirements.

[Operational Assurance Guidance Principle H](#)

Accountable to our Communities

This statement is underpinned by detailed documented evidence, most of which has been made available to the public on the Service website. This includes incident and performance data, quarterly performance reports, policy decisions, audit and assurance reports.

www.cheshirefire.gov.uk.

The Authority measures and monitors performance using a range of key Performance Indicators (KPI's) that are also used to compare performance against other fire and rescue authorities in England. The Authority publishes an Annual Report in September each year summarising progress against plans. All performance information available to the public can be accessed via the Service website and continues to be reviewed and refined.

[Annual Report](#)

In addition, the Authority has adopted the best practice guidance set out in the [Local Government Transparency Code 2015](#) as far as is practical.

2. Financial Assurance

Evidence Links

The Cheshire Fire Authority provides financial assurance through the publication of an Annual Statement of Accounts. This is a statutory requirement under the [Accounts and Audit \(England\) Regulations 2015](#) and the accounts are prepared following the *CIPFA Code of Practice on Local Authority Accounting*. The financial statements are subject to review by independent auditors as directed by the [Audit Commission Act 1998](#).

[Statement of Accounts](#)

In addition to the statutory requirement to publish annual financial results, the Authority is committed to increasing transparency. One of the first steps in this process is for the publication of expenditure in excess of £500. This is compliant with Local Government Transparency Code.

[CFRS Website: What we spend](#)

External Audit:

Grant Thornton Limited Liability Partnership (LLP) is the appointed external auditor for Cheshire Fire Authority and is responsible for completion of the following assurance activities:

- Audit of the 2016-17 financial statements
- Opinion on the Authority's accounts
- Value for Money conclusion

Internal Audit:

The Internal Audit function for 2016-17 was provided by Mersey Internal Audit Agency (MIAA) and their audit opinion for the year ending **March 2017** can be located in Section 3 of this document.

3. Annual Governance Statement (AGS)

What is the Annual Governance Statement?

An Annual Governance Statement (AGS) publicly explains how an organisation manages its governance and internal control measures. It is an open and honest account of how an organisation ensures its financial management system is adequate and effective, as well as ensuring it has a sound system of internal control, assuring utmost integrity in all its dealings.

[Delivering
Good
Governance
2016](#)

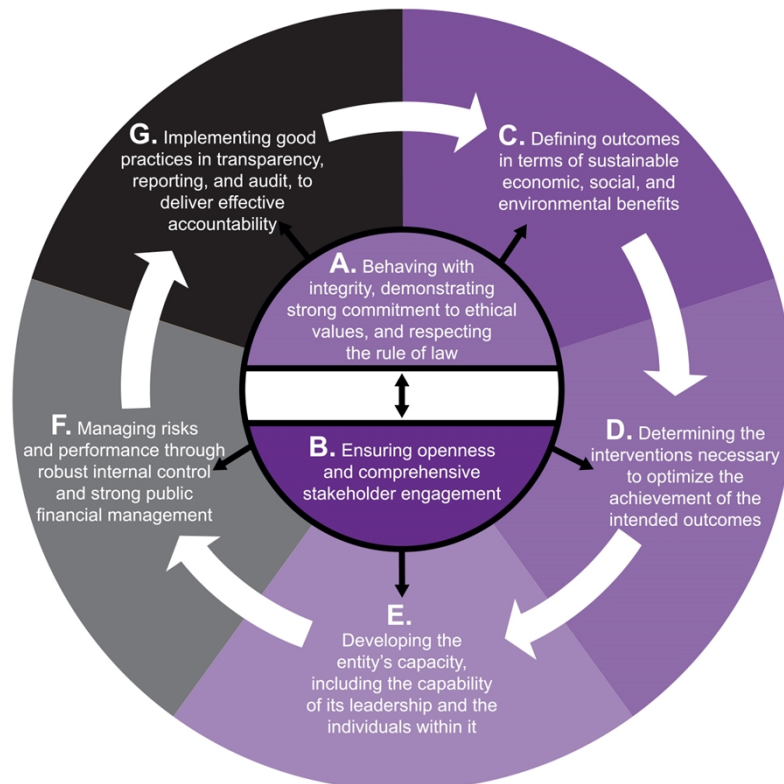
What is the governance framework?

The Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE) published the advisory framework 'Delivering Good Governance in Local Government' ('the framework'), in 2007 and an Addendum to the framework was published in December 2012.

CIPFA/SOLACE published a new version of the framework 'Delivering Good Governance in Local Government' in 2016. The concept of the new framework is to make it more transparent and to help local authorities take responsibility for developing and shaping an informed approach to governance.

The framework defines seven core principles (A-G) that underpin the governance of each local government body. These principles are used to inform the development of our Local Code of Corporate Governance which was refreshed to reflect the new framework published in 2016. Principle H in the Local Code of Corporate Governance requires evidence of operational assurance and compliance with the National Framework and was included in the Local Code for consistency. The Authority's Local Code of Corporate Governance and compliance evidence is published on the Authority's website. An outline of the seven key areas is set out in the following model (*access the links to compliance documentation on the right for more detail*):

[Local Code of
Corporate
Governance
Principals A-H](#)



Scope of Responsibility

Cheshire Fire Authority

The Authority has responsibility for ensuring that its business is conducted in accordance with the law and proper standards and that public money is safeguarded, properly accounted for and used economically, efficiently and effectively.

The Authority has a duty under the Local Government Act 1999 to show how it aims for continuous improvement and best value in delivering its services, taking into account a combination of economy, efficiency and effectiveness.

Members and Officers

In discharging the statutory responsibilities of the Authority, Members and senior officers are responsible for ensuring that proper governance arrangements are in place. These need to demonstrate good management of the Authority's key risks in accordance with legislation and appropriate standards.

The Authority's Governance and Internal Control Framework

The Authority's governance and internal control framework includes the systems, processes, procedures, culture and core values by which it is directed and controlled, and through which it accounts to and engages with the communities and other stakeholders. It includes arrangements to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate and value for money services.

This framework centres on the Authority's strategic aims and objectives and includes:

- The organisation's vision and purpose which drive the service planning, delivery, risk, project and performance management frameworks
- The annual Integrated Risk Management Plan
- Consultation and Communications Strategies
- A published set of core values
- The Authority's Constitution
- Responsible Statutory Officers (Financial and Legal)
- Established structure of Authority and Committee meetings, each with formal Terms of Reference (ToR)
- Scrutiny by Members e.g. Performance and Overview Committee responsible for thematic agendas such as Finance, Risk, Equality and Diversity, Performance Management
- Integrated Corporate and Financial planning processes with regular reporting
- Treasury Management Strategy
- A refreshed Local Code of Corporate Governance Action Plan reviewed by the Governance and Constitution Committee.
- Policies which govern the activities of the Authority, overseen by senior managers Policy Approval Group (PAG)
- Risk Management Board responsible for maintaining and championing an effective Risk Management Policy, Framework and regularly reviewing the Strategic Risk Register
- Published Anti-Fraud, Corruption, Whistle-blowing and Complaints policies and procedures
- Medium term financial forecasting and budget management processes.
- Performance Management Board which is responsible for monitoring and reviewing organisational performance including the Corporate Performance Scorecard setting out the Authority's key indicators
- A dynamic, intelligent training programme which is tailored to the development needs of the Authority's frontline staff
- Appraisal and personal development programmes
- Project and Programme Board which monitors and challenges performance of key programmes and projects
- Established Health and Safety policies
- ICT Steering Group which provides strategic direction for the Authority's ICT and Information Management and Security policies
- SMT considering all financial issues
- Information Governance
- Code of Conduct
- Crisis Management Plan

[CFRS Vision, Mission, Core values](#)

[IRMP](#)

[Treasury Management Strategy](#)

[Whistle-blowing Policy](#)

Engaging with our Communities

Extensive efforts are made to engage with the communities and stakeholders of Cheshire East, Cheshire West and Chester, Halton and Warrington. A comprehensive twelve week programme of community consultation and stakeholder engagement is carried out each year to seek feedback on the Authority's key priorities and proposals set out in its draft annual Integrated Risk Management Plan (IRMP). IRMP 13 covered the period ending **31st March 2017**.

[IRMP](#)

The principles by which the Authority carries out consultation are set out in the Consultation and Engagement Strategy and on key issues the Authority works with the Consultation Institute to assess its performance against best practice.

Identifying and Communicating the Authority's vision

Following a period of public consultation the Fire Authority formally approved the publication of the new Five Year Strategy "Planning for a Safer Cheshire" at its meeting 17th June 2015. The Authority's vision remains "A Cheshire where there are no deaths, injuries or damage from fires or other emergencies" and the Strategy sets out the approach to achieving that vision in the context of the challenges and risks faced by the organisation.

[Five Year Strategy](#)

Risk Management:

The Risk Management Framework and Policy is reviewed by Risk Management Board (RMB) annually. The Board accepted the new Framework at the October 2016 meeting and the policy and framework was approved by the Policy Committee in December 2016. The framework ensures all strategic, departmental, operational, programme and project risks are assessed against the achievement of objectives. RMB reviews the strategic risk register on a regular basis.

Equality and Inclusion

Cheshire Fire and Rescue Service has used the Fire and Rescue Equality Framework to assess its equality performance and achieved the highest level of the equality framework, 'Excellent' in 2011. In advance of a new national inspection regime for fire and rescue service being introduced later in 2017, the organisation uses a number of external accreditations to benchmark and affirm its commitment to equality – including the Stonewall Workplace Equality Index and the Disability Confident scheme. It is also a Mind Blue Light Programme champion. The Authority launched a new Equality, Diversity and Inclusion strategy 2017-2020 in April 2017.

[Equality and diversity strategy 20-17-20](#)

Stonewall

In 2017 Cheshire Fire Authority featured in the top ten of LGBT charity Stonewall's Equality Index Top 100 list of employers. The Authority has been a Stonewall Diversity Champion since 2008 and has featured in the top 50 of the Top 100 for the last five years. In 2017 the Authority ranked 8th and was the highest placed of any of the emergency services in the U.K.

[Stonewall Top Employers 2017](#)

Positive action

In 2016-17 the Authority undertook a successful positive action campaign to support its recruitment of 17 wholetime fire fighters. This included targeted communications, taster days, the assignment of buddies and mentors and canvassing for potential applicants at a number of local and regional events.

The campaign delivered the following successful outcomes in terms of diversity:

- BME – 1 successful candidate – 6% of successful candidates
- Female – 4 successful candidates – 24% of successful candidates
- LGBT – 4 successful candidates – 24%

- No candidates declared a disability

The Environment

The Authority maintains its commitment to reduce energy consumption and overall carbon emissions, with the objective of a 40% reduction by 2020. The opening of four new fire stations does present a challenge in terms of energy consumption and carbon emissions but this challenge is mitigated by environmental thinking within the planning and development stages, use of sustainable materials and planning strategic energy projects across the wider estate. New LED lighting upgrades in Widnes, Birchwood and Macclesfield Fire Stations are showing the energy reduction benefits and LED installs will be a focus in all station up-grades works in the future.

[Environmental Strategy 2014 - 2020](#)

The up-grade of oil based heating to gas supply in Northwich Fire Station delivers cleaner fuel supply, new efficient heating system and creates a better working environment for colleagues.

The Authority aims to improve its environmental evaluation of all aspects which could impact in the local environment and community.

Information Security

The Authority maintains an information security policy which represents 'best practice' within the security industry. The policy exists to protect Authority information against any type of accidental loss, damage or abuse, by its staff, third parties and partners. In addition it maintains a safeguard to ICT systems that process, store, display and transmit information. The Head of Legal & Democratic Services is the Authority's Senior Information Risk Officer (SIRO), and is responsible for the effective implementation of a consistent framework for management of information security across the Authority.

[Information Management Policy](#)

Information Governance Survey

During the first quarter of 2017 the Fire Service undertook an Information Governance Survey. The purpose of the survey was to:

- Feed into the Service's annual statement of assurance;
- Report to the Senior Information Risk Owner; and
- Identify any additional areas where Information Management can assist, particularly with the upcoming changes to data protection legislation and the Blue Light Collaboration programme.

The survey discovered that across the Service 84% of staff have successfully completed the mandatory data protection module. An additional 12% of staff have started the module but not completed the assessment. Only 4% have yet to start the training (or their training has expired).

[Results of Information Management Survey 16/17](#)

The survey identified that over 70% of corporate policies had been recently reviewed and updated with plans in place for the remainder to be refreshed during the next 12 months.

During 2016/2017, there were 8 incidents recorded in the Service's information security incident log. Of these, 7 were breaches, and one was a near miss. The incidents included:

- Lost mobile devices (two incidents)
- Inappropriate disclosure of information (five incidents)
- Inappropriate destruction of information (one incident)

Measures are being put in place to address issues raised during the survey, including:

- Roll out of new functionality within the document management system to facilitate the document review process;
- Reminders will be sent out to staff to complete mandatory data protection training;
- Updating the Service's information asset and information risk register, and working with departments to mitigate information risks;
- Working with the Communications team to raise awareness of data protection and information handling;
- Specialised information governance support for high risk projects that involve processing of personal data;
- Development and implantation of a project plan to work towards compliance with the General Data Protection Regulations.

The survey highlighted that a number of data cleansing exercises are underway in relation to the move to the new shared headquarters at Clemonds Hey. These exercises are being supported by the information management workstream of the Blue Light Collaboration programme.

Working in Partnership

North West Fire Control (NWFC)

The North West Fire Control is a unique collaboration between four partner fire and rescue services Cheshire, Cumbria, Lancashire and Greater Manchester. NWFC is run by a company owned by the hour services. Over the past year the Authority has continued to work closely with NWFC and the partners to ensure that the company delivers the call handling and mobilisation service to the requisite standards. Quarterly statistical performance data is sent from NWFC to each service for scrutiny. Members of the Performance & Overview Committee review this for the Authority.

Blue Light Collaboration Programme (BLC)

During 2016/17 work has continued on the Blue Light Collaboration (BLC) Programme which aims to merge the Cheshire Constabulary and Cheshire Fire Authority back office transactional services to create Joint Corporate Services (*IT, HR, Finance, Stores and Procurement, Planning and Performance, Strategic Change, Estates, Communications, Information Management, Legal*).

In December 2015 the Authority approved: the scope of the BLC Programme; the implementation budget and approach to funding; and the approach to the apportionment of costs and resultant savings. Since then work on the BLC Programme has been progressing steadily to ensure the smooth transition from the current separate organisations support services to joint services that provide services to both organisations. This has included service/departmental design and development of the

[Blue Light Collaboration Programme](#)

approach for the overarching management of the arrangements. The expected completion date for the entire BLC Programme is April 2018.

The BLC Programme Board (which is made up of the Chief Executive of the Office of the Police and Crime Commissioner, the Assistant Chief Officer for the police and the Head of Legal and Democratic Services for fire) approved the BLC Programme Plan which sets out the phasing and timing of moves from fire headquarters to Clemonds Hey. A People Strategy and People Transition processes documents have also been approved by the Board. The Strategy set out the guiding principles to help staff understand how both organisations will work together with staff and trade unions/staff associations in a fair, transparent and consistent way.

[People Strategy](#)

Staff receive regular communications, and a number of visits have taken place for staff directly affected by the move to the new joint Headquarters at Clemonds Hey.

Preparation of the legal documentation associated with the programme is progressing and officers are working on the financial arrangements that will underpin the collaboration. These will be contained in a Collaboration Agreement.

Detailed work has taken place to create new structures and define service levels for each joint support service. In September 2016 the Fire Authority made the decision to retain the Sadler Road site for the CFRS training requirements with some of the operational and support staff remaining at Sadler Road. In December 2016 the Fire Authority agreed to remove from the Blue Light Collaboration Programme the creation of a joint vehicle workshop, retaining the facility at Sadler Road and workshop staff as Fire Authority employees.

The formal staff transfer has commenced, staff in IT, Estates and Strategic Change have undergone a period of TUPE consultation and are now police employees. The staff in Planning and Performance, Communications, Legal and Information Management are due to transfer in October 2017. The final phase of the transfers will take place in April 2018. The site at Clemonds Hey will become the joint headquarters late summer 2017.

Fire and Rescue Indemnity Company Limited (FRIC)

The Authority works in partnership with eight other fire and rescue authorities to provide discretionary protection against claims made against the Authority and procures insurance cover on its behalf. The partnership also helps to inform the Authority's risk management activities.

Safe and Well

Cheshire Fire and Rescue Service has a strong record of prevention work to help target and protect vulnerable people from the effects of fire in the home. The key delivery mechanism for fire safety advice and information to householders in Cheshire is through Home Safety Assessments (HSA). Nationally, HSA work has played a key role in helping to reduce preventable fire deaths in England. Accidental dwelling fire fatalities, which account for three fifths of all fire fatalities, have reduced by around 50% over the past decade. In line with the national picture, fire deaths, injuries and incidents have reduced dramatically in Cheshire during the same period. This national success and proactive intervention work has received recognition and praise from the Cabinet Office, NHS and Public Health England. NHS England and Public Health England,

[Safe and Well Visits](#)

have publicly called for the wider role of the fire and rescue service to be recognised and used to support the broader health agenda.

Cheshire Fire and Rescue Service wished to support the national programme of work to assist the health agenda. In partnership with NHS Cheshire and Merseyside, CFRS and Merseyside Fire and Rescue Services hosted a Health and Fire Summit at Merseyside Fire and Rescue Service's HQ in July 2016. The Summit was a great success. Health colleagues fully recognised the contribution and value Cheshire (and Merseyside) Fire and Rescue can make to the health agenda by expanding the traditional HSA to create a broader Safe and Well visit. At the Summit, health colleagues identified the following issues they considered Cheshire Fire and Rescue Service could contribute to as part of a Safe and Well visit:

- Slips, trips and falls – prevention
- Hospital discharge for the elderly admitted for a fall
- Smoking cessation and alcohol reduction
- Bowel cancer screening

Reducing hypertension and blood pressure are key objectives for Directors of Public Health in Cheshire and Merseyside. They have therefore subsequently asked that hypertension and blood pressure checks be added to the Safe and Well programme. Cheshire Fire and Rescue Service is happy to take on this additional area of work as part of Safe and Well visits. Similarly, Halton Borough Council Public Health also asked CFRS to help identify people at risk from Atrial Fibrillation.

The following elements are currently covered in the Safe and Well visit:

- Slips, trips and falls
- People with mobility issues and at risk of falls
- Smoking cessation and alcohol reduction
- Bowel cancer screening
- (Atrial Fibrillation in Halton only)

Delivering Partnership Outcomes

Cheshire Fire and Rescue Service currently delivers 25,000 HSAs per year. In order to support the broader health agenda, CFRS has agreed to increase the current number of HSAs from 25,000 to 40,000 Safe and Well visits from 1 April 2016. We utilise all our advocates and operational firefighters to deliver against this volume of visits. During 2016 the appropriate training and awareness sessions for Cheshire Fire and Rescue Service staff to deliver this work programme was completed in conjunction with our NHS colleagues who provided the necessary training for all the elements of Safe and Well, free of charge. The training was a mixture of group training augmented with online training for some specific issues, such as smoking cessation.

Early indications are that Phase 1 of the project have been an outstanding success. From 1st February to 7 May 2017, Cheshire Fire and Rescue Service has conducted **8,976** Safe and Well visits, resulting in:

- **708** referrals to NHS Bowel Cancer Screening Hub;
- **201** referrals to Local Authority falls teams for help and support;
- **22** referrals to Local Authority smoking cessation teams for help and support;
- **4** referrals to Local Authority alcohol reduction teams for help and support; and,

- **200** Atrial Fibrillation screening tests for Halton.

So far, **10.5%** of Safe and Well visits have resulted in a referral to health agencies.

CFRS is now in the process of identifying the elements to be included in a Phase 2. Phase 2 will comprise:

- Hypertension and blood pressure;
- Loneliness and Isolation;
- Affordable Warmth;
- Rolling out Halton Atrial Fibrillation pan-Cheshire;
- Hospital discharge for over 65s admitted to ward for a fall.

Evaluation of Effectiveness

Cheshire Fire Authority has a responsibility for conducting a review of the effectiveness of its governance framework, including the system of internal control, at least annually. This is informed by the assurances of senior officers within the Authority, who have responsibility for the development, maintenance and management of the governance and internal control arrangements.

Cheshire Fire Authority is made up of twenty-three elected Members appointed by the constituent Authorities. There are also non-elected independent members who act in an advisory role.

[Fire Authority](#)

The Authority operates with the following main Committee structure:

- Policy Committee
- Performance and Overview Committee
- Governance and Constitution Committee
- Brigade Managers Pay and Performance Committee
- Staffing Committee

Terms of Reference for each Committee are subject to regular review.

The Authority has a Health Safety & Welfare Committee which meets quarterly and is chaired by the Deputy Chief Fire Officer.

Member Champions

Member Champions are assigned to a number of thematic areas to provide additional scrutiny and challenge as highlighted previously, these include risk, equality, ICT, young people, older people, finance and the environment.

The Service Management Structure

The operations of the Authority are directed through a clear management structure with defined roles and responsibilities. The Policy Approval Group (PAG) comprises of the Chief Fire Officer, Deputy Chief Fire Officer, Head of Legal & Democratic Services (Monitoring Officer) and Head of Finance, Section (151 Officer).

The full Service Management Team (SMT) is made up of PAG and Heads of Department. SMT is responsible for securing the delivery of the Authority's aims and

objectives which support the achievement of the Authority's vision. This includes key priorities which reflect community, regional and national issues.

Monitoring Officer:

During the 2016 – 2017 financial year the Head of Legal and Democratic Services fulfilled the statutory role of Monitoring Officer for the Authority, ensuring all actions taken were lawful.

Chief Finance Officer:

For the financial year 2016-17 the Head of Finance had responsibility for day to day financial management in accordance with CIPFA guidance and fulfilled responsibilities set out in Section 151 of the Local Government Act 1972.

How we performed during 2016 – 2017 - Performance Management:

As part of the corporate planning process the Authority sets out the key corporate performance indicators which measure the delivery of its objectives and provide key business intelligence to help target prevention and protection activities. Targets are set where appropriate to ensure continuous improvement and evaluation. Achievements against these indicators are scrutinised quarterly by the Performance and Overview Committee and Performance Management Group and annually by the Fire Authority.

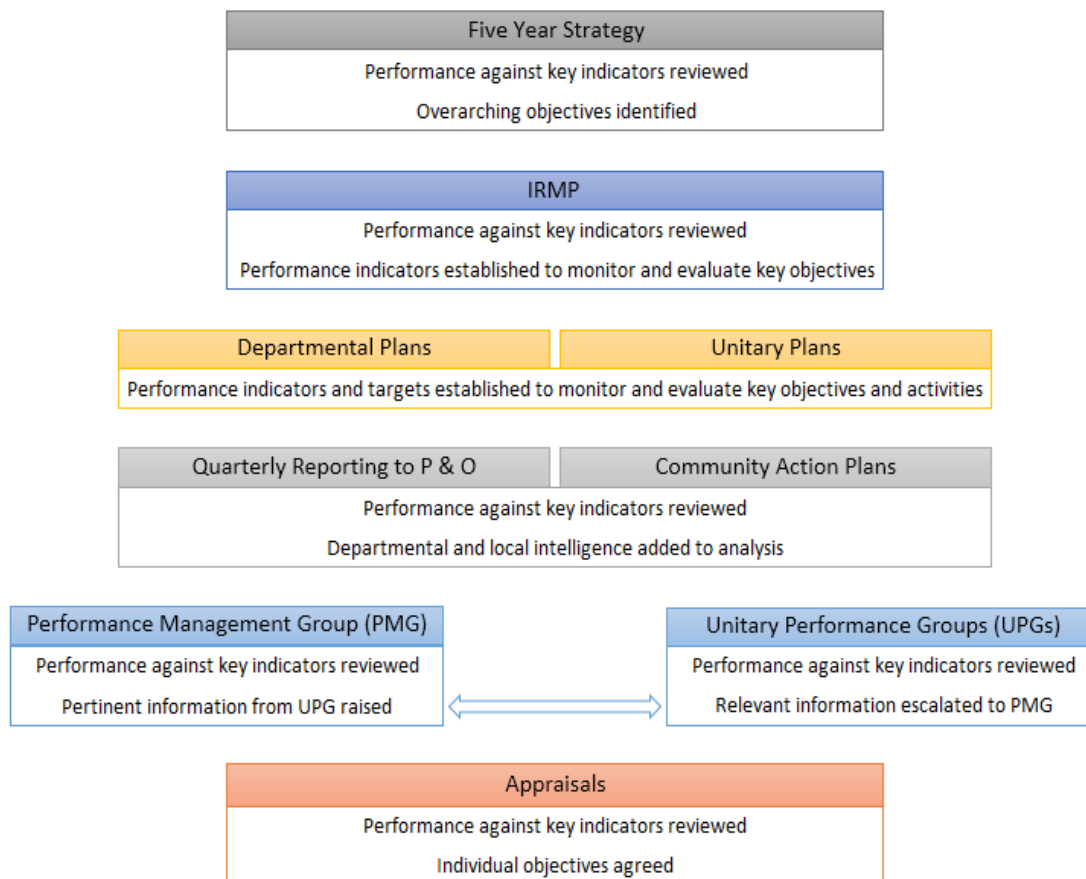
[Corporate
Scorecard 16-
17](#)

Performance relating to the handling of calls by North West Fire Control is also monitored quarterly, in line with agreed standards.

An Annual Report sets out how the Authority has performed over the last 12 months.

The diagram below presents the CFRS performance reporting model in place for 2016-17:

[Annual Report](#)



Monitoring and Reporting:

The Authority has an approved process of quarterly performance and financial monitoring and reporting highlighting progress against projects and activities, budget and performance indicators identified within Departmental, Unitary and Community Action Plans. Reports are presented to PAG, SMT and Members of the Authority in line with a corporate reporting cycle.

Value for Money Reviews:

The Authority’s previous four year strategy committed to carrying out departmental reviews across the organisation; 2013-14 was the last year of the three year cycle and focused on the efficiency and effectiveness of services provided. The underpinning principle of the reviews was the Authority’s duty to make best use of its resources in improving the quality of life for its communities. A full evaluation of the programme was undertaken in 2015 with the key findings reported to Performance & Overview Committee. During 2015-16 the first phase of the new organisational review programme was launched with an initial target of delivering a further £1 million in savings. That initial phase produced savings of approximately £700,000 which were removed for the 2016-17 budget.

Key Governance Improvements made during 2016-17:

In last year’s AGS the Authority set out a number of improvements it intended to implement during the year. Progress against implementation of these actions is presented to the Governance and Constitution Committee.

Statement of Assurance 2016 - 17

The table below summaries progress made to date:

Key Improvement Area	Update Position
Policy Management - continue to facilitate comprehensive review of all corporate policies due for review	This work is almost complete and will be finalised during 2017-18
Review of Performance Management Framework	Complete

The following table summarises the improvements identified during the process for 2016-17 by the relevant Governance Principal Owners:

Improvements Identified for 17-18	Lead Department
Policy Management – build on the work undertaken in 2016 and complete comprehensive review of all corporate key policies	Legal & Democratic Services
Relaunch of the Partnership Toolkit; Policy and Governance model	Prevention
Focus on initiatives highlighted in the Environmental Strategy 2014-20 supporting achievement of 40% carbon emissions target by 2020	Property Management

Internal Audit:

The Authority's Internal Audit function for 2016-17 was outsourced to Mersey Internal Audit Agency (MIAA), and established protocols are in place for working with External Audit. A risk-based internal audit plan and three year strategy was agreed with senior management and approved by the Authority in 2016. A number of audits were commissioned in line with our risk profile which provided an independent assurance level on the Authority's control frameworks.

The internal audit team completed a number of compliance and assurance audits during 2016-17 aligned to the approved internal audit plan, which have generally resulted in positive opinions with a small number of recommendations made as a result of their findings. Action Plans have been put in place to resolve the issues and deliver solutions.

Internal Audit Opinion 2016:

To be supplied by MIAA

Director of Internal Audit Opinion:

Significant Assurance, can be given that that there is a generally sound system of internal control designed to meet the organisation's objectives, and that controls are generally being applied consistently.

[Director of
Audit's Opinion
and
Annual Report
\(2016/17\)](#)

All recommendations for improvements identified by Internal Audit are populated on the Authority's Cheshire Planning System for monitoring and tracking delivery of actions.

External Audit Opinion:

External Audit Opinion will be provided September 2017.

DRAFT

4. Operational Assurance

Evidence Links

Statutory Responsibilities

Fire and Rescue Authorities function within a clearly defined statutory and policy framework. Links to some of the key legislation/guidance can be accessed below:

- [Fire and Rescue Services Act 2004](#)
- [Civil Contingencies Act 2004](#)
- [Regulatory Reform \(Fire Safety\) Order 2005](#)
- [Fire and Rescue Services \(Emergencies\) \(England\) Order 2007](#)
- [Localism Act 2011](#)
- [Fire and Rescue National Framework for England 2012](#)
- [Local Government Act 1999](#)
- [Health & Safety At Work Act 1974](#)

Corporate Planning - Integrated Risk Management Planning for Safer Communities

Cheshire Fire Authority published a new five year strategy, titled '*Planning For A Safer Cheshire 2015-2020*'. The strategy clarifies some of the stark choices facing the Authority and outlines the approach and principles adopted to ensure the Authority does not compromise on its commitment to protecting local communities, reducing risk and maintaining firefighters' safety.

[IRMP](#)

Community Risk Management

Through its Community Risk Management Policy the Service undertakes risk, intelligence and performance analysis in order to ensure that strategic, tactical and operational activities are intelligence-led and fully evaluated. This is achieved by using specialist systems, software, data and skills delivered by the Service's Business Intelligence team.

[CRM Policy](#)

Unitary Area Plans

In addition to and complementing the IRMP, Unitary Area plans are developed for each council area. Each plan is unique to that area and contains the actions the Unitary teams will take in order to mitigate risk and improve community safety. These plans are informed by the Community Risk Model which brings together historic incident data, demographic, commercial and external risk factors.

Stakeholder Engagement

The Authority is committed to involving all of its stakeholders in the development of its strategies and plans. It encourages this by carrying out a comprehensive annual consultation programme on its draft IRMP. Local communities, partners, staff, representative bodies and other stakeholder's are invited to comment to ensure that before any decision is taken all perspectives are taken into account. To enable active and informed participation, data and information relevant to the plan is made available to the public on the Service's website and via social media, in consultation packs, which are distributed at community roadshow events held across Cheshire, and also at key local stakeholder forums and meetings.

Prevention and Protection Assurance

Prevention and Protection managers have an Audit and Assurance function for the Prevention and Protection aspects of the Service. Specific areas of activity aligned to providing assurance against these elements of service delivery include:

[Fire Safety advice for Businesses](#)

- Compliance with the Prevention team's Quality Assurance Framework.
- Compliance with BS EN ISO 9001 - the provision of the Service's Prevention & Protection services has been assessed and accredited to BS EN ISO 9001:2008.
- Compliance with the Matrix standard – the Service's provision of the Prince's Trust Team Programme has been assessed and is accredited to the Matrix international quality standard for organisations that deliver information advice and/or guidance.
- Regulatory Reform (Fire Safety) Order 2005 – further detail on how we discharge our responsibilities under fire safety legislation can be accessed via our website.
- Customer surveys are undertaken as part of the Audit and Home Safety Assessment processes.

Performance Management – How we performed during 2016-17

A suite of corporate indicators and targets are used by the Authority and enable Stakeholders to scrutinise delivery of the IRMP.

[Corporate Scorecard 16-17](#)

The Authority publishes all performance and incident data on its website along with the Annual Performance Report to both drive improvement and ensure transparency of its performance. Performance Management is driven through three-tiers of quarterly meetings, Performance & Overview Committee (P&O) chaired by a Member of the Fire Authority, Performance Management Group (PMG) chaired by the DCFO and Unitary Performance Groups in each of the four unitary areas chaired by the Service Delivery Managers.

www.cheshirefire.gov.uk

[Annual Report](#)

External Assurance - Operational Peer Assessment

The Authority welcomed the Operational Peer Challenge team to Cheshire in July 2012. The team carried out a general health check and review of leadership, capacity and governance, as well as an assessment of a number of key organisational areas. Responsibility for fire formally moved from DCLG to the Home Office in early 2016. The Home Office are looking at options to undertake more formal assessments and inspections and the Authority is keen to take part in any pilot inspection exercises in 2017-18.

[Operational Peer Challenge](#)

Operational debriefs

Operational debriefs are used at both incidents and the Authority's exercises and form part of the quality control system concerned with its core activities. These debriefs provide valuable lessons learned which contribute to improving the service provided. They are undertaken following every incident and at a level which recognises the scale of the incident and also the involvement of other partner agencies. Debriefs will therefore fall into Level 1 Hot debriefs or more in-depth Level II Structured debriefs. Multi agency incidents will also prompt a multi agency debrief which will be facilitated and reported through the Cheshire Resilience Forum with learning outcomes reviewed and managed through the affiliated Cheshire Emergency Response Collaboration (CERC) group.

Section 28 reform – formerly known as Rule 43 Notices

In accordance with its commitment to ensure a safe and competent workforce, the Authority has conducted a thorough review of policies, procedures and training programmes in response to tragic events nationally. The learning has come from the services directly affected, information notices (**Coroner “Rule 43” Notices**) issued as a result of inquests and recommendations to all FRSs. Rule 43 Notices are used to inform policy and procedural reviews and to advise on the procurement/upgrade of operational equipment where necessary/appropriate.

Business Continuity – Civil Contingencies Act 2004

Business Continuity is an important part of the Authority’s strategy and a robust programme is well established to ensure responsibilities align to best practice standards, e.g. BS25999-2. Departmental plans which support the Authority’s Crisis Management Plan are maintained and tested regularly. The Crisis Management Plan is owned by the Risk Management Board and reviewed and approved annually.

During 2014-15 there were a number of national strikes by the Fire Brigades Union, therefore the plan has undergone ‘live testing’ over the last few years. The Crisis Management Team meetings were carried out prior to, and after any strikes to plan, prepare and capture any lessons learned. These then inform the Crisis Management Plan.

Business Continuity planning and operational resilience were also tested and proved to be fit for purpose during the major incident at Bosley in 2015 which required a sustained local and regional operational presence over an extended period of time.

Interoperability, Resilience and Safety

A comprehensive range of risk intelligence data and information is taken into account as part of the risk identification and analysis process underpinning the IRMP. This includes Community Risk Registers, with the Authority having a leading role in the Cheshire Local Resilience Forum (CRF) which focuses on interoperability and joint planning with other emergency services using the Joint Emergency Services Interoperability principles (JESIP).

CRF structures, policies and practices are regularly reviewed to better reflect the changing make up of partner agencies. Governance is managed through a monthly meeting cycle of the Management Group which reports twice yearly to the CRF Executive Group.

Over the Border Mutual Aid Arrangements

Sections 13 and 16 of the Fire and Rescue Services Act 2004 allow mutual assistance arrangements to be agreed with neighbouring Services to improve resilience and capacity in border areas. Cheshire Fire Authority has in place contractual agreements with the following bordering Fire Authorities for response to life risk incidents:

- Merseyside
- Staffordshire
- Shropshire
- Derbyshire
- Greater Manchester

- North Wales

The creation of the North West Fire Control led to mobilisation and support to a wider range of over the border (OTB) incidents.

Health and safety

The Authority seeks to comply with the requirements of the Health and Safety at Work etc. Act 1974 and relevant legislation in managing its health and safety (H&S) duties.

The Authority has an H&S management system based on Health & Safety Executive (HSE) guidance. As part of this we have clearly defined management responsibilities; as far as reasonably practicable we assess and manage the risks arising from our activities, we consult our employees on matters affecting H&S, we provide training and information to our employees.

The Service has an Occupational Health Unit to support the health and wellbeing of staff. We have a program of health and wellbeing campaigns e.g. we have signed up to the MIND Blue Light campaign to support mental health and wellbeing in the Service and provided training to mental health champions

[Annual Health and Safety Report 2015](#)

We have introduced an electronic system to support the reporting of all accidents and near misses that occur within the Service and to track the investigations conducted with the intention of preventing a recurrence. The Service seeks to learn not only from events that happen within the Service but also from events that occur in other FRSs; we have conducted reviews of our own policies and procedures in light of these and made improvements when necessary with actions tracked through the Cheshire Planning System.

We have arrangements to respond to any emergency that occurs at work.

As part of the H&S Management System there is a program of audits and inspections; the audits are based on the Royal Society for Prevention of Accidents Quality Safety Audit (ROSPA) (QSA) system and its performance indicators. These audits and inspections inform our annual review of H&S Policy and performance. They also contribute towards an annual H&S report submitted to the Authority's Performance and Overview Committee.

Firefighter Fitness

The Authority has had a policy to ensure the fitness of its operational staff for some time; in December 2014 the Department for Communities and Local Government (DCLG) issued an addendum to the National Framework for England in relation to firefighter fitness. In 2015 the Authority proposed amendments to its then current fitness policy to align it to the National Framework requirements and the national fitness standard proposed by CFOA.

The Authority recruited a fulltime Fitness Advisor to lead on supporting firefighters to attain and maintain the fitness standards required, and to undertake fitness testing. Fitness testing for all operational staff takes place annually.

[Firefighter Fitness Addendum](#)

[Firefighter Fitness Policy](#)

An audit of compliance with the National Framework requirements on management of firefighter fitness concluded that the Authority complied with the requirements of the framework.

Operational Training

The operational training strategy was formally launched in 2012. This strategy is underpinned by a number of specialist training policies and together these deliver a competence training framework covering a three year training cycle. The Service is now in its fifth year of training planning, delivery and review against this strategy.

[Operational Training Strategy](#)

All new firefighters attend basic training which is broken down into modules and each module is assessed. Whilst attending at the Training Centre on their initial training they are regarded as Trainee Firefighters. After this training they are posted to their fire station where they are allowed to commence riding the station's fire appliance in a limited capacity and under the close watch of their supervisory managers and their competent co workers. As the newly appointed firefighter enters their development phase of their career they are enrolled and registered with the awarding body Edexcel onto a level three National Vocational Qualification Diploma, Operations in the Community. During this phase they are assessed by competent qualified vocational assessors who ensure that the firefighters meet the assessment criteria of National Occupational Standards within their role map and go on to achieve competence within three years. This robust process of assessment is internally quality assured by vocationally qualified level 4 Internal Quality Assurers. It is later externally quality assured by an independent external Standards Verifier from Edexcel, the awarding body.

All front line operational staff, inclusive of new starters attend regular station planned training in order to maintain their operational abilities and competence. They also attend centrally planned refresher training in order to support this maintenance programme.

Breathing apparatus refresher training, which takes place in dedicated 'hot fire' conditions is scheduled annually and the Authority aims to ensure that 100% of all eligible staff attend through an electronic course management and staffing system.

Compartment fire behaviour training capability is refreshed every two years and a joint venture with Manchester Airport Fire Service and Greater Manchester Fire & Rescue Service commenced in June 2013 whereby all three services use training facilities at the airport to train and assess gas cooling and backdraft awareness skills, knowledge and understanding. This collaboration continues to be successful and effective and has underpinned the Authority's operational capability to deal safely and competently with severe compartment scenarios. Once again the Authority aims to ensure 100% of all eligible staff attend.

Road traffic extrication techniques, trauma care, hazardous materials, and working safely at height skills are refreshed over a three year period and each year the Service aims to refresh the skills, knowledge and understanding of one third of its operational workforce with an overall target set to achieve 100% of all eligible staff attendance after three years.

The Swift water rescue capability of the Service's key water stations is validated by the staff attending two days of assessment every year.

The Service's emergency response drivers attend a one day emergency response driver training refresher within a five year period. The Service is just introducing an Emergency Fire Appliance Driver Risk Index rating assessment in order to identify if any of its drivers display any 'high' risk indicators whilst driving at high speed. This assessment will result in a coaching plan being prepared for anyone identified with these tendencies.

To enhance the teaching and training capability of the instructional staff, all have now achieved or are in the process of achieving the level three award in education and training.

The Operational Training Group (OTG) also manages the Authority's Accredited Centre; currently Edexcel and Skills for Justice are the awarding bodies. Visits by external standards verifiers annually assess and confirm that the Authority operates to and maintains the awarding standards and this assists OTG in quality assuring its planning, delivery and review of training.

As well as external verification OTG also review all operational training delivery against its policies and annual training plan to assess its effectiveness and to ensure that the requisite number of operational personnel have attended these continuous professional development programmes.

Managers are all trained and assessed for their skills, knowledge and understanding in Incident Command. A dedicated Command Training Group (CTG) of vocationally qualified Officers plan, deliver and assess these training programmes. The quality of the Incident Command Training within the Service has attracted business from several other Fire & Rescue Services including Cumbria, Shropshire and Nottinghamshire as well as several high risk industries.

5. Assurance Conclusion

This Statement of Assurance provides an accurate account of Cheshire Fire and Rescue Authority's Financial (and associated documentation), Governance and Operational Assurance arrangements to 31st March 2017. In addition we are satisfied that Cheshire Fire and Rescue Authority conducted its business practices within the appropriate legal framework and standards and that public money was properly accounted for and used economically, efficiently and effectively.

Signatures:

Fire Authority (Chair):

Chief Fire Officer/
Chief Executive Officer:

Treasurer:

DRAFT

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APPENDIX 2 – Revised Local Code of Corporate Governance Principles Delivering Good Governance in Public Sector - Refreshed Code - 2016 Code of Corporate Governance

Introduction

Corporate governance is how Cheshire Fire Authority (CFA) ensures that the right things are done in the right way, for the right people in a timely, inclusive, open, honest and accountable way. It comprises the systems, processes, cultures and values by which the Authority is directed and controlled.

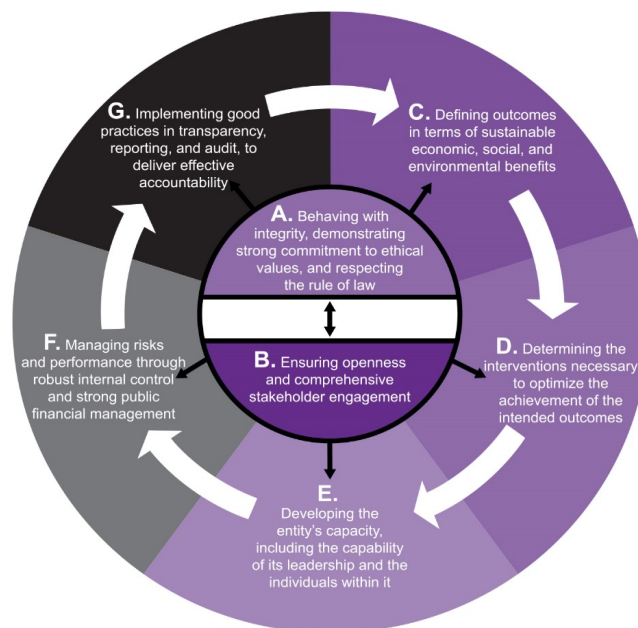
The basic principles of good corporate governance require CFA to carry out its functions in a way that is completely open and inclusive of all sectors of the community and demonstrates the utmost integrity, the Authority supports these principles fully.

Revised Core Principles

The main body of the revised Code is divided into seven core principles, these have been adopted from the revised CIPFA/SOLACE framework document 'Delivering Good Governance in Local Government' 2016. Each of the core Principles (A-G) covers a particular aspect of CFA's responsibilities for corporate governance. Under each of the principles, the means by which CFA will meet and demonstrate its commitment is evidenced in more detail the Local Code of Corporate Governance Framework.

Defining the Core Principles and Sub Principles of good governance

The diagram and tables below from the Delivering Good Governance Framework (2016) illustrates how the principles for good governance in the public sector relate to each other. Principles A and B inform implementation of principles C-G, Principle H represents the requirements aligned to the Fire National Framework and is included in CFRS Corporate Governance Framework:



**APPENDIX 2 – Revised Local Code of Corporate Governance Principles
Delivering Good Governance in Public Sector - Refreshed Code - 2016**

PRINCIPLE A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting rule of law	
A.1	Ensuring members and officers behave with integrity and lead a culture where acting in the public interest is visibly and consistently demonstrated thereby protecting the reputation of the organisation.
A.2	Ensuring members take the lead in establishing specific standard operating principles or values for the organisation and its staff and that they are communicated and understood. These should build on the seven principles of Public Life (the Nolan principles).
A.3	Leading by example and using the above standard operating principles or values as a framework for decision making and other actions.
A.4	Demonstrating, communicating and embedding the standard operating principles or values through appropriate policies and processes which are reviewed on a regular basis to ensure that they are operating effectively.
PRINCIPLE B: Ensuring openness and comprehensive stakeholder engagement.	
B.1	Ensuring an open culture through demonstrating, documenting and communicating the organisations commitment to openness.
B.2	Making decisions that are open about actions, plans, resource use, forecasts, outputs and outcomes. The presumption is for openness. If that is not the case, a justification for the reasoning for keeping a decision confidential should be provided.
B.3	Providing clear reasoning and evidence for decisions in both public records and explanations to stakeholders and being explicit about the criteria, rationale and considerations used. In due course, ensuring that the impact and consequences of those decisions are clear.
B.4	Using formal and informal consultation and engagement to determine the most appropriate and effective interventions/courses of action.
PRINCIPLE C: Defining outcomes in terms of sustainable economic, social and environmental benefits	
C.1	Having a clear vision, which is in an agreed formal statement of the organisation’s purpose and intended outcomes containing appropriate performance indicators, which provide the basis for the organisation’s overall strategy, planning and other decisions.
C.2	Specifying the intended impact on, or changes for stakeholders including citizens and service users. It could be immediately or over the course of a year or longer.
C.3	Delivering defined outcomes on a sustainable basis within the resources that will be available.
C.4	Identifying and managing risks to the achievement of outcomes.
C.5	Managing service users’ expectations effectively with regard to determining priorities and making the best use of the resources available.
PRINCIPLE D: Determining the interventions necessary to optimise the achievement of the intended outcomes	
D.1	Ensuring decision makers receive objective and rigorous analysis of a variety of options indicating how intended outcomes would be achieved and associated risks. Therefore ensuring best value is achieved however services are provided.

APPENDIX 2 – Revised Local Code of Corporate Governance Principles Delivering Good Governance in Public Sector - Refreshed Code - 2016

D2	Considering feedback from citizens and service users when making decisions about service improvements or where services are no longer required in order to prioritise competing demands within limited resources available including people, skills, land and assets and bearing in mind future assets.
PRINCIPLE E: Developing the entity’s capacity, including the capability of its leadership and the individuals within it.	
E.1	Reviewing operations, performance and use of assets on a regular basis to ensure their continuing effectiveness
E.2	Improving resource use through appropriate application of techniques such as benchmarking and other options in order to determine how resources are allocated so that defined outcomes are achieved effectively and efficiently
E.3	Recognising the benefits of partnerships and collaborative working where added value can be achieved
E.4	Developing and maintaining an effective workforce plan to enhance the strategic allocation of resources
PRINCIPLE F: Managing risks and performance through robust internal control and strong public financial management	
F.1	Recognising that risk management is an integral part of all activities and must be considered in all aspects of decision making
F.2	Implementing robust and integrated risk management arrangements and ensuring that they are working effectively
F.3	Ensuring that responsibilities for managing individual risks are clearly allocated
PRINCIPLE G: Implementing good practices in transparency reporting, and audit to deliver effective accountability	
G.1	Writing and communicating reports for the public and other stakeholders in a fair, balanced and understandable style appropriate to the intended audience and ensuring that they are easy to access and interrogate
G.2	Striking a balance between providing the right amount of information to satisfy transparency demands and enhance public scrutiny while not being too onerous to provide and for users to understand
PRINCIPLE H - Fire National Framework: The priorities in the National Framework are for fire and rescue authorities to: <ul style="list-style-type: none"> ▪ Identify and assess the full range of foreseeable fire and rescue related risks their areas face; make provision for prevention and protection activities; and respond to incidents appropriately. ▪ Work in partnership with communities and a wide range of partners locally and nationally to deliver their service. ▪ Be accountable to communities for the service they provide. 	
Must Do	
<ol style="list-style-type: none"> 1. – Safer Communities 2. – Accountable to Communities 3. – Assurance 4. – Firefighter Fitness 	

**APPENDIX 2 – Revised Local Code of Corporate Governance Principles
Delivering Good Governance in Public Sector - Refreshed Code - 2016**

1. – Safer Communities	
Ref recorded in National Framework	
1.3	Produce an integrated risk management plan that identifies and assesses all foreseeable fire and rescue related risks that could affect its community, including those of a cross-border multi-authority and/or national nature.
1.9	Work with communities to identify and protect them from risk and to prevent incidents from occurring
1.10	Each fire and rescue authority must: <ul style="list-style-type: none"> ▪ Demonstrate how prevention, protection and response activities will best be used to mitigate the impact of risk. ▪ Set out its management strategy and risk based programme for enforcing the provision of Regulatory Reform (Fire Safety) Order.
1.11	Make provision to respond to incidents such as fires, road traffic accidents and emergencies within their area and other areas in line with mutual aid agreements.
1.14	Have effective business continuity arrangements in place in accordance with duties under Civil Contingencies Act 2004.
1.15	Collaborate with other fire and rescue authorities to deliver interoperability. Interoperability between fire and rescue authorities includes, but is not limited to: <ul style="list-style-type: none"> ▪ Compatible communications systems, control rooms and equipment. ▪ Common command and compatible control and co-ordination arrangements. ▪ Effective information, intelligence and data sharing. ▪ Compatible operational procedures, and guidance with common terminology. ▪ Compatible training and exercising (both individually and collectively). ▪ Cross border working with other English fire and rescue authorities and those in devolved administrations.
1.17	Collaborate with other FRAs, other emergency services, wider Category 1 & 2 responders and Local Resilience Forums to ensure interoperability.
1.26	Engage with the Fire and Rescue Strategic Resilience Board in order to support discussions and decision making.
1.29	Fire and rescue authorities risk assessments must include an analysis of any gaps between existing capability and national resilience.
1.31	Fire and rescue authorities must highlight to the department or the Fire and Rescue strategic resilience board, any capability gaps that cannot be met having taken into account mutual aid arrangements, pooling and reconfiguration of resources and collective action.
1.33	Fire and Rescue Strategic Resilience Board, to provide assurance to Government that risks are assessed, plans are in place and any gaps between existing capabilities commissioned to deliver by Government are procured, maintained and managed cost effectively.

**APPENDIX 2 – Revised Local Code of Corporate Governance Principles
Delivering Good Governance in Public Sector - Refreshed Code - 2016**

1.38	Work in partnership with communities and a wide range of partners locally and nationally in order
2. – Accountable to Communities	
2.3	Each fire and rescue authority integrated risk management plan must: <ul style="list-style-type: none"> ▪ Be accessible and publicly available ▪ Reflect effect consultation throughout development ▪ Cover at least a three year time span and be reviewed and revised as often as necessary ▪ Reflect up to date risk analysis and evaluation
2.4	Hold the CFO to account for the delivery of the fire and rescue service
2.5	Have arrangements in place to ensure that decisions are open to scrutiny
2.8	Make communities aware of how they can access data and information on their performance
3. – Assurance	
3.2	Publish an annual statement of assurance
3.4	Fire and rescue authorities must work collectively, with the Strategic Resilience Board, to provide assurance to Government that: <ul style="list-style-type: none"> ▪ Risks are assessed, plans are in place and any gaps between existing capability and that needed to ensure national resilience are identified ▪ Existing specialist national resilience capabilities are fit for purpose Any new capabilities that fire and rescue authorities are commissioned to deliver by Government are procured, maintained and managed in the most cost effective way that delivers value for money whilst ensuring fit for purpose.
4. – Firefighter Fitness	
4.1	Each Fire & Rescue Authority must: <ul style="list-style-type: none"> ▪ Have a process of fitness assessment and development to ensure that operational personnel are enabled to maintain the standards of personal fitness required in order to perform their role safely. ▪ Ensure that no individual will automatically face dismissal if they fall below standards of personal fitness required in order to perform their role safely ▪ Ensure that all operational personnel will be provided with support to maintain their levels of fitness for the duration of their career ▪ Consider where operational personnel have fallen below the fitness standards required whether an individual is able to continue on full operational duties or should be stood down, taking into account the advice provided by the authority’s occupational health provider. In making this decision, the safety and wellbeing of the individual will be the key issue.

**APPENDIX 2 – Revised Local Code of Corporate Governance Principles
Delivering Good Governance in Public Sector - Refreshed Code - 2016**

	<ul style="list-style-type: none">▪ Commit to providing a minimum of 6 months of development and support to enable individuals who have fallen below the required fitness standards to regain the necessary levels of fitness.▪ Refer an individual to occupational health where underlying medical reasons are identified that restrict/prevent someone from achieving the necessary fitness and that individual must receive the necessary support to facilitate a return to operational duties and <p>Fully explore opportunities to enable the individual to remain in employment including through reasonable adjustment and redeployment in role where it appears the medical condition does not allow a return to operational duties.</p>
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CHESHIRE FIRE AUTHORITY

MEETING OF: CHESHIRE FIRE AUTHORITY
DATE: 20TH SEPTEMBER 2017
REPORT OF: CHIEF FIRE OFFICER AND CHIEF EXECUTIVE
AUTHOR: SARAH DORNFORD-MAY

SUBJECT: ANNUAL REPORT 2016-17

Purpose of Report

1. This report seeks approval to publish the Annual Report for 2016-17 which incorporates statutory information on the annual Statement of Accounts together with summary information on key areas of Service performance during the last financial year.
2. Proofs of the newspaper style report will be shared amongst Members at the meeting and each Member will be sent an electronic copy.

Recommended: That

- [1] Subject to Members' comments, the draft Annual Report 2016–17 is approved for publication.

Background

3. The Authority must publish certain information about its accounts and governance arrangements. Reference is made to this information in the Annual Report.
4. The Authority is also required to comply with the requirements of the Fire and Rescue National Framework concerned with the provision of information to communities about its performance. The publication of the Annual Report helps the Authority to meet these obligations. It is also required to produce an Annual Statement of Assurance.
5. The Authority has prepared and distributed the Annual Report for a number of years, more recently in a newspaper style. The Annual Report is distributed to all homes in Cheshire East, Cheshire West and Chester, Halton and Warrington.

Information

6. The Fire Authority is committed to keeping its residents, businesses and key stakeholders informed about the development of its services and policies and its performance against its published plans.
7. The content of the Annual Report includes details about key areas of Service performance compared over time and against similar fire and rescue services, together with a summary of the Statement of Accounts.
8. A draft of the Annual Report has now been produced, with an electronic copy due to be published on the Service's website by 30th September – the statutory deadline for publication of the Statement of Accounts. Delivery of printed copies of the Annual Report to all 505,000 residential / mixed business addresses will commence on 9th October.

Financial implications

9. The cost of the Annual Report this year will be £47k (£18k printing and £29k postage), compared to £45k last year (£17k printing and £28k postage). This equates to a cost of less than 5p per head of the population. The cost for printing and distribution of the Annual Report can be met from within existing corporate communications budgets.

Legal implications

10. There are various legal requirements relating to the publication of information by the Authority. However, there is no legal requirement to print and send out the Annual Report.

Equality impact assessment

11. In addition to printed and electronic copies of the Annual Report, an Audio CD version will be produced while copies in other languages and formats such as Braille will be made available on request.

Sustainability

12. In recognition of the Authority's commitments through its environmental strategy, the contract with the printing company has specified the use of paper from partially recycled stock.

CHESHIRE FIRE AUTHORITY

MEETING OF: FIRE AUTHORITY
DATE: 20TH SEPTEMBER 2017
REPORT OF: CHIEF FIRE OFFICER AND CHIEF EXECUTIVE
AUTHOR: GRAEME WORRALL

SUBJECT: DRAFT INTEGRATED RISK MANAGEMENT
PLAN 2018-19 (IRMP 15)

Purpose of Report

1. This report sets out the key proposals contained within the 2018-19 draft Integrated Risk Management Plan (IRMP). It also provides details on the 12 week public consultation, to allow the public, staff and stakeholders the opportunity to comment on and shape the proposals.

Recommended: That

- [1] Subject to Members' comments, the draft Integrated Risk Management Plan for 2018-19 (IRMP15) be approved for formal internal and external consultation.

Background

2. The Fire Authority has a legal duty to prepare and publish an Integrated Risk Management Plan (IRMP), setting out the key risks and issues faced by the community and outlining the plans that the Authority intends to pursue and implement in the coming year.
3. In 2015, the Fire Authority approved a five year strategy, 'Planning for a Safer Cheshire', which set out an overarching vision to realise financial savings, while continuing to develop the organisation, expand prevention activities and make changes to emergency response services. The Authority also committed to publishing an annual action plan, or IRMP, each year to ensure proposals and projects remained fit for purpose and relevant. The draft IRMP15 covers the financial period 2018-19.
4. Four years ago a comprehensive review of emergency services was carried out and following a major consultation, work began on implementing the programme. This included building new fire stations at Alsager, Penketh, Powey Lane and at Lymm and making changes to crewing systems at a number of other fire stations.

5. Taken together over the last four years, the operational changes highlighted above and a series of value for money reviews of support functions have achieved savings of £7.7m. While the recently agreed financial settlement from the Government provides certainty around funding, there remains a requirement to make a further £4m revenue savings by 2020/21.
6. In 'Planning for a Safer Cheshire 2015-20', the Authority committed to undertaking a second emergency response review, to consider all aspects of the Service's frontline emergency response resources. The second emergency response review was the subject of consultation in the 2017/18 draft IRMP. Following this consultation, Members agreed to review a number of duty systems (as detailed in paragraph 8 below) as well as developing further proposals for 2018/19.
7. The proposals are outlined in the draft IRMP for 2018/19 (copies have been distributed with the agenda). The draft IRMP also outlines a range of new and ongoing projects, as well as the detailed risk analysis and planning processes which have been carried out to ensure current and future projects continue to meet the Authority's objectives and future financial challenges.

Note: Proposals concerned with the crewing arrangements at Crewe and Ellesmere Port Fire Stations will be considered by Members separately and do not feature in the draft IRMP for 2018/19.

Key issues

8. There are a number of issues and proposals outlined in the Plan which are summarised below:

Draft IRMP 2018/19 Proposals

- **Macclesfield Aerial Appliance** – review the provision of the aerial appliance currently based at Macclesfield Fire Station.
- **Reviewing Duty Systems** – review the current duty system at Penketh Fire Station and review the suitability and sustainability of the existing duty system at Wilmslow Fire Station.
- **Emergency Medical Response** – roll-out the cardiac response pilot, undertaken in conjunction with North West Ambulance Service, to all fire stations across Cheshire.
- **Protection Review** – review the department to ensure it is able to respond to emerging demands following the Grenfell Tower fire.
- **Sprinkler Campaign** – provide additional funding to promote the adoption of sprinkler systems by local housing providers.
- **Sadler Road Training Centre** – commence building the operational training centre at the Authority's Sadler Road site.
- **Station Build Programme** – develop options for new, replacement fire stations at Chester, Crewe, Ellesmere Port and Warrington.

- **Property Enhancement Programme** – undertake a programme of improvements/enhancements to improve and modernise existing fire stations and Authority houses as required.
- **Service Transformation** – deliver against the Service Transformation plan to reflect the requirements of the fire reform agenda and to deliver the action plan arising from the 2017 staff engagement survey.
- **Blue Light Collaboration** - conclude the collaboration project with Cheshire Constabulary and the Police and Crime Commissioner for Cheshire to provide a joint corporate services function and joint HQ for both organisations.
- **Public Service Reform** – continue to contribute to the Cheshire and Warrington Public Services Reform Strategy.
- **Precept** – proposing to increase the Authority’s Council Tax precept by 1.99%.

Consultation

9. It is proposed to continue the Authority’s tried and tested approach of undertaking comprehensive consultation to ensure that the community, staff and stakeholders are able to contribute their views and shape plans. This approach also enables the organisation to promote key safety messages and raise general awareness of the Service.
10. The formal 12-week consultation will run from 2 October 2017 until Tuesday 2 January 2018. As in previous years, a series of consultation roadshows will take place across all unitary council areas during the consultation period. Details and locations will be published on the Service’s website as soon as arrangements are confirmed.
11. There will also be extensive use made of the website and the Service’s social media channels, to encourage online feedback. Key external partners will be contacted directly and encouraged to give their views, while staff consultation will include briefings, roadshows and extensive use of the Service’s intranet.
12. Emerging issues and interim findings from the consultation will be presented to Members in December. A formal report on the outcomes of the consultation will be presented to the Authority in February 2018 when it determines the final IRMP 2018/19.

Financial Implications

13. The consultation and communication costs associated with the development of the action plan for 2018-19 will be met from existing departmental budgets. The assumptions in the Medium Term Financial Plan, around annual increases in the Authority’s Council Tax precept of 1.99%, will feature as part of the consultation.

Legal Implications

14. Publication of the IRMP 2018/19 by 31st March 2018 will fulfil the Authority's statutory responsibility.

Equality and Diversity Implications

15. The consultation plan has been developed to maximise opportunities for the Authority to involve and engage with all of Cheshire's communities – particularly those from vulnerable minority and hard to reach communities.
16. The consultation plan incorporates issues highlighted by the full Equality Impact Assessment (EIA) undertaken to support the communications and community engagement strategies.

Environmental Implications

17. No environmental implications have been identified.

BACKGROUND PAPERS: NONE

CHESHIRE FIRE AUTHORITY

MEETING OF: CHESHIRE FIRE AUTHORITY
DATE: 20TH SEPTEMBER 2017
REPORT OF: DIRECTOR OF TRANSFORMATION
AUTHOR: MELANIE HOCKENHULL

SUBJECT: ENHANCEMENT OF CURRENT PROVISION FOR MATERNITY AND ADOPTION LEAVE

Purpose of Report

1. Cheshire Fire and Rescue Service prides itself on being a family friendly employer and on its commitment to equality, diversity and inclusion. The Service is also keen to diversify the makeup of its workforce.
2. In order to achieve these goals and assist new parents and families, it is proposed to enhance the current provision for Occupational Maternity Pay and Adoption Pay. As concerns maternity pay, this could help to attract more women to join the Service and thereafter retain their skills if they choose to become mothers.

Recommended: That

- [1] Members consider the content of this report and the recommendations contained within it;
- [2] Members approve the proposal to increase the current provision for occupational maternity/adoption pay as outlined at paragraphs 10-12; and
- [3] Members approve changes to the maternity and adoption policies to reflect the proposals.

Background

3. The Service is committed to increasing the diversity of its workforce. This report has particular relevance to its desire to increase the number of operational women. At the same time, the Service operates a three year review of all internal HR policies. The Maternity and Adoption policies required updating during 2017 as part of this review.
4. To complete this review, a working group was set up which comprised of members of the FBU and FOA, the Equality and Inclusion Officer, and female members of both operational and support staff who had been on maternity leave. This report and proposal has been produced as a direct result of the discussions and findings of the group and the research undertaken.

Information

5. By law all staff must be given the provision for up to 52 weeks off work for either maternity or adoption leave.
6. In respect of pay for maternity leave, the minimum provision is Statutory Maternity Pay (SMP) which is paid for up to 39 weeks as follows:
 - For the first 6 weeks, receipt of 90% of their average weekly earnings (AWE) before tax.
 - For the remaining 33 weeks, receipt of £140.98 or 90% of their AWE (whichever is lower).

Statutory Adoption Pay (SAP) typically mirrors the same provision although there are nuances in terms of who is eligible and when it is paid during the process of adoption.

7. Many employers, including the Service, offer an enhanced provision over and above the normal statutory provisions. This is referred to as Occupational Maternity Pay or Occupational Adoption Pay. Following a benchmarking exercise, it seems there is an increasing number of employers providing paid time off of between 26 weeks and 52 weeks full pay. Appendix 2 to the report contains some comparisons taken from the benchmarking exercise.
8. It is considered that our current provisions do not adequately mirror the Service's commitment to being a family friendly or diversity driven organisation.
9. The current Service provision for Maternity and Adoption Pay is shown in Appendix 1 to this report alongside the proposed enhancements as explained below.

Proposal

10. It is proposed that the Authority enhances Occupational Maternity Pay to 45 weeks pay which will provide up to 52 weeks of full pay (inclusive of annual leave, bank holidays and Keeping in Touch days).
11. At the same time as enhancing Occupational Maternity Pay, it is proposed to apply the same benefit to Occupational Adoption Pay.
12. These proposals should mean the Service will become the "best in class" within the fire and rescue sector. Enhancing adoption pay at the same time as maternity pay will ensure consistency and will be inclusive of employees who choose to adopt, which can often be individuals in a same sex relationship.

Financial Implications

13. It is difficult to accurately estimate the impact of these new proposals on the budget. The number of employees who choose to take maternity or adoption leave each year fluctuates, as does the seniority and pay grade of these employees. For this reason, it is proposed that the costs are reviewed on an annual basis. The table in Appendix 1 to this report shows the cost to the Authority of paying a firefighter at the current levels of occupational maternity or adoption pay as compared to the proposed enhancement.

Legal Implications

14. The proposals will be consistent with legislation concerning Maternity and Adoption Leave and Pay.

Equality and Diversity Implications

15. The proposal is designed to remove barriers to attraction and retention of under-represented groups and to reinforce the Service's position as a family friendly employer.

Environmental Implications

16. Not Applicable.

CONTACT: JOANNE SMITH, FIRE SERVICE HQ, WINSFORD

TEL [01606] 868804

BACKGROUND PAPERS: NONE

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Cost to the Authority of Current Occupational Maternity Pay and Occupational Adoption Pay Compared to Proposed Enhancement

Occupational Maternity Pay

Current Occupational Maternity Pay			Proposed Occupational Maternity Pay	
39 weeks	6 weeks	90% of full pay	45 weeks	Full pay
	12 weeks	Half pay	2 weeks	Discretionary KIT days at full pay
	21 weeks	Statutory Maternity Pay	5 weeks	Annual leave at full pay
13 weeks	Unpaid		If KIT days or annual leave are not taken, then the remaining 7 weeks will be unpaid.	
52 weeks maximum leave			52 weeks maximum leave	
Total cost of OMP for a firefighter:			Total cost of proposed OMP for a firefighter:	
£5,192.02			£31,070.21	

Occupational Adoption pay

Current Occupational Adoption Pay			Proposed Occupational Adoption Pay	
39 weeks	1 week	Full salary	45 weeks	Full pay
	5 weeks	90% of average weekly earnings	2 weeks	Discretionary KIT days at full pay
	33 weeks	Lower rate of statutory adoption pay	5 weeks	Annual leave at full pay
13 weeks	Unpaid		If KIT days or annual leave are not taken, then the remaining 7 weeks will be unpaid.	
52 weeks maximum leave			52 weeks maximum leave	
Total cost of OAP for a firefighter:			Total cost of OAP for a firefighter:	
£701.90			£31,070.21	

Current Provision and Comparators

APPENDIX 2

CFRS Current Maternity Pay	<ul style="list-style-type: none"> • 6 weeks at 90% of salary (inclusive of SMP); + • 12 weeks at 50% salary plus lower rate SMP (not exceeding normal weekly pay); + • remaining 21 weeks at lower rate SMP (currently £140.98) + • After 39 Weeks – unpaid leave up to a maximum of 52 weeks off work.
CFRS Current Adoption Pay	<ul style="list-style-type: none"> • 1 week full salary (inclusive of SAP); + • 5 weeks at 90% of average weekly earnings • 33 weeks at lower SAP rate • After 39 Weeks – unpaid leave up to a maximum of 52 weeks off work.

COMPARATORS

Staffordshire FRS	<ul style="list-style-type: none"> • 39 weeks full pay (inclusive of SMP) + • 13 weeks half pay.
Cheshire Constabulary	<ul style="list-style-type: none"> • 18 weeks full pay • 21 weeks SMP • 13 weeks unpaid
Netflix	<ul style="list-style-type: none"> • Up to full 52 weeks paid leave
NHS Employers	<ul style="list-style-type: none"> • 8 weeks full pay • 18 weeks half pay plus SMP • 13 weeks lower rate SMP • 13 weeks unpaid
British Army	<ul style="list-style-type: none"> • 26 weeks full pay • Optional 13 weeks lower rate SMP • 13 weeks unpaid
Civil Service – Prison Service	<ul style="list-style-type: none"> • 26 weeks full pay • Optional 13 weeks lower rate SMP • 13 weeks unpaid

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CHESHIRE FIRE AND RESCUE SERVICE

MEETING OF: CHESHIRE FIRE AUTHORITY
DATE: 20TH SEPTEMBER 2017
REPORT OF: DEPUTY CHIEF FIRE OFFICER
AUTHOR: STEWART FORSHAW

SUBJECT: TRAINING CENTRE PROGRAMME AND
SADLER ROAD SITE REQUIREMENTS

Purpose of Report

1. To update Members on activities that have taken place since the decision in September 2016 concerning the training centre and the decision in December 2016 concerning the vehicle workshop.
2. To confirm the requirements for the replacement of the Incident Command Training Suite (ICTS).
3. To clarify the requirements at the Sadler Road site which are not directly related to the training centre/ICTS (vehicle workshop and security).
4. To set out the business case for the training centre.
5. To provide a consolidated budget requirement for the training centre, ICTS and Sadler Road site works.

Recommended: That Members

[1] Confirm that the training centre programme and Sadler Road requirements should be delivered subject to successful procurement being undertaken;

[2] Approve the following sums (for the activity indicated alongside):

£7,500,000 – Training Centre (already earmarked and including the
£0.5m approved in September 2016)

£300,000 – Vehicle Workshops Renovation

£1,000,000 – Incident Command Training Suite Reprovision

£250,000 – Sadler Road Site Security

£9,050,000 – Total

[3] Approve an overall general contingency of 5% (to be applied as necessary and appropriate); and

- [4] Ask Estates and Property Committee to identify Members to engage in procurement, contract award and contract management

- [5] Note the requirement for further funding to ensure continuity of operational training during the redevelopment of the Sadler Road site. This will be confirmed as part of the 2018-19 and 2019-20 annual budget setting process. Latest estimates are that the requirement will total around £100,000 per year to be funded from reserves.

Background

- 6. Members considered a paper concerned with Blue Light Collaboration (BLC) at the Fire Authority meeting in September 2016. At the same meeting they also considered a report entitled 'Provision of Training Facilities – Future Options'.
- 7. The BLC Programme originally envisaged that all operations delivered from Sadler Road would be recreated at Clemonds Hey, including operational training (with the Sadler Road site being sold once vacated).
- 8. In September 2016 it had become clear that it was necessary to retain the Sadler Road site and that operational training would need to continue to be delivered from Sadler Road.
- 9. In December 2016 Members agreed a further change to the scope of the BLC Programme – they decided to retain the vehicle workshop at Sadler Road due to concerns about the level of capital investment required to deliver a joint facility and the limited revenue savings that would be achievable.
- 10. Retention of the vehicle workshop (a sizeable part of the site) clearly has had an impact on the development of the proposal for a new Training Centre on the site.
- 11. When Members considered the future options for training facilities in September 2016 the report sought to compare and contrast options for operational training provision at Clemonds Hey and Sadler Road.
- 12. The report showed that there were significant doubts about delivering all operational requirements at Clemonds Hey. For both sites, assessments were set out in the report of options to create 'as is' and enhanced facilities.

13. Members supported the retention of the Sadler Road site with a view to developing facilities that were a significant improvement and had capacity to expand to meet future needs.
14. Members also agreed to officers expending up to £500,000 to take the preferred option to the next stage of a detailed business case with detailed design brief and professionally costed options.
15. This paper explains what has happened since September 2016. It also explains the business case for proceeding with the Training Centre project.

Information

Activity since September 2016

Decision to Retain Vehicle Workshop at Sadler Road.

16. This decision has had an impact upon the training centre programme as the vehicle workshop is a substantial building which reduces the space available to build the training centre facilities.

Adjacent Land

17. The above decision led officers to carry out an assessment of the land adjacent to the Sadler Road site.
18. There was a consideration of land owned by the police (the police station and unused land to the rear) and land owned by Cheshire West and Chester Council (the fields behind and adjacent to the existing site).
19. After some discussions and deliberations it became clear that the training centre would need to be contained within the existing Sadler Road site. It was felt that the adjoining land was either too problematic, too expensive, or would have potentially significantly extended the timescales of the programme.

Research

20. Following the endorsement by the Members in September 2016 to use up to £500,000 to develop a detailed business case, the programme team have developed a detailed design brief and plan drawings for a new training centre which will provide an excellent standard of training, development and assessment for the next 25 years.

21. The design brief and plan drawings have been developed by the programme team during the research phase of the programme. This research phase also included the participation from Service staff through workshops and briefing sessions.
22. The programme team also visited several fire and rescue service (FRS) training centres across the UK and engaged with suppliers of specialist FRS training props and equipment, to identify best practice and modern training props and facilities.
23. The ideas generated during the research phase of the programme have also included the contribution of several Fire Authority Members, who accompanied the programme team during visits to FRS training centres in Scotland, London, Durham and Darlington, South Yorkshire and Greater Manchester.
24. Accordingly, the new training centre design brief has been researched robustly with both CFA Members and CFRS staff interaction and support.

Design Brief

25. The new training centre design brief would, if delivered, provide the Authority with a realistic and modern day training centre, where firefighters will learn and practice the skills needed to respond safely and effectively to fires and other emergencies in the communities of Cheshire.
26. This will be achieved with the new training centre simulating all types of emergency incidents which fire crews are likely to encounter in Cheshire, using a themed approach and including:
 - An urban zone including four terraced houses with the ability to conduct carbonaceous fires, a 3 storey fire house, realistic fire behaviour training units and a confined space sewer system;
 - A rural zone including a barn, farm yard area and an animal rescue area e.g. slurry pit;
 - An industrial zone including a petrochemical rig, rail track with chemical tanker rolling stock and foam training area;
 - A transport zone which will include a motorway section, road traffic collision training classroom and a scrap vehicle storage area. The roads interconnecting the zones will also reflect the types of roads commonly found in those environments.

- A conventional firefighter training area to practice pump operation and hose running, including firefighter entrance selection tests.
27. The new training centre will also include a new indoor training area which will include the use of sound, light, noise and visual effects to help create a sense of realism for firefighters whilst training indoors. This building will also provide secure parking for fire appliances during out-of-hours.
 28. The new training centre design also includes new teaching classrooms, shower/changing facilities and a separate entrance to a training centre reception which is expected in a modern and sector leading training centre.
 29. The design brief also includes a detailed plan drawing of the final proposals. It has been a challenge for the programme team to fit all the requirements on the existing site. This has impacted upon the current location of the incident command training suite (ICTS) which cannot be retained in its current position and has led to additional expense which is detailed below.

Budget

30. Following the previous reports of September and December 2016, the proposed project has been subjected to a detailed review of build costs.
31. This firstly involved a full review of the proposed project requirements and the site area to be utilised for the project, including the preparation of draft site plans and building layouts to confirm the operational feasibility of the proposals.
32. The finalised requirements, project scope and drawings were then subjected to a build cost review by the appointed Project Quantity Surveyors.
33. This initial project cost review was then subjected to further scrutiny to ensure that the Authority's requirements had been correctly interpreted and comparisons made with other similar and recently procured schemes.
34. Finally, at the conclusion of the process in July 2017 a final review was undertaken against a recent tender return to ensure that the cost model presented is robust and accurate. Whilst officers are satisfied that this is the case, a number of risk items which cannot at this time be fully confirmed have been identified. Where possible provisional allowances have been made for these items within the budget. However, there remain

items which cannot be quantified at this time. These unquantifiable items would be funded from the requested 5% general contingency allowance.

Clarification of Situation Concerning Incident Command Training Suite (ICTS)

35. The ICTS continues to provide an excellent training and assessment environment for incident commanders and will therefore still be required in the future to provide incident command operational assurance.
36. In September 2016 a report to Members noted that the financial implications for any upgrade/refurbishments of the ICTS software or hardware were not included in the estimated costs for a new training centre. This is because it was felt that the standard and cost of technology could be inaccurate if estimated too early before delivery of the project.
37. The report did not include any building alteration costs for ICTS which are now a requirement following the decision to retain workshops on the Sadler Road site.
38. Following extensive research by the programme team which has included a review of other FRS ICTSs , discussions with specialist suppliers of the technology and the appointed building consultant, the budget required to build the ICTS is estimated to be £1,000,000 and includes:
 - £575,000 – refurbishment and remodelling of main building
 - £425,000 – hardware / ICT
39. It is anticipated that the tender brief for the new training centre will include the works required for the new ICTS build works, so the main contractor awarded with the contract completes all of the works on site.

Vehicle Workshops and Associated Areas

40. Following the Members decision for the vehicle workshops to remain at Sadler Road as part of the BLC plans, the Service Transport Manager and new training centre programme team have undertaken a detailed review of the current workshops facilities.
41. The aim of the review was to identify what improvements could be made to the working environment, workshops equipment and the health and safety for the members of staff working in the workshops team.

42. As a result of previous BLC plans to move workshops to the Police HQ, the investment required for the renovation of the current workshops and associated areas was not defined. This work has now been undertaken.
43. It is estimated that the budget costs required for the necessary building works to the Service workshops and associated areas will be £300,000.
44. It is anticipated that the tender brief for the new training centre will include the works required for the workshops renovation so that the main contractor awarded with the contract completes all of the works on site.

Site Security

45. The security of all Authority buildings is currently under review and is relevant to the new training centre building, as security of the site both internally and externally is a priority to the programme team.
46. The external perimeter of the new training centre will need to be fully secure to deter trespassers and any potential criminal acts on Authority property or to its equipment. With a rise in terrorist activity which has included large vehicles as weapons or 'Trojan horses' it is also imperative that Service vehicles are stored securely on site.
47. It is proposed that as part of the new training centre programme a full review of security arrangements is completed on the Sadler Road site including the new training centre building and the operational training site which will require an estimated budget of £250,000 for the works identified.
48. It is anticipated that the tender brief for the new training centre will include the works required for site security, so the main contractor awarded with the contract completes all of the works on site.

Relocation Plan

49. The Service will need to temporarily move its centrally delivered training courses from Sadler Road during the build phase to other locations (some minor building works will be required at those locations which have been identified as suitable training venues).
50. Proposals include building and upgrading training facilities at some fire stations to facilitate centrally delivered courses e.g. breathing apparatus refresher courses. These upgraded facilities will also be available in the future to deliver locally led training courses. This provides enduring value for the Service after the new training centre is built.

51. The ICTS will also need to be relocated to a fire station so incident command training and assessments can continue, again requiring a financial investment in facilities which can be utilised in the future.
52. Provision for the necessary upgrade of current facilities has been included in the overall project budget requested. However, there will also be a requirement to temporarily outsource some courses during the build phase to ensure continuity of essential training provision. These additional revenue costs are currently forecast at around £100k per year but will be considered as part of the 2018/19 and 2019/20 budget setting process.

The Business Case for the new Training Centre

53. The Service undertook a detailed review of its operational training requirements and facilities that included options to relocate and develop Clemonds Hey or remain at the current site.
54. In order to do so the Service brought together a project team of experienced officers and an external consultant (who has supported the Authority with its new fire station build programme and built a number of fire service training centres).
55. The review identified five options which were presented to Members in September 2016 during BLC discussions, with option 2A to develop a new training centre to meet the future needs of the Service at the current Sadler Road being the preferred option.
56. This preferred option not only provides the Service with new and enhanced realistic training facilities but also provides the best value for money over a 20-25 year lifespan of the site.
57. The refurbishment cost of the existing facilities is estimated at £4.33m. It is projected that the subsequent total revenue costs of the site over a 20-year period would be £3.86m. Therefore, the whole life 20-year costs are estimated to be £8.19m. However, it is anticipated that the existing facilities would need major refurbishment or replacement in 10 years. This would add at least an additional £1.6m in costs making a comparative whole life cost of £9.79m.
58. The capital cost of building new training facilities is estimated to be £7.5m with revenue costs over 20 years being £3.86m giving a whole life 20 year cost of £11.4m. However, whilst the new facilities may require some refurbishment after 20 years its anticipated minimum lifespan is 25-30 years.

59. The design brief which has been produced following extensive research will accommodate a new, modern and realistic training environment for operational training on the current site that will lead to an enhanced training offer for staff.
60. The new training centre will also allow almost all core training to be delivered locally avoiding costs and the disruption associated with sending staff elsewhere for training e.g. to the Fire Service College. This provides potential revenue savings of up to £100,000 per annum.
61. The detailed design brief costs have been assessed by the project Quantity Surveyor in order to provide confidence that the requirements in the design brief can be delivered with the funding outlined in this report.

Procurement

62. Officers debated the potential procurement options and were understandably influenced by the experiences of the recent fire station and safety centre builds.
63. The value of the contract means that a full European process is necessary. Members may recall that this was the approach pursued initially for the new build fire stations and safety centre. Unfortunately, the process essentially failed to deliver a tender that was considered to be value for money. As a result framework contracts were considered and the North West Construction Hub was chosen.
64. The Service's engagement with the Hub was not entirely typical as its earlier procurement efforts meant that it began with a clear indication of the potential cost of the builds and it also had progressed further with design development. This had the benefit of reducing risk, but may have reduced the potential benefit of closer working between the Authority and the contractor on the design.
65. The Service's experience of the Hub approach has been a positive one with: the engagement of the contractor being quick and relatively simple (reducing the draw on internal resources); the builds largely being completed on time; and costs of the builds (just) being contained within the approved budget (and 5% contingency).
66. Officers also discussed the merits of a traditional construction contract versus a design and build contract. They concluded that the risk allocation associated with a design and build is more favourable.

67. In summary, the choice of a framework and appointment of a design and build contractor should allow: the fastest appointment process; a favourable (to the Authority) risk transfer; early dialogue about the design; and control over exposure to cost as it allows a staged approach.
68. A range of advisers will be needed by the Authority, e.g. employer's agent and quantity surveyor and some of them have already been engaged (via a framework using some of the £500,000 funding already approved by Members).

Financial Implications

69. The initial options appraisal approved by Members in September 2016 endorsed option 2a, retention of the Sadler Road site with development to significantly improve current facilities and with capacity to expand the facilities to meet the future needs of the service. The indicative capital cost of this option was £7.457m of which up to £0.5m was approved to further develop the proposals.
70. This report now presents the outcomes from this work including a detailed and robust proposal that will deliver a realistic and modern day training centre, where firefighters will learn and practice the skills needed to respond safely and effectively to fires and other emergencies in the communities of Cheshire and beyond.
71. The estimated capital cost of the proposed scheme is £7.5m, very much in line with the initially endorsed options appraisal. Estimated whole life costings are discussed in paragraphs 57 and 58 above.
72. The new facility will also enable the realisation of around £100k per annum revenue savings from 2020-21 as training currently undertaken by officers at Fire Service College will be delivered 'in house' at the Sadler Road site.
73. Following the later BLC decision for vehicle workshops to remain on the Sadler Road site and the increasing importance of building security arrangements, it is now proposed to combine these additional requirements into the recommended capital scheme increasing the proposed capital cost by an estimated £300k (Workshops) and £250k (Sadler Road Site Security Measures).
74. Finally incorporating the planned replacement and renewal of the existing Incident Command Training Suite into the overall recommended project can be achieved at an estimated cost of £1m.

75. The total recommended Capital costs recommended for approval and funding from reserves can therefore be summarised as follows:

Scheme Element	Capital Cost
Core Training Centre Facility	£7.5m
Vehicle Workshops Renovation	£0.3m
Sadler Road Site Security	£0.25m
Incident Command Training Suite	£1.0m
Total Capital Project cost	£9.05m

76. Although the £9.05m project cost above includes provision for some specific contingency items, experience has demonstrated the need for an additional overall general contingency sum. In view of the robustness of the work already carried out, it is hoped that any additional costs can be kept to a minimum. However, as has been the case previously on capital projects, it is proposed to earmark a general contingency and in line with our experience from the recent programme of new station builds 5% is proposed. Every effort will be made to ensure that use of this contingency is minimised, and its use will be subject to the approval of the Land and Stations Working Group, chaired by the Director of Governance and Commissioning.
77. Members should note that if this £9m programme is approved, the Authority's remaining useable financial reserves will be substantially committed.
78. The Authority's Medium Term Financial Plan and overall reserves position is currently being reviewed to inform the annual (2018/19) budget setting process and will be presented to Members as part of this process and to inform future decisions.
79. As highlighted in the initial options report there is some risk to VAT recovery on the project build. The Authority has since taken specialist professional advice on these risks and will continue to monitor the position closely. Action to mitigate any risks will be taken as the scheme progresses.

Legal Implications

80. The Authority must have robust processes (which involve Members' where appropriate) when dealing with important programmes and decisions.
81. Given the considerable sums associated with the decisions covered in this report officers intend to engage Members in the procurement process and

contract award and contract management. The Authority may wish to ask the Estates and Property Committee to identify Members to fulfil these roles.

Equality and Diversity Implications

82. There are equality and diversity issues to be considered within the building and the operational training area. All implications have been addressed in the programmes Equality Impact Assessment completed by the programme team working alongside the Service Equality and Inclusion Officer.

Environmental Implications

83. There are environmental considerations in developing the new training centre site, which have been addressed in the risk register of the programme and Project Initiation Document (PID).
84. A full ecological appraisal of the Sadler Road site has also been conducted by Ecus Environmental Consultants.
85. The new facilities (training centre and workshops) will incorporate modern materials and approaches which are expected to deliver environmental benefits e.g. reduced emissions and lower running costs.

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