



**Wednesday,  
18 September 2019  
10.30 am**

**Meeting of  
Cheshire Fire Authority  
Sadler Road  
Winsford**

Contact Officer:  
Naomi Thomas  
Democratic Services

Cheshire Fire and Rescue Service, Sadler Road, Winsford, Cheshire, CW7 2FQ

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## **Cheshire Fire Authority**

### **Notes for Members of the Public**

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#### **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.

Most meetings of the Authority are held at Sadler Road 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 Sadler Road. 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 Sadler Road Winsford Tel (01606) 868700.

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#### **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.

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#### **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](http://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](mailto: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](http://www.cheshirefire.gov.uk) or alternatively contact Democratic Services for details

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#### **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 CHESHIRE FIRE AUTHORITY**

**WEDNESDAY, 18 SEPTEMBER 2019**

**Time : 10.30 am**

**Lecture Theatre - Sadler Road, 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 Questions from Members of the Public**

To receive an questions submitted, in accordance with procedure rules 4.47 to 4.54 by members of the public within the area covered by the Fire Authority.

###### **1F Minutes of Fire Authority**

To confirm as a correct record the minutes of the Fire Authority meeting held on 24 July 2019.

(Pages 1 - 12)

###### **1G Minutes of Performance and Overview Committee**

To receive, for information, the minutes of the Performance and Overview Committee meeting held on 4 September 2019.

(To Follow)

#### **ITEMS REQUIRING DISCUSSION / DECISION**

##### **2 Annual Audit Letter - Year Ended 31st March 2019**

(Pages 13 - 30)

##### **3 Annual Report 2018-19**

(Pages 31 - 32)

##### **4 Crewe Fire Station Site**

(Pages 33 - 38)

**5      Joint Use of Birchwood Fire Station by Cheshire Constabulary    (Pages 39 - 44)**

**PART 2 - BUSINESS TO BE DISCUSSED IN PRIVATE**



**MINUTES OF THE MEETING OF THE CHESHIRE FIRE AUTHORITY held on  
Wednesday, 24 July 2019 at Lecture Theatre - Sadler Road, Winsford, Cheshire at  
10.30 am**

**PRESENT:** Councillors Bob Rudd (Chair), Rachel Bailey, Michael Beanland, Mike Biggin, David Brown, Razia Daniels, Martyn Delaney, David Edwardes, Dorothy Flude, Phil Harris, Gina Lewis, Nick Mannion, Karen Mundry, Stef Nelson, James Nicholas, Terry O'Neill, Stuart Parker, Rob Polhill, Morgan Tarr, Peter Wheeler, Norman Wright and Steve 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 Councillor Jonathan Parry and the Police and Crime Commissioner, David Keane.

**C Chair's Announcements**

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

**D Declaration of Members' Interests**

There were no declarations of Members' interests.

**E Questions from Members of the Public**

A question had been submitted by Mr M Jones and he read the question out at the meeting. The Chair of the Fire Authority read out a response. Mr Jones asked a supplementary question at the meeting. The Chair confirmed that a written response would be sent in due course.

The question and response are annexed to the minutes. The supplementary question and response are annexed to the minutes.

**F Minutes of Fire Authority**

**RESOLVED:**

**That the minutes of the Fire Authority meeting held on 19<sup>th</sup> June 2019 be approved as a correct record.**

**G Minutes of Performance and Overview Committee**

**RESOLVED:**

**That the minutes of the Performance and Overview Committee held on 10<sup>th</sup> July 2019 be noted.**

**H Minutes of Governance and Constitution Committee**

The Director of Governance and Commissioning asked Members to note the extension of dispensations to the Members who joined the Fire Authority in June 2019. He also informed Members that Councillor Norman Wright had since requested that the dispensations be extended to him so that he could benefit from them.

Members were also asked to approve the changes made to the Members' Code of Conduct and the new Gifts and Hospitality Guidance that had been recommended by the Governance and Constitution Committee. Members noted and approved the changes made to both documents.

**RESOLVED: That**

- [1] the minutes of the Governance and Constitution Committee held on 3<sup>rd</sup> July 2019 be noted;**
- [2] the dispensations granted to Fire Authority Members on 5<sup>th</sup> October 2016 be extended to benefit Councillor Norman Wright, thereby allowing him to take part in debates and votes on the setting of the Council Tax precept and the approval of the Members' Allowance Scheme (and any changes and/or additions to it); and**
- [3] the changes made to the Member's Code of Conduct and the new Gifts and Hospitality Guidance be approved.**

**I Notes of the Member Training and Development Group**

The Chair of the Member Training and Development Group thanked all officers involved in the organisation of the induction sessions for new Members.

**RESOLVED:**

**That the notes of the Member Training and Development Group held on 2<sup>nd</sup> July 2019 be noted.**

**J Notice of Motion - Dispute Over Firefighter Pay and Role**

Members considered a motion submitted by Councillor Bob Rudd. The motion was seconded by Councillor Stef Nelson and was as follows:

“The Fire Authority urges the Government to bring the dispute about pay and the role of firefighters to a swift conclusion. The dispute has lasted too long and has tested the patience of all involved. The current situation makes it difficult for Fire Authorities to budget effectively and it is having an impact upon industrial relations.”

The Chair had provided notes for Members to give context. Members were advised that there had been ongoing negotiations about pay between the National Joint Council and the Fire Brigade’s Union since 2017. Members were also informed that, at the Fire Brigade’s Union annual conference in April 2019, the Fire Brigade’s Union warned that the ongoing pay dispute could lead to industrial action.

When reviewing the pay rates from 2010 – 2018, Members agreed that there had only been a small uplift. All Members noted the recent government announcement that would see all civil servants receive a 2-3% uplift which had excluded firefighters.

Members discussed the motion and made several comments. A Member raised a query over the discussions held between the National Joint Council and the Fire Brigade’s Union and whether the expanding role of a firefighter was also included in their negotiations. The Chair assured Members the firefighter role was discussed throughout negotiations and the expansion of the firefighter role was the main point of discussion.

A Member queried whether the Authority had contacted local Members of Parliament for their support with the motion. The Chair confirmed that they had been contacted concerning funding reductions and the Council Tax precept cap.

It was agreed that the Chair would write to the Prime Minister and the Minister of State for Policing and the Fire Service to inform them of the Authority’s concerns.

**RESOLVED: That**

- [1] the Fire Authority urges the Government to bring the dispute about pay and the role of firefighters to a swift conclusion. The dispute has lasted too long and has tested the patience of all involved. The current situation makes it difficult for Fire Authorities to budget effectively and it is having an impact upon industrial relations; and**
- [2] the Chair should write to the Prime Minister and the Minister of State for Policing and the Fire Service to inform them of the Authority’s concerns.**

**2 FINAL ACCOUNTS 2018-19**

The Head of Finance presented the 2018-19 final accounts to Members for approval prior to publication before the end of September and explained that the overview of the accounts needed to be considered in conjunction with the External Audit Findings Report. It was noted that full copies of the accounts had been provided in group rooms prior to the Authority meeting and had been made available on the Service’s website.

The Head of Finance gave Members an overview of the final accounts and the reserves and capital position. She explained the delay in circulating the report was due to an ongoing court ruling that would affect the funding of the firefighter pension scheme.

She also explained that the Final Accounts format had changed from previous years. Changes included the inclusion of the Annual Governance Statement within the accounts and the treatment of information about North West Fire Control.

A Member queried whether the Revenue Support Grant currently received by the Authority from central government was being phased out. The Head of Finance confirmed that the Authority was still in receipt of the Grant, provisionally until 2020. She explained that the baseline assessment came from business rates and Revenue Support Grant. If they did not reach the minimal level set by the Government, the Service would be eligible for a top up grant subject to the spending review.

**RESOLVED: That**

- [1] the Annual Governance Statement for 2018-19 be approved;**
- [2] the Statement of Accounts for 2018-19 be approved;**
- [3] the movement on reserves, as shown in the accounts, be noted; and**
- [4] the Letter of Representation, as detailed in Appendix 1 to the report, be approved for signature by the Chair on behalf of the Authority.**

**3 EXTERNAL AUDIT FINDINGS REPORT 2018-19**

This matter was considered before Item 2.

John Farrar, from Grant Thornton (the External Auditor) introduced the report and provided an overview of its content and purpose. The report highlighted the key matters arising from the audit of the Authority's financial statements for the year ended 31 March 2019. He explained that the External Auditor was required to report the audit findings in accordance with the requirements of International Standards on Auditing (UK and Ireland).

The External Auditor confirmed that he expected to issue an unqualified audit opinion. He also stated that he believed that the Authority had proper arrangements for securing economy, efficiency and effectiveness in the use of resources (the value for money opinion).

The External Auditor informed Members that an additional fee of £1500 had been proposed due to additional unplanned audit work, including the McCloud issue and other changes to the draft financial statements.

Members thanked Grant Thornton for the report.

**RESOLVED: That**

**[1] the content of the Audit Findings Report 2018-19 be noted.**

**4 STATEMENT OF ASSURANCE 2018-19**

The Director of Governance and Commissioning introduced the report which presented Members with the Statement of Assurance for approval, as required in the Fire and Rescue National Framework (2018).

He explained that the draft Statement had been reviewed by Governance and Constitution Committee prior to submission to the Authority. The draft Statement included sections on the National Framework and the HMICFRS Action Plan, which had not been included in previous years.

**RESOLVED: That**

**[1] the Statement of Assurance 2018-19 be approved.**

**5 REPLACEMENT OF CHESTER FIRE STATION**

The Chair opened this item. He stated:

“I do not believe that I have an interest to disclose under the Members’ Code of Conduct. However, I should state, as I did at the last meeting of the Fire Authority, that I signed the petition referred to on Page 17 of the Agenda pack and in this report.

When I signed the petition I believed that there should be a second fire engine in Chester. As things stand I continue to have that view. However, I appreciate that I need to consider this issue more fully in the broader context of the wide-ranging review that is being undertaken.”

Councillor Marytn Delaney indicated that he had also signed the petition and was in a similar position to the Chair.

Councillor Razia Daniels confirmed that she had also signed the petition.

The Director of Governance and Commissioning introduced the report which provided a progress update regarding the replacement of Chester Fire Station and sought authority for officers to deal with the withdrawal of the planning appeal.

The Director reminded Members that planning permission was obtained on 4<sup>th</sup> June 2019 at the second attempt and that a planning appeal relating to the first planning application was pending. The planning permission contained various conditions, some of which needed to be dealt with before work could commence on site. One condition was considered to be sufficiently important to require discharge prior to any decision on the appeal.

The Director explained that advisors recommended officers to withdraw the planning

appeal and proceed with the approved planning permissions as further delays to the build would lead to an increase in costs due to construction inflation.

The Director also referred to the petitions and the fact that they would need to be considered alongside other representatives when the outcomes of the wide-ranging review were considered.

**RESOLVED: That**

- [1] the current position and response to the petitions be noted; and**
- [2] officers be authorised to withdraw the planning appeal once the pre-commencement planning conditions in relation to the planning permission are concluded.**

## MEETING OF CHESHIRE FIRE AUTHORITY 24<sup>TH</sup> JULY 2019

### QUESTION SUBMITTED BY MR. JONES

There has been much public comment around the current proposals to replace Chester Fire Station and the previous building of new fire stations at Powey Lane, Penketh, Alsager and Lymm at a combined cost around £20 million.

I am informed by a letter from the Fire Authority that a petition signed by 6400 people calling for the re-instatement of Chester's Second Fire Engine and objecting to the £5.5million re-building of Chester Fire Station is flawed. I am further informed that whilst some consideration will be given to the fire cover issues in Chester the new fire station project will not be re-considered.

However, in looking at the root cause analysis, it is by reducing the number of whole-time firefighters from 556 in 2009 to 397 in 2018 with the consequent savings that has allowed the transfer of funds from the operational response budget to fund the building of new fire stations.

There is a clear link between transferring under-spends from reducing the number of whole-time firefighters into a capital budget to build fire stations leading to Cheshire having a reduced number of whole-time fire engines.

I call upon the Chair to either facilitate a full Fire Authority debate to ascertain the collective response on this practice, or for him to give me a categoric re-assurance that he and the other Fire Authority Members are totally confident that their operational response model is fit for purpose and would hold up to the scrutiny of any public inquiry.

### RESPONSE FROM CHAIR

Mr. Jones, you will appreciate that I cannot speak for other members of the Fire Authority.

The Fire Authority relies upon the professional advice of the Chief Fire Officer. The operational response model is based on that advice.

The Service was inspected by Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services last year and the report that was produced stated: 'The Service is effective at keeping people safe and secure.' It goes on to say: 'Its response to fires and emergencies locally is good...'

Members of the Fire Authority also scrutinise performance with the assistance of officers.

This endorsement by Her Majesty's Inspectorate, coupled with the scrutiny arrangements, provides me with confidence about the fitness of the operational response model.

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## QUESTION SUPPLEMENTARY TO CHAIRMAN OF THE FA. JULY 24<sup>TH</sup> 2019

National guidance from DEFRA and the National Fire Chiefs Council, for Safety Boats, such as those in Cheshire Fire and Rescue Service, (including the one in Councillor Rudd's own ward) recommends a minimum crew of 6 inc 2 Helmsmen. However, in Cheshire you crew the boats with just 5 inc 1 Helmsmen. Furthermore, until very recently crews were wearing safety helmets which were not suitable for a high speed rescue boat – they were more suitable for a canoe -, and they were wearing life jackets which were more than 10 years old and outside their shelf life warranty.

This is a further demonstration that the operational response model in Cheshire is flawed. The Fire Authority has consistently been under spending from its revenue budget to transfer funds to its building projects. Front line services have been cut by around 40 million pounds to pay for new fire stations. This has been a political choice.

The current course of action is considered to be legally flawed, morally flawed, ethically flawed, environmentally flawed and financially flawed.

Will the newly formed Fire Authority in its next Integrated Risk Management Plan put front line resources, to protect local communities, as its first priority and stop its strategy of cutting front line services to pay for unnecessary new fire stations?

Or will the New Fire Authority, as in the past, just nod through the binary option proposed by the Chief Fire Officer when he completes his 'whole of Service review'?

Finally I would ask you to remember that the Integrated Risk Management Plan is issued in the name of the Fire Authority and it will be your collective responsibility to account, in any court of law, for any failure in servicing the local electorate via your plan.

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Our Ref: BR/GW

Your Ref:

Contact: Councillor Bob Rudd

Tel No: 01606 868810

Date: 27 July 2019

Email: [Bob.rudd@cheshirewestandchester.gov.uk](mailto:Bob.rudd@cheshirewestandchester.gov.uk)

Mr M A Jones



Dear Mr Jones

Thank you for submitting a question at the most recent meeting of Cheshire Fire Authority on Wednesday 24 July 2019. Please find below the response to your supplementary question.

Concerning the Integrated Risk Management Plan, the Fire Authority will consult on proposals/options developed through the course of the Whole Service Review. The Fire Authority will use its Community Risk Management model to inform the Review, assisting the Authority in determining how it wishes to see the services delivered that are provided by Cheshire Fire and Rescue Service. This includes operational response arrangements. I would encourage you to engage in the consultation process.

Yours sincerely

**Councillor Bob Rudd**  
**Chair of Cheshire Fire Authority**

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## CHESHIRE FIRE AUTHORITY

**MEETING OF:** CHESHIRE FIRE AUTHORITY  
**DATE:** 18<sup>TH</sup> SEPTEMBER 2019  
**REPORT OF:** EXTERNAL AUDITORS

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**SUBJECT:** ANNUAL AUDIT LETTER – YEAR ENDED  
31<sup>ST</sup> MARCH 2019

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### Purpose of Report

1. To present the Annual Audit Letter. Representatives from Grant Thornton will attend the meeting.

### Recommended: That

[1] the Annual Audit Letter for the year ended 31<sup>st</sup> March 2019 be noted.

### Information

2. The Annual Audit Letter from the Authority's External Auditors, Grant Thornton, is attached as Appendix 1 to this report. The letter summarises the key findings arising from the audit.

**CONTACT: DEMOCRATIC SERVICES, FIRE SERVICE HQ, WINSFORD  
TEL [01606] 868804**

### BACKGROUND PAPERS:

Audit Findings Report 2018-19 presented to Cheshire Fire Authority on 24<sup>th</sup> July 2019

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# The Annual Audit Letter for Cheshire Fire Authority

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Year ended 31 March 2019

28 August 2019



# Contents



Your key Grant Thornton  
team members are:

Page 16

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## Section

1. Executive Summary
2. Audit of the Financial Statements
3. Value for Money conclusion

## Page

3-4  
5-10  
11-12

## Appendices

- A Reports issued and fees

# Executive Summary

## Purpose

Our Annual Audit Letter (Letter) summarises the key findings arising from the work that we have carried out at Cheshire Fire Authority (the Authority) for the year ended 31 March 2019.

This Letter is intended to provide a commentary on the results of our work to the Authority and external stakeholders, and to highlight issues that we wish to draw to the attention of the public. In preparing this Letter, we have followed the National Audit Office (NAO)'s Code of Audit Practice and Auditor Guidance Note (AGN) 07 – 'Auditor Reporting'. We reported the detailed findings from our audit work to the Authority as those charged with governance in our Audit Findings Report on 19 July 2019.

## Our work

### Materiality

We determined materiality for the audit of the Authority's financial statements to be £736,000, which is 2% of the Authority's gross revenue expenditure.

### Financial Statements opinion

We gave an unqualified opinion on the Authority's financial statements on 30 July 2019.

### Whole of Government Accounts (WGA)

We were not required to complete any work on the Authority's consolidation return following guidance issued by the NAO.

### Use of statutory powers

We did not identify any matters which required us to exercise our additional statutory powers.

## Respective responsibilities

We have carried out our audit in accordance with the NAO's Code of Audit Practice, which reflects the requirements of the Local Audit and Accountability Act 2014 (the Act). Our key responsibilities are to:

- give an opinion on the Authority's financial statements (section two)
- assess the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources (the value for money conclusion) (section three).

In our audit of the Authority's financial statements, we comply with International Standards on Auditing (UK) (ISAs) and other guidance issued by the NAO.

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# Executive Summary

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**Value for Money arrangements** We were satisfied that the Authority put in place proper arrangements to ensure economy, efficiency and effectiveness in its use of resources. We reflected this in our audit report to the Authority on 30 July 2019.

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**Certificate** We certified that we have completed the audit of the financial statements of Cheshire Fire Authority in accordance with the requirements of the Code of Audit Practice on 30 July 2019.

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# Audit of the Financial Statements

## Our audit approach

### Materiality

In our audit of the Authority's financial statements, we use the concept of materiality to determine the nature, timing and extent of our work, and in evaluating the results of our work. We define materiality as the size of the misstatement in the financial statements that would lead a reasonably knowledgeable person to change or influence their economic decisions.

We determined materiality for the audit of the Authority's financial statements to be £736,000, which is 2% of the Authority's gross revenue expenditure. We used this benchmark as, in our view, users of the Authority's financial statements are most interested in where the Authority has spent its revenue in one year.

We also set a lower level of specific materiality for senior officer remuneration and related party transactions of £100,000 to reflect the sensitivity of these disclosures to public scrutiny.

We set a lower threshold of £36,000, above which we reported all other errors identified during the audit to the Authority in our Audit Findings Report.

### The scope of our audit

Our audit involves obtaining sufficient evidence about the amounts and disclosures in the financial statements to give reasonable assurance that they are free from material misstatement, whether caused by fraud or error. This includes assessing whether:

- the accounting policies are appropriate, have been consistently applied and adequately disclosed;
- the significant accounting estimates made by management are reasonable; and
- the overall presentation of the financial statements gives a true and fair view.

We also read the remainder of the financial statements, the narrative report and the annual governance statement published alongside the financial statements to check they were consistent with our understanding of the Authority and with the financial statements included in the Statement of Accounts on which we gave our opinion.

We carry out our audit in accordance with ISAs (UK) and the NAO Code of Audit Practice. We believe that the audit evidence we obtained sufficient and appropriate to provide a basis for our opinion.

Our audit approach was based on a thorough understanding of the Authority's business and is risk based.

We identified key risks and set out overleaf the work we performed in response to these risks and the results of this work.

# Audit of the Financial Statements

## Significant Audit Risks

These are the significant risks which had the greatest impact on our overall strategy and where we focused more of our work.

Risks identified in our audit plan	How we responded to the risk	Findings and conclusions
<p><b>Valuation of land and buildings</b> This represents a significant estimate by management in the financial statements.</p> <p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 20</p>	<ul style="list-style-type: none"> <li>• We evaluated management's processes and assumptions for the calculation of the estimate, the instructions issued to valuation experts and the scope of their work.</li> <li>• We evaluated the competence, capabilities and objectivity of the valuation expert.</li> <li>• We wrote to the valuer and confirmed the basis on which the valuation was carried and the requirements of the Code were met.</li> <li>• We challenged the information and assumptions used by the valuer to assess completeness and consistency with our understanding.</li> <li>• We tested revaluations made during the year to see if they had been input correctly into the Authority's asset register.</li> </ul>	<p>The valuations were prepared using information provided by the Authority. The latest and most appropriate information was used. The valuer took into consideration whether there were specific factors relevant to individual assets. Management reviewed the output and considered its appropriateness for use in the financial statements. The resulting changes in value were agreed to the fixed asset register and the financial statements.</p>

# Audit of the Financial Statements

## Significant Audit Risks

These are the significant risks which had the greatest impact on our overall strategy and where we focused more of our work.

Risks identified in our audit plan	How we responded to the risk	Findings and conclusions
<p><b>Valuation of pension fund net liability</b>            The Local Government Pension Scheme (LGPS) pension net liability as reflected in the balance sheet, and asset and liability information disclosed in the notes to the accounts, represent significant estimates in the financial statements.</p> <p>The Firefighters Pension schemes pension fund liability as reflected in the balance sheet and notes to the accounts represent significant estimates in the financial statements.</p> <p>These estimates by their nature are subject to significant estimation uncertainty, being sensitive, to small adjustments in the assumptions used.</p> <p>We identified the valuation of the pension fund net liability as a risk requiring special audit consideration.</p>	<ul style="list-style-type: none"> <li>• We updated our understanding of the processes used by management to ensure that the Authority's pension fund net liability is not materially misstated and evaluated the design of the associated controls.</li> <li>• We evaluated the instructions issued by management to their management expert (an actuary) for this estimate and the scope of the actuary's work.</li> <li>• We assessed the competence, capabilities and objectivity of the actuary.</li> <li>• We assessed the accuracy and completeness of the information provided by the Authority to the actuary to estimate the liability.</li> <li>• We tested the consistency of the pension fund asset and liability disclosures in the notes and core financial statements with the actuarial report from the actuary.</li> <li>• We confirmed the reasonableness of the actuarial assumptions by reviewing the report of a consulting actuary (as the auditor's expert) and performed additional procedures suggested within the report.</li> <li>• We obtained assurances from the auditor of Cheshire Pension Fund and the Firefighters Pension Fund as to the controls surrounding the validity and accuracy of membership data; contributions data and benefits data sent to the actuary by the pension fund and the fund assets valuation in the pension fund financial statements.</li> </ul>	<p>We obtained the necessary assurance from the procedures we carried out and concluded that the pension fund liability as included in the financial statements was materially correct.</p> <p>See page 9 for further information on the pension fund liability and the McCloud case.</p>

# Audit of the Financial Statements

## Significant Audit Risks - continued

These are the risks which had the greatest impact on our overall strategy and where we focused more of our work.

Risks identified in our audit plan	How we responded to the risk	Findings and conclusions
<p><b>Improper revenue recognition</b> Under ISA 240 (UK) there is a presumed risk that revenue may be misstated due to the improper recognition of revenue. The presumption can be rebutted if the auditor concludes that there is no risk of material misstatement due to fraud relating to revenue recognition.</p>	<p>As part of our planning we considered the nature of the Authority's income streams and the scope and incentive for misstatement. We concluded that no scope or incentive for misstatement was present and the presumption could be rebutted.</p>	<p>There have been no changes to our reported assessment.</p>
<p><b>Management override of controls</b> Under ISA 240 (UK) there is a non-rebuttable presumed risk that the risk of management over-ride of controls is present in all entities.</p>	<ul style="list-style-type: none"> <li>• We evaluated the design effectiveness of management controls over journals.</li> <li>• We analysed the journals listing and determined the criteria for selecting high risk unusual journals.</li> <li>• Based on that criteria we tested unusual journals recorded during the year and after the draft accounts stage for appropriateness and corroborating evidence.</li> <li>• We gained an understanding of the accounting estimates and critical judgements applied made by management and considered their reasonableness against corroborative evidence.</li> <li>• We evaluated the rationale for any changes in accounting policies, estimates or significant unusual transactions.</li> </ul>	<p>Our testing identified no concerns over the control or use of journals. Where management made use of estimates it did so on an objective and reasonable basis, for example having had due regard to the advice of its expert advisors. Accounting policy changes were only to comply with new accounting standards and updates to the Code.</p> <p>Our audit work identified no evidence of management override of controls.</p>

# Audit of the Financial Statements

## Significant Audit Risks - other issues

This section provides commentary on new issues and risks which were identified during the course of the audit that were not previously communicated in the Audit Plan and a summary of any significant control deficiencies identified during the year

Issue	Commentary	Findings and conclusions
<p><b>Impact of the McCloud judgement</b></p> <p>The Court of Appeal ruled there was age discrimination in the judges and firefighters pension schemes where transitional protections were given to scheme members.</p> <p>The Government applied to the Supreme Court for permission to appeal this ruling, but the permission to appeal was denied in June 2019. The case will now be sent back to the Employment tribunal for remedy.</p> <p>The legal ruling around age discrimination has implications for other public sector schemes where transition arrangements have been put in place, such as the Local Government Pension Scheme and the Fire Fighter Pension Scheme.</p>	<ul style="list-style-type: none"> <li>• Management requested updated estimates from the actuary of the potential impact of the McCloud ruling. These were received from Hymans Robertson for both Firefighters and LGPS and indicated an increase in past service costs of £22,400k re Firefighters, and £210k re the LGPS, and increase the net pension liability of £25,400k re Firefighters and £1,347k re the LGPS.</li> <li>• The accounts were amended to reflect this change.</li> </ul>	<p>We completed a review of the work performed by the actuary and concluded the estimates were reasonable. We confirmed appropriate changes were made to the financial statements.</p>

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# Audit of the Financial Statements

## **Audit opinion**

We gave an unqualified opinion on the Authority's financial statements on 30 July 2019.

## **Preparation of the financial statements**

The Authority presented us with draft financial statements in accordance with the national deadline, and provided a good set of working papers to support them. The finance team responded promptly and efficiently to our queries during the course of the audit.

## **Issues arising from the audit of the financial statements**

We reported the key issues from our audit to the Authority on 19 July 2019. In addition to the key audit risks reported above, we agreed with management a small number of changes to the narrative disclosures to enhance readers' understanding of issues explained in the notes.

## **Annual Governance Statement and Narrative Report**

We are required to review the Authority's Annual Governance Statement and Narrative Report. It published them on its website alongside the Statement of Accounts in line with the national deadlines.

Both documents were prepared in line with the CIPFA Code and relevant supporting guidance. We confirmed that both documents were consistent with the financial statements prepared by the Authority and with our knowledge of the Authority.

## **Other statutory powers**

We also have additional powers and duties under the Act, including powers to issue a public interest report, make written recommendations, apply to the Court for a declaration that an item of account is contrary to law, and to give electors the opportunity to raise questions about the Authority's accounts and to raise objections received in relation to the accounts.

Nothing has arisen requiring us to exercise our other statutory powers.

## **Certificate of closure of the audit**

We certified that we have completed the audit of the financial statements of Cheshire Fire Authority in accordance with the requirements of the Code of Audit Practice on 30 July 2019.

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# Value for Money conclusion

## Background

We carried out our review in accordance with the NAO Code of Audit Practice, following the guidance issued by the NAO in November 2017 which specified the 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.*

## Key findings

Our first step in carrying out our work was to perform a risk assessment and identify the risks where we concentrated our work.

The key risks we identified and the work we performed are set out overleaf.

As part of our Audit Findings report agreed with the Authority in July 2019, we agreed recommendations to address our findings.

## Overall Value for Money conclusion

We are satisfied that in all significant respects the Authority put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2019.

# Value for Money conclusion

## Value for Money Risks

Risks identified in our audit plan	How we responded to the Code requirements	Findings and conclusions
<p>AGN 03 requires us to disclose our views on significant qualitative aspects of the Authority's arrangements for delivering economy, efficiency and effectiveness.</p> <p>We did not identify any significant risks in relation to the Authority's arrangements</p>	<ul style="list-style-type: none"> <li>• We confirmed the Authority has maintained its track record of delivering its budgets: In February 2018 the Authority approved a budget of £42.5m against which it has delivered an underspend of £721k.</li> <li>• We confirmed that Financial reporting throughout the year demonstrated that budgets were being achieved and reasonable outturn forecasts were being prepared.</li> <li>• We confirmed that The Medium Term Financial Plan was updated to 2022 alongside the 2020 annual budget.</li> <li>• The Authority has a total savings requirement to 2022 of £3.9m, of which £1.36m will be met from savings proposals for 2019/20.</li> </ul>	<p>The Authority has healthy reserves position with an earmarked Capital Reserve of £14.8m to support the capital programme up to March 2022 which stands at £30m. The Authority has a Resource Centre Managers reserve of £13.5m to meet locally identified needs.</p> <p>Based on the work we performed, we are satisfied that the Authority had proper arrangements for securing economy, efficiency and effectiveness in the use of resources.</p>

# A. Reports issued and fees

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

## Reports issued

Report	Date issued
Audit Plan	March 2019
Audit Findings Report	July 2019
Annual Audit Letter	August 2019

## Fees

	Planned £	Actual fees £	2017/18 fees £
Statutory audit	22,992	*27,492(tbc)	29,860
<b>Total fees</b>	<b>22,992</b>	<b>*27,492(tbc)</b>	<b>29,860</b>

## Audit fee variation

\* As outlined in our audit plan, the 2018-19 scale fee published by PSAA of £22,992 assumes that the scope of the audit does not significantly change. There are a number of areas where the scope of the audit has changed, which has led to additional work. These are set out in the following table.

Fee variations are subject to PSAA approval

## Non- audit services

No non-audit services were provided by Grant Thornton UK LLP to the Authority during the year ended 31 March 2019.

Area	Reason	Fee proposed
<b>Assessing the impact of the McCloud ruling</b>	The Government's transitional arrangements for pensions were ruled discriminatory by the Court of Appeal last December. The Supreme Court refused the Government's application for permission to appeal this ruling. As part of our audit we have reviewed the revised actuarial assessment of the impact on the financial statements along with any audit reporting requirements.  This was highlighted to Members in our Audit Findings report in July.	1,500
<b>Pensions – IAS 19</b>	We increased the level of scope and coverage of audit work in respect of IAS 19 this year to reflect the significant audit risks in relation to this aspect of the Authority's financial statements.	1,500
<b>PPE Valuation – work of experts</b>	We have increased the volume and scope of our audit work in respect of PPE valuations to reflect the significant audit risks in relation to this aspect of the Authority's financial statements.	1,500
<b>Total</b>		<b>4,500</b>

Our commitment to our local government clients

- Senior level investment
- Local presence enhancing our responsiveness, agility and flexibility.
- High quality audit delivery
- Collaborative working across the public sector
- Wider connections across the public sector economy, including with health and other local government bodies
- Investment in Health and Wellbeing, Social Value and the Vibrant Economy
- Sharing of best practice and our thought leadership.
- Invitations to training events locally and regionally – bespoke training for emerging issues
- Further investment in data analytics and informatics to keep our knowledge of the areas up to date and to assist in designing a fully tailored audit approach

## Our relationship with our clients– why are we best placed?

- We work closely with our clients to ensure that we understand their financial challenges, performance and future strategy.
- We deliver robust, pragmatic and timely financial statements and Value for Money audits
- We have an open, two way dialogue with clients that support improvements in arrangements and the audit process
- Feedback meetings tell us that our clients are pleased with the service we deliver. We are not complacent and will continue to improve further
- Our locally based, experienced teams have a commitment to both our clients and the wider public sector
- We are a Firm that specialises in Local Government, Health and Social Care, and Cross Sector working, with over 25 Key Audit Partners, the most public sector specialist Engagement Leads of any firm
- We have strong relationships with CIPFA, SOLCAE, the Society of Treasurers, the Association of Directors of Adult Social Care and others.

## New opportunities and challenges for your community

### The Local Government economy

Local authorities face unprecedented challenges including:

- Financial Sustainability – addressing funding gaps and balancing needs against resources
- Service Sustainability – Adult Social Care funding gaps and pressure on Education, Housing, Transport
- Transformation – new models of delivery, greater emphasis on partnerships, more focus on economic development
- Technology – cyber security and risk management

At a wider level, the political environment remains complex:

- The government continues its negotiation with the EU over Brexit, and future arrangements remain uncertain.
- We will consider your arrangements for managing and reporting your financial resources as part of our work in reaching our Value for Money conclusion.
- We will keep you informed of changes to the financial reporting requirements for 2018/19 through on-going discussions and invitations to our technical update workshops.

## Delivering real value through:

- Early advice on technical accounting issues, providing certainty of accounting treatments, future financial planning implications and resulting in draft statements that are 'right first time'
- Knowledge and expertise in all matters local government, including local objections and challenge, where we have an unrivalled depth of expertise.
- Early engagement on issues, especially on ADMs, housing delivery changes, Children services and Adult Social Care restructuring, partnership working with the NHS, inter authority agreements, governance and financial reporting
- Implementation of our recommendations have resulted in demonstrable improvements in your underlying arrangements, for example accounting for unique assets, financial management, reporting and governance, and tax implications for the Cornwall Council companies
- Robust but pragmatic challenge – seeking early liaison on issues, and having the difficult conversations early to ensure a 'no surprises' approach – always doing the right thing
- Providing regional training and networking opportunities for your teams on technical accounting issues and developments and changes to Annual Reporting requirements
- An efficient audit approach, providing tangible benefits, such as releasing finance staff earlier and prompt resolution of issues.

## Grant Thornton in Local Government

### Our client base and delivery



- We are the largest supplier of external audit services to local government
- We audit over 150 local government clients
- We signed 95% of our local government opinions in 2017/18 by 31 July
- In our latest independent client service review, we consistently score 9/10 or above. Clients value our strong interaction, our local knowledge and wealth of expertise.

### Our connections



- We are well connected to MHCLG, the NAO and key local government networks
- We work with CIPFA, Think Tanks and legal firms to develop workshops and good practice
- We have a strong presence across all parts of local government including blue light services
- We provide thought leadership, seminars and training to support our clients and to provide solutions

### Our people



- We have over 25 engagement leads accredited by ICAEW, and over 250 public sector specialists
- We provide technical and personal development training
- We employ over 80 Public Sector trainee accountants

### Our quality



- Our audit approach complies with the NAO's Code of Audit Practice, and International Standards on Auditing
- We are fully compliant with ethical standards
- Your audit team has passed all quality inspections including QAD and AQR

### Our technical support



- We have specialist leads for Public Sector Audit quality and technical
- We provide national technical guidance on emerging auditing, financial reporting and ethical areas
- Specialist audit software is used to deliver maximum efficiencies



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## CHESHIRE FIRE AUTHORITY

**MEETING OF:** CHESHIRE FIRE AUTHORITY  
**DATE:** 18 SEPTEMBER 2019  
**REPORT OF:** CHIEF FIRE OFFICER AND CHIEF EXECUTIVE  
**AUTHOR:** LYNN MARSH

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**SUBJECT:** ANNUAL REPORT 2018-19

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### Purpose of Report

1. This report seeks approval to publish the Annual Report for 2018-19 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 Annual Report 2018–19 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 prepared and distributed the Annual Report for a number of years in a newspaper style delivered to every household in Cheshire. Last year it was only published online.

### 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 30 September – the statutory deadline for publication of the Statement of Accounts. Publication will be announced through the Service's social media channels and via mainstream media.

### **Financial Implications**

9. There are no financial implications as the Annual Report is published online, as agreed by Members in 2018.

### **Legal Implications**

10. The Service has a statutory requirement to publish its summary of accounts. There is no legal requirement to print and distribute an Annual Report.

### **Equality and Diversity Implications**

11. The Annual Report will be made available in other formats on request.

### **Environmental Implications**

12. There are no environmental implications.

## CHESHIRE FIRE AUTHORITY

**MEETING OF:** CHESHIRE FIRE AUTHORITY  
**DATE:** 18 SEPTEMBER 2019  
**REPORT OF:** DIRECTOR OF GOVERNANCE AND COMMISSIONING  
**AUTHOR:** ANDREW LEADBETTER

---

**SUBJECT:** CREWE FIRE STATION SITE

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### PURPOSE OF REPORT

1 This report:

Provides information about the outcomes from the feasibility work that has been carried out to assess whether it is possible to build a joint fire and police facility on the Crewe Fire Station site; and

Proposes next steps.

**RECOMMENDED:** That Members:

- [1] Note the contents of the report;
- [2] End the project to create a joint fire and police facility on the Crewe Fire Station site;
- [3] Instruct officers to develop a fire-only proposal for the Crewe Fire Station site.

### BACKGROUND

2 This matter was last considered at the Fire Authority meeting in September 2018. Members decided to:

- Note the contents of the report;
- Commit to proceed with a joint fire and police facility on the Crewe Fire Station site;
- Authorise officers to enter into suitable arrangements including written agreements with the Police and Crime Commissioner to enable the project to be progressed;
- Include the sum of £5m in the capital programme to cover the potential Fire Authority contribution to the cost of creating the joint fire and police facility; and
- Note the anticipated cost of progressing the project to create initial designs, carry out suitable surveys/checks and prepare a cost plan and commit the sum of £200k as the Fire contribution.

## INFORMATION

### Feasibility

- 3 Over the last twelve months a significant amount of feasibility work has been carried out. During this period some external issues have come to light and some have changed.
- 4 The project team included a number of officers and external support covering project management, architectural concept design, structural engineering, civil engineering concept design, building services, cost consultancy, environmental standard assessment, and principal design.
- 5 The project team presented the Feasibility Report to officers in July and the following paragraphs summarise the key matters that the Report covered, adopting many of the headings from the Report.

### FEASIBILITY REPORT

#### Site Analysis

- 6 General Section. Outlines the purpose of the feasibility work, namely to inform the parties about the factors and constraints that would influence the design. It noted that a key driver was likely to be a planning document produced by Cheshire East Council which was linked to HS2 and the redevelopment of Crewe Railway Station and the surrounding area.
- 7 Legal Title Section. There are covenants which either reduce the size of the area of the site that can be developed, or create issues that will need to be dealt with and attract associated cost, e.g. a drainage wayleave and gas pipe easement. There is also a height restriction covenant.
- 8 Traffic and Traffic Management Section. The site is adjacent to a major road intersection, with two points of vehicular access and traffic control infrastructure for the emergency access point. See later comments about informal feedback from Cheshire East Council.
- 9 Climate (Solar) Section. Notes that the site benefits from a predominantly southerly aspect. This probably necessitates the creation of solar shading to the building. A thermal study would confirm the extent of this.
- 10 Ecology Section. The preliminary habitat survey did not uncover any major concerns, having considered: the habitats that were present; any ecological constraints; the existence of legally protected species; and the presence of invasive plants.
- 11 Services Section. This was a desktop study with the benefit of utility searches. This considered telecoms, electric cables, gas supply, surface and foul water drainage and water supply. The study confirmed that there is a significant amount of services infrastructure directly adjacent to the site. This has an impact on the area of the site that can be developed.

## Site Layout

- 12 Three site areas were considered for the development:
- A The existing fire station site
  - B The existing fire station site plus a small area of land directly adjacent to the site (owned by Cheshire East Council)
  - C The swapping of the existing site for an area of land adjacent to the site owned by Cheshire East Council
- 13 Option B would have created a more usable space, but it was not possible to secure agreement from Cheshire East Council. Option C was not feasible as a significant proportion of the land owned by Cheshire East Council was found to be subject to a different category of flood risk (it is lower than the existing fire station site) which was not suitable for an emergency services facility. This left us with Option A, working with the existing fire station site only.
- 14 Some key determining factors were noted at the outset of this Section of the Report.

### Residential properties adjacent to the site

The proposal would see a considerable intensification of the use of the site and there would be an impact on residential amenities especially during the night.

### Emergency turn-out

This would need to remain as it is at present.

### Car parking

The significant numbers of operational vehicles and car parking for staff

## Architectural Design

- 15 The Report noted that the site was in a prominent position and would probably attract a requirement for a strong architectural presence. The term 'landmark building' was used. There was also the issue of solar gain to tackle. This led the team to conclude that there would need to be some kind of treatment to one or more of the elevations of the building that could be expected to add to the complexity and cost of construction.

## Structural Design

- 16 The Report considered the ground conditions, requirements for the foundations and the manner in which the basement would be formed. The site layout and building design that was settled upon involved the creation of a substantial basement. The basement would need to be built close to a couple of boundaries and its footprint would be markedly bigger than the building that would sit on top of it. This created some structural engineering

challenges. The building design also included an atrium. This was considered to be necessary because of the shape of the building and the need to create sufficient natural light and ventilation.

### Highways

- 17 The Report covered the informal discussion that had taken place with Cheshire East Council. It was clear that the officers involved could see some difficulties creating another emergency service vehicle access across the dual carriageway on Crewe Road. Officers were also concerned about increasing vehicle movements to and from the site via the residential street. Whilst it was accepted that some staff parking would need to be off-site officers expected to see a formal agreement about this: it would not be acceptable to rely upon on-street parking given the numbers of staff and limited scope for parking on the adjoining road network.

### External Issues

- 18 Police colleagues have been unable to secure off-street parking for staff. An arrangement with an adjacent land owner can no longer be pursued to a binding commitment as it is understood that the ownership has changed. The prospect of agreeing anything that might be considered medium term to permanent appears now to be non-existent. There are no other viable options within a reasonable distance of the site.
- 19 The Crewe Station Hub Area Action Plan has been developed by Cheshire East Council and is being consulted upon with a view to it being adopted in 2020. The impact of this is not clear at this point, but the existing fire station site is within the area of the Action Plan.
- 20 The proposal would require Cheshire East Council to provide a temporary letting of part of its adjacent land for the temporary fire station and site compound. Although positive discussions have taken place no commitment has been secured.

### CONCLUSION ABOUT FEASIBILITY

- 21 The Feasibility Report does not contain a conclusion, as it is intended to allow the parties to consider whether the feasibility work has provided a satisfactory outcome and way forward. The following paragraphs are a summary of the conclusions reached by officers about the Report, apart from the financial aspects which are dealt with in the Financial Implications section of this report.
- 22 The layout/design produced by the project team can accommodate all requirements. The solution is impressive and appears to deal with the key challenges associated with such an ambitious use of such a constrained site.
- 23 The layout/design and site constraints have led to a substantially higher cost for the project than was originally anticipated. The areas which account for some of the higher costs are: a substantial basement built close to

boundaries of the site which exceeds the footprint of the building; an atrium which is required to bring light and ventilation into the centre of the building, the requirement to consider the 'landmark building' status that is anticipated and to tackle the solar gain; and the need for a temporary fire station 'off-site' during the construction period.

- 24 The fact that police colleagues no longer have a workable solution for off-street staff parking in the vicinity of the site means that the proposal is unviable.
- 25 The supplementary planning guidance that has been prepared by Cheshire East Council could have a bearing on any development on the site and at present the implications of this are not known.

### **Next Steps**

- 26 The project to create a joint fire and police facility on the Crewe Fire Station site should be brought to an end, with members of the project team being thanked for the work that they have carried out.
- 27 Given the condition of Crewe Fire Station officers should now prepare a fire-only proposal.

### **Financial Implications**

- 28 The costs of the joint fire and police facility are substantially higher at £18m, than some earlier attempts at estimating the cost (which had ranged from £11m to £14m). There are a number of reasons for this, the most significant being the fact that so much needed to be fitted onto the existing site. This led to expensive solutions and the following figures give an indication of some of the larger costs (estimated): basement, £2.6m; atrium, £1m; and 'landmark building', at least £350k. The temporary fire station would cost in the region of £1m and that figure does not include any payment that might be required by Cheshire East Council for use of some of its land on a temporary basis.
- 29 Whilst work has not been carried out to determine the respective share of the costs of the joint facility, it is highly likely that the cost to the Fire Authority would substantially exceed the £5m funding that was set aside. This figure was arrived at because a single build was expected to save the two organisations a combined sum of about £2m (£1m benefit to each).
- 30 The feasibility work has produced something that is simply too expensive and cannot represent value for money.
- 31 The feasibility work has cost around £50k, with the Fire Authority and the Police and Crime Commissioner for Cheshire sharing the cost equally. A small amount of the work will be of relevance to future plans for the site.

- 32 Whilst it is too early to offer a figure, the current capital allocation of £5m will undoubtedly need to be increased if the project team decide that a completely new fire-only facility should be built. The project team will be asked to consider whether any of the current buildings should be retained.

### **Legal Implications**

- 33 The work to-date has been carried out in a collaborative manner and there are no legal agreements between fire and police that need to be considered at this point. Existing contracts for the project team may be relied upon to deliver a fire-only project.

### **Equality and Diversity Implications**

- 34 Equality and diversity issues will be considered as any new proposal is developed.

### **Environmental Implications**

- 35 The Crewe Fire Station building is reaching the end of its serviceable life. It was designed and constructed at a time when its environmental impact was not considered, or at least not in the depth that it is in modern construction. Any new proposal would undoubtedly improve the position. Previous new-build fire stations have aimed for a Good environmental rating (BREEAM). However, it seems increasingly likely that local authorities will expect a minimum Very Good rating. This could increase costs.

**CONTACT: NAOMI THOMAS, FIRE HQ, WINSFORD  
TEL: [01606] 868804**

**BACKGROUND PAPERS: NONE**

## CHESHIRE FIRE AUTHORITY

**MEETING OF:** CHESHIRE FIRE AUTHORITY  
**DATE:** 18<sup>TH</sup> SEPTEMBER 2019  
**REPORT OF:** DIRECTOR OF GOVERNANCE AND COMMISSIONING  
**AUTHOR:** ANDREW LEADBETTER

---

**SUBJECT:** JOINT USE OF BIRCHWOOD FIRE STATION BY  
CHESHIRE CONSTABULARY

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### Purpose of Report

1. To obtain approval of the terms of a lease of part of Birchwood Fire Station to the Police and Crime Commissioner for Cheshire (PCC).

### Recommended: That Members;

- [1] Agree to a lease of part of Birchwood Fire Station to the Police and Crime Commissioner for Cheshire on the terms outlined.

### Background

2. As part of the Blue Light Collaboration Programme between the Fire Authority and Cheshire Constabulary and the PCC, Members agreed overarching Estates Sharing Principles. Members also committed funds to create a new joint fire and police facility on the Crewe Fire Station site and on 13<sup>th</sup> February 2019, the Fire Authority agreed to grant a lease of part of Frodsham Fire Station to the PCC.
3. On 24<sup>th</sup> April 2019, the Fire Authority agreed to grant a lease of part of Birchwood Fire Station to the PCC.

### Information

4. Since the meeting in April there have been further discussions about the use of the fire station. As a result and to satisfy the PCC's requirements different arrangements have been agreed. This has led to some minor changes to the terms of the lease to the PCC e.g. the area to be occupied is now on the ground floor rather than the first floor. The terms are shown in the table below:

Legal Basis	Lease contracted out of the security afforded by the Landlord and Tenant Act 1954
Area*	Exclusive occupation of the rooms shown on the plan attached as Appendix 1 to this report and shared use of communal areas, e.g. corridors, kitchen, toilets. Separate parking spaces to be marked out for police vehicles.
Term	20 years with breaks allowed at 5, 10 and 15 years.
Permitted Use	Office associated with the activities of Cheshire Constabulary, specifically excluding any custodial use.
Payment	PCC to pay a sum based on the proportion of the Fire Station that the Area represents together with a sum towards the communal areas, i.e. a payment towards rates and services; maintenance and cleaning; and annual lifecycle costs. The sum has been calculated at just under £12,500 per annum.
Standard Terms	Usual provisions will be included that are intended to protect both parties. For example:  Fire Authority: promises not to interfere with or obstruct Permitted Use  PCC: promises not to cause nuisance, make alterations, interfere with or obstruct fire and rescue services etc.

## Financial Implications

5. The Authority will receive sufficient funds from the PCC to cover the costs of the occupation of the fire station by Cheshire Constabulary.

## Legal Implications

6. Creating a legal interest in a fire station could restrict what can be done with the building in the future. However, the lease will include provisions that allow the arrangement to be brought to an end at specific times and the normal security of the Landlord and Tenant Act 1954 will be excluded so that the PCC will not have an automatic right to a new lease at the end of the Term.

## **Equality and Diversity Implications**

7. The plans for the facilities at the fire station had been reviewed to ensure they are appropriate for the regular users of the building.

## **Environmental Implications**

8. There are no environmental implications associated with the grant of the lease to the PCC.

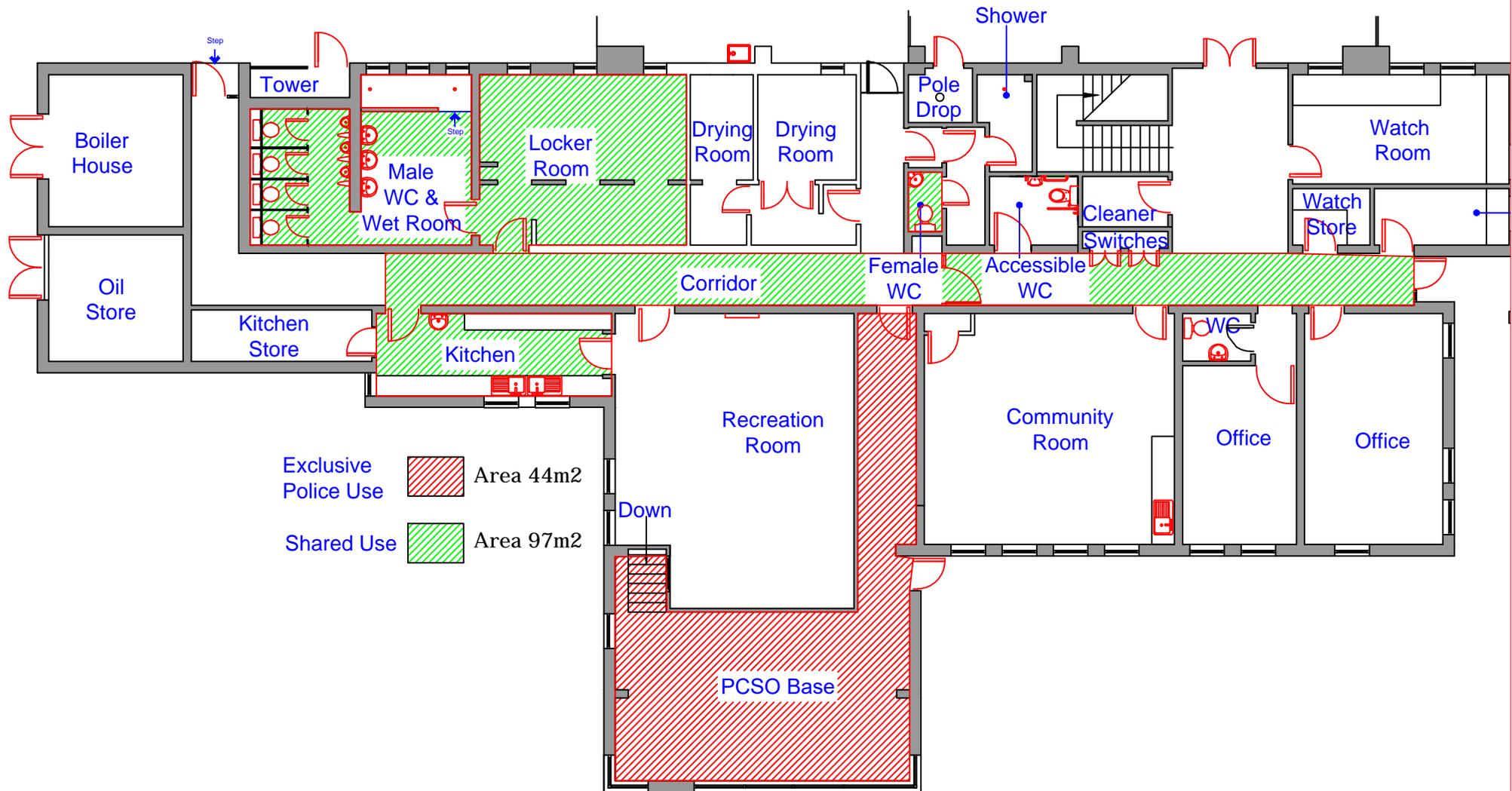
**CONTACT: NAOMI THOMAS, GOVERNANCE AND CORPORATE PLANNING  
MANAGER**

**TEL [01606] 868804**

**BACKGROUND PAPERS:**

**Appendix 1 – Plan of area to be let**

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