



**Wednesday,  
1 July 2020  
10.30 am**

**Meeting of  
Cheshire Fire Authority  
Remote Meeting**

Contact Officer:  
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Democratic Services

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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.

This meeting of the Fire Authority will be held by remote means, i.e. the meeting will not be taking place in person at Sadler Road, but will be hosted over the Internet, using Skype for Business, with participants located in a variety of places.

The Government introduced legislation, due to the Coronavirus pandemic, that enables remote meetings to take place and the Fire Authority has adopted rules that allow and govern the way that remote meetings will work. The rules can be accessed [here](#).

The meeting must be open to the public and press. However, as the public and press cannot attend in person the Fire Authority is arranging for the meeting to be broadcast. Final details about how to access the broadcast will be published on the website prior to the meeting.

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#### **Questions by Electors**

Given the current situation, questions for the Chair of the Fire Authority can be submitted by email to [DemocraticServices@cheshirefire.gov.uk](mailto:DemocraticServices@cheshirefire.gov.uk). Questions must be received at least five clear working days before the meeting takes place.

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#### **Access to Information**

Copies of the Agenda are available on the Service's website ([www.cheshirefire.gov.uk](http://www.cheshirefire.gov.uk)). A copy can also be obtained from Democratic Services via [DemocraticServices@cheshirefire.gov.uk](mailto:DemocraticServices@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 remote meeting, 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**

The Authority audio records its meetings. There is a protocol on reporting at meetings which provides further information. Please contact Democratic Services for a copy of the recording via [DemocraticServices@cheshirefire.gov.uk](mailto:DemocraticServices@cheshirefire.gov.uk).

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**MEETING OF CHESHIRE FIRE AUTHORITY  
WEDNESDAY, 1 JULY 2020  
Time : 10.30 am**

**AGENDA**

**PART 1 - BUSINESS TO BE DISCUSSED IN PUBLIC**

**1 PROCEDURAL MATTERS**

**1A Appointments for 2020-21** (Pages 1 - 16)

The report of the Director of Governance and Commissioning sets out the political proportions, proportionality rules and calculations and appointments for 2020-21.

**1B Recording of Meeting**

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

**1C Fire Authority Membership 2020-21**

The following Members had been appointed to the Fire Authority by the respective constituent authorities:

**Appointed by Cheshire East Council (3 Con, 3 Lab, 2 Ind)**

**Labour**

Cllr Marilyn Houston  
Cllr Nick Mannion  
Cllr Jonathan Parry

**Conservative**

Cllr Rachel Bailey  
Cllr Michael Beanland  
Cllr David Brown

**Independent**

Cllr David Edwardes  
Cllr James Nicholas

**Appointed by Cheshire West and Chester Council (4 Con, 4 Lab)**

**Labour**

Cllr Martyn Delaney  
Cllr Gina Lewis  
Cllr Bob Rudd  
Cllr Peter Wheeler

**Conservative**

Cllr Razia Daniels  
Cllr Jill Houlbrook  
Cllr Stuart Parker  
Cllr Norman Wright

**Appointed by Halton Borough Council (3 Lab)**

**Labour**

Cllr Phil Harris  
Cllr Stef Nelson  
Cllr Rob Polhill

## Appointed by Warrington Borough Council (3 Lab, 1 Lib Dem)

### Labour

Cllr Les Morgan  
Cllr Karen Mundry  
Cllr Steve Wright

### Liberal Democrat

Cllr Mike 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.

#### **1D Apologies for Absence**

#### **1E Chair's Announcements**

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

#### **1F 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.

#### **1G Questions and Petitions from Members of the Public**

To receive any questions submitted, in accordance with procedure rule 4.48 by members of the public from within the area covered by the Fire Authority. To receive any petitions submitted in accordance with procedure rule 4.56.

#### **1H Minutes of Fire Authority**

To confirm as a correct record the minutes of the Fire Authority Meeting held on 12<sup>th</sup> February 2020.

(Pages 17 - 32)

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

To receive, for information, the minutes of the Performance and Overview Committee meeting held on 26<sup>th</sup> February 2020.

(Pages 33 - 38)

#### **1J Minutes of Estates and Property Committee**

To receive, for information, the minutes of the Estates and Property Committee meeting held on 13<sup>th</sup> March 2020.

(Pages 39 - 42)

#### **1K Urgent Business - Additional Capital Funding to Improve Environmental Performance of new Chester Fire Station**

The Urgent Business form together with a copy of the supporting report considered by Estates and Property Committee is attached. Members will see that on 13<sup>th</sup> March 2020 the Estates and Property Committee resolved that the environmental performance of the new Fire Station should be enhanced. In addition, it recommended that the Fire Authority allocate an additional £300k to the project.

(Pages 43 - 52)

As there was no meeting of the Fire Authority in April due to the Coronavirus pandemic and because it was necessary to instruct the contractor, a decision was made using the procedure for Urgent business to be determined between Fire Authority meetings.

**1L Fire Station Modernisation Programme - Release of Balance of Capital Funding** (Pages 53 - 58)

The report of the Director of Governance and Commissioning sets out the current position of the Programme and seeks the release of the balance of the allocated capital funding so that the Programme can continue.

**1M Programme of Member Meetings 2020-21** (Pages 59 - 60)

A programme of Member meetings was previously approved by the Fire Authority. As a result of the Coronavirus pandemic some meetings from 2019-20 did not take place. The programme has been updated slightly with some meetings having been pushed back. The attached programme will be updated and circulated in the next week or two.

**1N Urgent Business - Remote Meeting Rules** (Pages 61 - 74)

The Remote Meeting Rules were created using the procedure for Urgent Business to be determined between Fire Authority Meetings. The Remote Meeting Rules replace, amend, or suspend elements of the Fire Authority Constitution to allow remote meetings to take place.

The Urgent Business form and Remote Meeting Rules are attached.

**10 Constitution**

Members are asked to adopt the constitution which contains the following sections:-

- Section 1 – Cheshire Fire Authority
- Section 2 – Key Documents
- Section 3 – Members’ Decision Making Bodies
- Section 4 – Procedural Matters
- Section 5 – Outside Bodies
- Section 6 – Members’ Role
- Section 7 – Protocols
- Section 8 – Members’ Code of Conduct
- Section 9 – Members’ Allowance Scheme
- Section 10 – Financial Regulations
- Section 11 – Scheme of Delegation

A copy of the Constitution can be accessed on the Service’s website via the following link:

<https://www.cheshirefire.gov.uk/about-us/fire-authority/cheshire-fire-authority-constitution>

## **ITEMS REQUIRING DISCUSSION / DECISION**

- |          |  |                   |
|----------|--|-------------------|
| <b>2</b> | <b>Integrated Risk Management Plan 2020-24</b><br>See separate pack containing all IRMP documents/reports. |                   |
| <b>3</b> | <b>Internal Audit Plan 2020-21</b>   | (Pages 75 - 86)   |
| <b>4</b> | <b>External Audit Plan 2019-20</b>   | (Pages 87 - 108)  |
| <b>5</b> | <b>End of Year Financial Report 2019-20</b>  | (Pages 109 - 120) |
| <b>6</b> | <b>Treasury Management Annual Report 2019-20</b>   | (Pages 121 - 128) |

## **PART 2 - BUSINESS TO BE DISCUSSED IN PRIVATE - NONE**

## CHESHIRE FIRE AUTHORITY

**MEETING OF:** CHESHIRE FIRE AUTHORITY  
**DATE:** 1<sup>ST</sup> JULY 2020  
**REPORT OF:** DIRECTOR OF GOVERNANCE AND COMMISSIONING  
**AUTHOR:** ANDREW LEADBETTER

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**SUBJECT:** APPOINTMENTS FOR 2020-21

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### Purpose of Report

1. This report enables Members to agree:
  - (a) The political proportions, political proportionality rules and allocation of seats on committees etc.
  - (b) The following appointments for 2020-21:
    - Chair of the Fire Authority
    - Deputy Chair of the Fire Authority
    - Lead Members
    - Seats on Committees etc. (including Chair and Deputy Chair)
    - Positions on Outside Bodies
    - Member Champions

Details of the independent (non-electing) members are also included.
2. This report has been prepared on the following bases: that there will be no changes to the responsibilities of the Fire Authority and its committees, boards and groups from 2019-20; and that appointments will be carried forward from 2019-20, as far as possible.

### Recommended:

#### Members are asked to:

- [1] Note the political proportions on the Fire Authority set out in paragraph 5 and agree the approach to the allocation of seats explained in paragraphs 6 and 7 of the report and Appendix 1;
- [2] Agree the continuing involvement of the independent (non-elected) members as set out in paragraphs 13 and 14 of the report;
- [3] Agree the appointments contained in Appendix 2 (suspending those parts of the Constitution that dictate how certain appointments are made); and
- [4] Agree the continuation of the Member/officer buddy arrangements.

## BACKGROUND

- Members will be aware that many local authorities have relied upon legislation introduced as a result of the Coronavirus Pandemic to carry forward their appointments from 2019-20 into 2020-21. The Group Leaders believe that it would be helpful to follow the lead of the constituent authorities and carry forward the appointments made by the Fire Authority for 2019-20, as far as possible.

## INFORMATION

- The attached documents set out the political proportionality rules and calculations; and contain details of the appointments for 2020-21 that will be proposed by the Group Leaders. Members will see that there are a small number of changes, e.g. an additional Member Champion for Mental Health, (which are shown in red) and a few gaps that need to be filled (which are highlighted). Additions and/or further changes will be confirmed at, or before the meeting.

## POLITICAL PROPORTIONS ON THE FIRE AUTHORITY

- Political proportions are important as they determine the allocation of seats on some committees.

Political Group	Seats	Percentage
Labour	13	56.522%
Conservative	7	30.435%
Independent	3	13.043%
Total	23	100.00%

## POLITICAL PROPORTIONALITY RULES (WHERE THEY APPLY AND WHERE THEY DON'T AND THEIR AFFECT UPON THE ALLOCATION OF SEATS ON COMMITTEES ETC.)

- The Local Government (Committees and Political Groups) Regulations 1990 and Local Government and Housing Act 1989 make provision for the handling of political group representation on the Fire Authority's committees. For the sake of simplicity the term 'political proportionality rules' has been used.
- The political proportionality rules are not straight-forward. They involve the application of certain principles '...so far as reasonably practicable...' in allocating seats to political groups. These principles are set out below:
  - that not all the seats on the body are allocated to the same political group;
  - that the majority of the seats on the body is allocated to a particular political group if the number of persons belonging to that group is a majority of the authority's membership;
  - subject to paragraphs (a) and (b) above, that the number of seats on the ordinary committees of a relevant authority which are allocated to each

political group bears the same proportion to the total of all the seats on the ordinary committees of that authority as is borne by the number of members of that group to the membership of the authority; and

- d) subject to paragraphs (a) to (c) above, that the number of the seats on the body which are allocated to each political group bears the same proportion to the number of all the seats on that body as is borne by the number of members of that group to the membership of the authority.

#### **APPOINTMENT OF MEMBERS TO AVAILABLE SEATS ON COMMITTEES ETC.**

8. Not all of the Authority's bodies are covered by the political proportionality rules. For example, the Member Training and Development Group is not.
9. Some other bodies exist where there is no requirement for appointments to be made at the annual meeting, e.g. Closure of Accounts Committee (role fulfilled by Performance and Overview Committee) and Staffing Committee (same membership as Brigade Managers' Pay and Performance Committee).

#### **INVOLVEMENT OF INDEPENDENT (NON-ELECTED) MEMBERS**

10. Last year both of the independent (non-elected) members attended the Governance and Constitution Committee and one independent (non-elected) member attended the Performance and Overview Committee and the Member Training and Development Group. The independent (non-elected) members shared responsibility for attendance at the Estates and Property Committee. They fulfil an advisory role.
11. The independent (non-elected) members are happy to continue in the roles indicated:

Governance and Constitution Committee: Derek Barnett and Lesley Thomson  
Performance and Overview Committee: Derek Barnett  
Estates and Property Committee: Derek Barnett, or Lesley Thomson  
Member Training and Development Group: Lesley Thomson

#### **OUTSIDE BODIES**

12. The Fire Authority appoints to the outside bodies covered in Appendix 2. Members will see that the roles of the bodies and delegated powers (if any) are set out in the Appendix.

#### **MEMBER CHAMPION ROLES**

13. The Fire Authority appoints to the Member Champion roles covered in Appendix 2.

#### **APPOINTMENTS for 2020-21**

14. Members will find all appointments in Appendix 2. The vast majority are carried forward from 2019-20. Changes are shown in red and gaps are

highlighted. The gaps and any further changes will be confirmed at, or before the meeting.

### **MEMBER/OFFICER BUDDY ARRANGEMENTS**

15. The Authority operates a Member/officer buddy arrangement. This is intended to provide Members with officer support to help develop their overall and wider knowledge of the organisation and the fire and rescue sector generally. Support is also offered to the independent (non-elected) members. Members are asked to agree the continuation of the buddy arrangements.

### **Financial Implications**

16. The cost of operating the democratic process is contained within the Authority's budget.

### **Legal Implications**

17. The Fire Authority has delegated certain functions to various decision-making bodies and has in place arrangements to facilitate good communications between Members and officers. The appointments made as a result of this report help to ensure that decisions made will be set within an appropriate legal framework.

### **Equality & Diversity Implications**

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

### **Environmental Implications**

19. There are no environmental implications arising from this report.

**CONTACT: NAOMI THOMAS, FIRE SERVICE HQ, WINSFORD  
TEL [01606] 868804  
BACKGROUND PAPERS: NONE**

## **Political Proportionality Rules and Calculations**

1. The following table shows the percentages used in producing the calculations which appear later in this section:

Group	Seats on Fire Authority	Percentage of Seats on Fire Authority
Labour	13	56.522%
Conservative	7	30.435%
Independent	3	13.043%
Total	23	100%

2. The Principles in Section 15 of the Local Government and Housing Act 1989 that need to be followed so far as reasonably practicable are:
- (a) that not all the seats on the body are allocated to the same political group;
  - (b) that the majority of the seats on the body is allocated to a particular political group if the number of persons belonging to that group is a majority of the authority's membership;
  - (c) subject to paragraphs (a) and (b) above, that the number of seats on the ordinary committees of a relevant authority which are allocated to each political group bears the same proportion to the total of all the seats on the ordinary committees of that authority as is borne by the number of members of that group to the membership of the authority; and
  - (d) subject to paragraphs (a) to (c) above, that the number of the seats on the body which are allocated to each political group bears the same proportion to the number of all the seats on that body as is borne by the number of members of that group to the membership of the authority.

### Principle (a)

3. We can ignore Principle (a) as no options are presented with the Labour Group having all of the seats on any body.

Principle (b)

4. The table below presents a scenario where the Labour Group is initially given the majority of seats on each body and then the other seats are allocated using the proportion calculations. A seat is allocated to one of the other groups wherever the calculations return 0.51 and above. This complies with Principle (b) but produces an unsatisfactory result. There are 34 seats allocated when there are only 33 available (one extra seat on the Joint Consultative Committee).

		No of seats allocated on Estates and Property Committee <b>(7 Seats)</b>	No of seats allocated on Performance and Overview Committee <b>(8 Seats)</b>	No of seats allocated on Pay and Performance Committee <b>(7 Seats)</b>	No of seats allocated on Governance and Constitution Committee <b>(7 Seats)</b>	No of seats allocated on Joint Consultative Committee <b>(4 Seats)</b>	Total no of seats to allocate <b>(33)</b>
Conservative	%	30.435	30.435	30.435	30.435	30.435	<b>9</b>
	Calc	2.13	2.43	2.13	2.13	1.22	
	Rounded	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>1</b>	
Labour	Majority	<b>4</b>	<b>5</b>	<b>4</b>	<b>4</b>	<b>3</b>	<b>20</b>
Independent	%	13.043	13.043	13.043	13.043	13.043	<b>5</b>
	Calc	0.91	1.04	0.91	0.91	0.52	
	Rounded	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	
Totals		<b>7</b>	<b>8</b>	<b>7</b>	<b>7</b>	<b>5</b>	<b>34</b>

Principle (c)

6. The table below shows the allocation taking into account the total number of available seats set against the proportions on the Fire Authority. A seat is allocated wherever the calculations return 0.51 and above. This complies with Principle (c). It is these figures which the allocations to the bodies should seek to achieve (see Principle (d) table).

Political Group	%	Calculation – Proportion of 33 Seats	Total
Conservative	30.435	10.04	10
Labour	56.522	18.65	19
Independent	13.043	4.30	4
Totals	100	32.96	33

Principle (d)

7. The table below applies the proportions on the Fire Authority to each body. A seat is allocated wherever the calculations return 0.51 and above. It produces an unsatisfactory result as the Labour Group does not have the majority on all committees.

		No of seats allocated on Estates and Property Committee <b>(7 Seats)</b>	No of seats allocated on Performance and Overview Committee <b>(8 Seats)</b>	No of seats allocated on Pay and Performance Committee <b>(7 Seats)</b>	No of seats allocated on Governance and Constitution Committee <b>(7 Seats)</b>	No of seats allocated on Joint Consultative Committee <b>(4 Seats)</b>	Total no of seats to allocate <b>(33)</b>
Conservative	%	30.435	30.435	30.435	30.435	30.435	9
	Calc	2.13	2.43	2.13	2.13	1.22	
	Rounded	2	2	2	2	1	
Labour	%	56.522	56.522	56.522	56.522	56.522	19
	Calc	3.96	4.52	3.96	3.96	2.26	
	Rounded	<b>4</b>	<b>5</b>	<b>4</b>	<b>4</b>	<b>2</b>	
Independent	%	13.043	13.043	13.043	13.043	13.043	5
	Calc	0.91	1.04	0.91	0.91	0.52	
	Rounded	1	1	1	1	1	
Totals		7	8	7	7	4	33

**Achieving the Principles**

8. The Labour Group will have the majority on the Joint Consultative Committee provided that a Labour member chairs the meetings and has a casting vote. Labour members will, therefore, need to be appointed to the roles of Chair and Deputy Chair for this committee.
9. The allocations using Principle (c) and Principle (d) are shown below:

Political Group	Number of Seats	
	Allocations Overall (Principle (c))	Allocations per Body (Principle (d))
Conservative	10	9
Labour	19	19
Other	4	5
	33	33

10. In order to achieve the seat allocation in Principle (c) (i.e. 10 seats to the Conservative Group and 4 seats to the Independent Group) the Independent Group must give up one seat to the Conservative Group. The Independent Group has chosen to give up a seat on the Joint Consultative Committee.

**FIRE AUTHORITY MEMBERSHIP 2020-2021 [GROUPS - LAB 13, CON 7, IND 3]**  
**RED ENTRIES INDICATE CHANGES**

**APPOINTMENTS BY CONSTITUENT AUTHORITIES**

Appointed by Cheshire East Borough Council (3 Lab, 3 Con, 2 Ind)

Labour	Conservative	Independent
Cllr Marilyn Houston	Cllr Rachel Bailey	Cllr David Edwardes
Cllr Nick Mannion	Cllr Michael Beanland	Cllr James Nicholas
Cllr Jonathan Parry	Cllr David Brown	

Appointed by Cheshire West and Chester Borough Council (4 Lab, 4 Con)

Labour	Conservative
Cllr Martyn Delaney	Cllr Razia Daniels
Cllr Gina Lewis	<b>Cllr Jill Houlbrook</b>
Cllr Bob Rudd	Cllr Stuart Parker
Cllr Peter Wheeler	Cllr Norman Wright

Appointed by Halton Borough Council (3 Lab)

Labour  
Cllr Phil Harris  
Cllr Stef Nelson  
Cllr Rob Polhill

Appointed by Warrington Borough Council (3 Lab, 1 Lib Dem)

Labour	Liberal Democrat
Cllr Les Morgan	Cllr Mike Biggin
Cllr Karen Mundry	
Cllr Steve Wright	

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.

**CHAIR OF CHESHIRE FIRE AUTHORITY 2020-21**

Cllr Bob Rudd

**DEPUTY CHAIR OF CHESHIRE FIRE AUTHORITY 2020-21**

Cllr Stef Nelson

**LEAD MEMBERS**

Cheshire East: Councillor Nick Mannion  
Cheshire West and Chester: Councillor Gina Lewis  
Halton: Councillor Stef Nelson  
Warrington: **Replacement**

## APPOINTMENTS TO COMMITTEES, BOARDS AND GROUPS 2020-21

### BODIES COVERED BY POLITICAL PROPORTIONALITY RULES

#### PERFORMANCE AND OVERVIEW COMMITTEE – 8 Members and 1 independent member

Chair: Cllr Phil Harris

Deputy Chair: Cllr Peter Wheeler

CONSERVATIVE	LABOUR	INDEPENDENT	independent member
Cllr Norman Wright	Cllr Phil Harris	Cllr James Nicholas	Derek Barnett
Cllr Razia Daniels	Cllr Les Morgan		
	Cllr Gina Lewis		
	Cllr Jonathan Parry		
	Cllr Peter Wheeler		

#### Substitute Members for Performance and Overview Committee

CONSERVATIVE	LABOUR	INDEPENDENT
Cllr Rachel Bailey	Cllr Rob Polhill	Cllr Mike Biggin

#### GOVERNANCE AND CONSTITUTION COMMITTEE – 7 Members and 2 independent members

Chair: Cllr Steve Wright

Deputy Chair: Cllr Rob Polhill

CONSERVATIVE	LABOUR	INDEPENDENT	independent member
Cllr David Brown	Cllr Steve Wright	Cllr Mike Biggin	Derek Barnett
Cllr Rachel Bailey	Cllr Rob Polhill		Lesley Thomson
	Cllr Martyn Delaney		
	Cllr Nick Mannion		

#### Substitute Members for Governance and Constitution Committee

CONSERVATIVE	LABOUR	INDEPENDENT
Cllr Michael Beanland	Cllr Peter Wheeler	Cllr David Edwardes

#### 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 Bob Rudd

Deputy Chair: Cllr Stef Nelson

CONSERVATIVE	LABOUR	INDEPENDENT
Cllr Stuart Parker	Cllr Bob Rudd	Cllr Mike Biggin
Cllr Michael Beanland	Cllr Stef Nelson	
	Cllr Karen Mundry	
	Replacement	

#### Substitute Members for Brigade Manager's Pay & Performance Committee

CONSERVATIVE	LABOUR	INDEPENDENT
Cllr David Brown	Cllr Jonathan Parry	Cllr James Nicholas

## ESTATES AND PROPERTY COMMITTEE – 7 Members and 1 independent member

Chair: Cllr Karen Mundry

Deputy Chair: Cllr Stef Nelson

CONSERVATIVE	LABOUR	INDEPENDENT	independent member
Cllr Stuart Parker	Cllr Karen Mundry	Cllr David Edwardes	Derek Barnett OR
Cllr Norman Wright	Cllr Marilyn Houston		Lesley Thomson
	Cllr Peter Wheeler		
	Cllr Stef Nelson		

### Substitute Members for Estates and Property Committee

CONSERVATIVE	LABOUR	INDEPENDENT
Cllr Michael Beanland	Cllr Phil Harris	Cllr James Nicholas

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

## JOINT CONSULTATIVE COMMITTEE – 4 Members

Chair: Cllr Rob Polhill

Deputy Chair: Cllr Phil Harris

CONSERVATIVE	LABOUR
Cllr Rachel Bailey	Cllr Rob Polhill
Cllr Jill Houlbrook	Cllr Phil Harris

### Substitute Members for Joint Consultative Committee

CONSERVATIVE	LABOUR
Cllr Stuart Parker	Cllr Peter Wheeler

## BODIES NOT COVERED BY POLITICAL PROPORTIONALITY RULES

### MEMBER TRAINING AND DEVELOPMENT GROUP – 5 Members and 1 Independent Member

Chair: Cllr Gina Lewis

Cllr Gina Lewis	Cllr Karen Mundry	Cllr Stuart Parker	Cllr David Brown
Cllr David Edwardes	independent member Lesley Thomson		

### RISK MANAGEMENT BOARD – 2 Members

Cllr Stef Nelson	Cllr Stuart Parker
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### PHOENIX BOXING CLUB BOARD – 2 Members (Warrington Members only)

Members		Substitutes	
Cllr Karen Mundry	Cllr Steve Wright	Cllr Les Morgan	Cllr Mike Biggin

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

<b>Member</b>	Cllr Stef Nelson
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**PENSION BOARD – 1 Member**

<b>Member</b>	Cllr David Brown
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**SPRINKLER GROUP – 4 Members (one from each constituent authority)**

<b>Members</b>	
Cllr David Edwardes	Cllr Les Morgan
Cllr Gina Lewis	Cllr Stef Nelson

**EQUALITY STEERING GROUP – 1 Member**

<b>Member</b>
Cllr Razia Daniels

**SERVICE HEALTH, SAFETY AND WELLBEING COMMITTEE – 1 Member**

<b>Member</b>
Cllr Mike Biggin

**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 – 7 Members**

The Brigade Managers' Pay and Performance Committee sits as the Staffing Committee.

**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**

<b>Members</b>
Chair of Fire Authority – Cllr Bob Rudd
Deputy Chair of the Fire Authority – Cllr Stef Nelson
Leader of Main Opposition – Cllr Stuart Parker

#### **(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**

<b>Members</b>
Chair of the Fire Authority – Cllr Bob Rudd
Deputy Chair of the Fire Authority – Cllr Stef 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.

<b>Member</b>
Chair of Fire Authority – Cllr Bob 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 is also reviewing the arrangements for the Safer Cheshire East Partnership.**

<b>Member</b>
Cllr Nick Mannion

#### **(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 Police and Crime Commissioner for Cheshire, the Chair of 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.

<b>Member</b>
Chair of the Fire Authority – Cllr Bob Rudd

**MEMBER CHAMPION ROLES**

<b>Equality and Diversity</b> Sits on Equality Steering Group	Cllr Razia Daniels Cllr Marilyn Houston
<b>Health and Safety</b> Sits on Health and Safety Committee	Cllr Mike Biggin
<b>Information and ICT</b>	Cllr Rob Polhill
<b>Environment</b>	Cllr Karen Mundry
<b>Procurement</b>	Cllr Martyn Delaney
<b>Finance</b>	Cllr Stef Nelson Cllr David Brown
<b>Older People</b>	Cllr Peter Wheeler
<b>Young People</b>	Cllr Jonathan Parry
<b>Performance Management</b>	Cllr Phil Harris
<b>Commercial/Business Risk Reduction</b>	Cllr Stuart Parker
<b>Industrial Relations (JCC Chair)</b>	Cllr Rob Polhill
<b>Road Safety</b>	Cllr Nick Mannion
<b>Pensions (Local Pension Board Chair)</b>	Cllr David Brown
<b>Sprinklers</b>	Cllr Gina Lewis
<b>Rural</b>	Cllr Rachel Bailey
<b>Mental Health</b>	Appointment

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**MINUTES OF THE MEETING OF THE CHESHIRE FIRE AUTHORITY held on Wednesday, 12 February 2020 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, Phil Harris, Marilyn Houston, Gina Lewis, Nick Mannion, Les Morgan, Karen Mundry, Stef Nelson, James Nicholas, Stuart Parker, Jonathan Parry, Rob Polhill, Morgan Tarr, Peter Wheeler, Norman Wright, Steve Wright and Police and Crime Commissioner, David Keane

**1 PROCEDURAL MATTERS**

**A Recording of Meeting**

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

**B Apologies for Absence**

There were no apologies submitted.

**C Appointment of Members of the Fire Authority**

The Chair welcomed newly appointed Members Councillor Les Morgan and Councillor Marilyn Houston to the Authority.

**D Changes to the Appointment of Committees etc. and Member Roles 2019-20**

**RESOLVED:**

**That Members note and approve the changes to committees etc. and Member Champion roles, as shown in red, subject to the following addition:**

- **Councillor Marilyn Houston be appointed as an additional Equality and Diversity Member Champion.**

**Note: The full list is attached to these minutes.**

**E Appointment of Lead Member for Cheshire East Borough Council**

Members from Cheshire East Borough Council were asked to appoint a Lead Member. Councillors Nick Mannion and Micheal Beanland were nominated and seconded and a vote took place.

Councillor Nick Mannion was appointed with 5 votes to 3 votes for Councillor Michael Beanland.

**RESOLVED:**

**That Councillor Nick Mannion be appointed as Lead Member for Cheshire East Borough Council.**

**F Independent (Non-Elected) Member - Further Term of Office**

**RESOLVED:**

**That a further term of office for Lesley Thomson be approved (four years to begin in June 2020 when Lesley's first term expires).**

**G 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.

He referred Members to a section of the Chair's announcements containing information on the Service achieving third place within the Stonewall Top 100 Workplace Index for a second year in a row. He congratulated and thanked all who were involved in the process.

**H Declaration of Members' Interests**

There were no declarations of Members' interest.

**I Questions from Members of the Public**

No questions had been submitted.

**J Minutes of Fire Authority**

**RESOLVED:**

**That the minutes of the Fire Authority meeting held on 10<sup>th</sup> December 2019 be approved as a correct record.**

**K Minutes of Governance and Constitution Committee**

The Director of Governance and Commissioning informed Members that the Committee had granted dispensations in relation to decisions concerning the setting of the Council Tax precept and approval of the Members' Allowances Scheme (and any changes and/or additions to it).

The following Members had been granted both dispensations:

Councillors Michael Beanland; Mike Biggin; David Brown; Razia Daniels; Martyn Delaney; David Edwardes; Gina Lewis; Nick Mannion; Les Morgan; Karen Mundry; Stef Nelson; James Nicholas; Stuart Parker; Jonathan Parry; Rob Polhill; Bob Rudd; Morgan Tarr; Peter Wheeler; Norman Wright; and Steve Wright

The following Member had been granted the dispensation relating to the Members' Allowances Scheme:

Councillor Phil Harris

The Authority was asked to consider extending the benefit of both dispensations to Councillors Rachel Bailey and Marilyn Houston. The Authority was also asked to extend the benefit of the dispensations relating to the setting of the Council Tax precept to Councillor Phil Harris.

**RESOLVED: That**

**[1] the minutes of the Governance and Constitution Committee meeting held on 29<sup>th</sup> January 2020 be noted; and**

**[2] dispensations be extended to:**

- **Councillors Rachel Bailey and Marilyn Houston to allow them to take part in debates and votes concerning the setting of the Council Tax precept and approval of the Members' Allowances Scheme (and any changes/additions to it);**
- **Councillor Phil Harris to allow him to take part in debates and votes concerning the setting of the Council Tax precept.**

**L Minutes of Brigade Managers' Pay and Performance Committee**

**RESOLVED:**

**That the minutes of the Brigade Manager's Pay and Performance Committee meeting held on 15<sup>th</sup> January 2020 be noted.**

**M Minutes of Staffing Committee**

**RESOLVED:**

**That the minutes of the Staffing Committee meeting held on 15<sup>th</sup> January 2020 be noted.**

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

**RESOLVED:**

**That the notes of the Member Training and Development Group meeting held on 14<sup>th</sup> February 2020 be noted.**

## 2 **TREASURY MANAGEMENT STRATEGY**

The Head of Finance presented the report which sought approval of the Treasury Management Strategy 2020-21 (the Strategy). This was a requirement of guidance issued by the Ministry of Housing, Communities and Local Government (MHCLG), the CIPFA Treasury Management Code and the CIPFA Prudential Code. It also assisted the Authority in showing its compliance with requirements in the Local Government Act 2003.

The Strategy comprised of four main elements:

- Capital Expenditure Plans and Prudential Indicators
- Borrowing Strategy and Prudential Limits
- Annual Investment Strategy
- Minimum Revenue Provision (MRP) Statement

The Head of Finance referred Members to 'Table 2: Capital Financing' at paragraph 4.1.3 of Appendix 1 to the report. She informed Members that the Authority had not yet borrowed any of the anticipated £11m required over the period to finance the planned major build projects. She also referred Members to the table at paragraph 5.3.1 of Appendix 1 which provided a forecast of interest rates from December 2019 to March 2023, which forecast no increase in interest rates this year. The Head of Finance reiterated that, when required, a recommendation to borrow would be brought to the Authority when officers felt that the time was right.

The Head of Finance informed Members that the Authority's reserves were reducing and would be just under £20m by the end of March 2020. She referred Members to 'Table 4: Reserves' at paragraph 4.3.1 of Appendix 1. It indicated that reserves would reduce to approximately £8.6m by March 2023 and, going forward, would be maintained at 5% of the net revenue budget.

A Member queried whether a statement could be included within the Treasury Management Strategy regarding the Authority's approach to ethical or environmental investment. The Head of Finance confirmed that, going forward, she would incorporate this into future iterations of the Treasury Management Strategy.

**RESOLVED: That**

**[1] the Treasury Management Strategy 2020-21 approved; and**

**[2] the Authority's Prudential Indicators including the Authorised Limit (Appendix 1, paragraph 5.2.7) and Operational Boundary (Appendix 1, paragraph 5.2.3) be approved.**

## 3 **DRAFT BUDGET 2020-21, COUNCIL TAX PRECEPT AND MEDIUM TERM FINANCIAL PLAN 2020-25**

Note: an updated copy of 'Table 4 – Council Tax Precepts' on page 60 of the Agenda Pack was circulated ahead of the meeting. The figures are set out below:

Unitary Council	Taxbase	1.99% Increase
		£
Cheshire East	<b>152,597.84</b>	12,099,483.00
Cheshire West and Chester	<b>123,713.30</b>	9,809,228.00
Halton	<b>35,359.00</b>	2,803,615.00
Warrington	<b>68,464.00</b>	5,428,511.00
	<b>380,134.14</b>	<b>30,140,837.00</b>

The Treasurer presented the report which asked Members to:

- Approve the Authority's Medium Term Financial Plan 2020/25
- Agree the Authority's budget for 2020/21
- Agree the Authority's Council Tax precept for 2020/21 as required by law
- Approve the Authority's Capital Programme and funding
- Approve the Authority's Capital Strategy
- Approve the Authority's Reserves Strategy

The Treasurer informed Members that officers were proposing a council tax increase of 1.99%. The Medium Term Financial Plan and Reserves Strategy 2020/25 appended to the report reflected the assumption of a council tax increase of 1.99%.

He referred Members to 'Table 1: Financing of the Proposed Net Revenue Budget' at paragraph 8 of the report which provided an overview of the Authority's overall funding position. An increase of 1.99% in the council tax precept would generate an additional £1m income compared to 2019/20, based on the increased council taxbase of Band D equivalent properties. With the inclusion of other elements of funding, such as revenue support grant and business rate income, the overall net revenue budget would increase by £1.369m compared to the previous year.

The Treasurer referred Members to 'Table 2 – Construction of Proposed 2020-21 Revenue Budget' which showed proposed adjustments to the revenue budget. He indicated that the increase in funding of approx. £1.3m would not be sufficient to balance the budget, therefore savings proposals of £2.4m had been identified to ensure that planned spending matched the level of proposed resources. Appendix 2C to the report contained details of proposed savings for 2020/21.

Permanent growth for 2020/21 was contained within Appendix 2A to the report and one-off growth items for 2020/21 were detailed in Appendix 2B to the report.

A Member referred to Appendix 2A to the report and queried why Service Delivery was running over establishment. The Chief Fire Officer and Chief Executive informed Members that, due to previous years when recruitment had not taken place, there was a risk that the Service could have experience/skills shortages as a result of retirements over the next few years. To enable the Service to mitigate this risk, a strategy was deployed to temporarily over-establish ahead of any experience/skills shortage occurring to ensure that there were sufficient numbers of trained firefighters to work alongside any new recruits. The Treasurer informed Members that, with the volume of retirements and leavers expected over the next few years, the overspend was expected to reduce. In the meantime, a contribution had been built into reserves to cover the cost.

A Member referred to paragraphs 20 and 24 within the report, highlighting that she was pleased to see that the Government had awarded an additional grant to the Service to assist with firefighter pension costs. She also welcomed the environmental focus of several of the growth items listed in Appendix 2A.

A Member queried what the £18k increase listed in Appendix 2A for 'Equality, diversity and inclusion – supplies and services budget' would be utilised for. The Director of Transformation informed Members that there was currently no dedicated non-pay budget for the Service's equality, diversity and inclusion work. The £18k would be utilised to fund events, conferences, networking activity and any other non-pay supplies/services linked to the promotion of equality, diversity and inclusion.

**RESOLVED: That**

- [1] the Medium Term Financial Plan as set out in Appendix 1 be approved;**
- [2] the Budget Requirement of £44.830m for 2020/21 (as set out in Table 1, paragraph 8) which takes account of adjustments for inflation, growth, one off items and savings (as set out in Table 2, paragraph 12 and Appendices 2a, 2b and 2c respectively) be agreed;**
- [3] the proposed council tax increase of 1.99% (which represents a Band D council tax precept of £79.29) for 2020/21 be agreed;**
- [4] the council tax precepts set out in the updated Table 4, be agreed;**
- [5] the proposed capital programme for 2020/21 set out in Table 3, paragraph 26 together with its associated financing be approved;**
- [6] the Capital Strategy set out in Appendix 3 be approved;**
- [7] the Reserves Strategy set out in Appendix 4 be approved;**
- [8] the Statement of Robustness of Estimates set out in Appendix 5 be noted; and**
- [9] the Financial Health Targets in paragraph 28 be adopted.**

#### 4 PAY POLICY STATEMENT 2020-21

The Director of Transformation presented the report which sought approval to publish the Pay Policy Statement for 2020-21, attached as Appendix 1 to the report.

She explained that, under the Localism Act 2011, all local authorities were required to publish a pay policy statement on an annual basis. The document set out the Authority's policies for the financial year relating to the remuneration of its Chief Officers, the remuneration of its lowest paid employees, and the relationship between the pay of Chief Officers and that of other employees. The requirement was intended to increase transparency and accountability, and to give local people access to information to allow them to determine whether pay is appropriate.

Paragraphs 9-17 of the report provided an overview of changes to the Pay Policy Statement since it was previously approved in February 2019. Changes included: the Service's new Brigade Manager structure; increased employer contribution rates for the firefighter pension schemes; adoption of the Living Wage as the Service's minimum rate of pay; and the adjustment of the pay multiples to reflect the lower salary of the Chief Fire Officer and Chief Executive and an overall increase in the pay of other staff.

The Director of Transformation referred Members to two known outstanding issues pertaining to pay in the report that could necessitate changes to the Pay Policy Statement during the course of the financial year 2020/21. The first issue concerned the national firefighter pay negotiations and the second concerned the Public Sector Exit Payments Regulations which were expected to come into force during 2019. She asked Members to authorise her, in conjunction with the Director of Governance and Commissioning, to make any necessary in-year changes to the Pay Policy Statement as necessitated by new legislation or guidance.

A Member asked for further information regarding the Service's gender pay gap. The Director of Transformation confirmed that a separate report would be submitted to the Authority later in the year on this and that she would provide further information to the individual Member outside of the meeting.

A Member queried what the exit payment cap of £95k included. Officers confirmed that they would provide Members with a breakdown of what was included.

#### **RESOLVED: That**

- [1] the Pay Policy Statement 2020-21, attached at Appendix 1 to the report, be approved; and**
- [2] the Director of Transformation, in conjunction with the Director of Governance and Commissioning, be authorised to make any necessary in-year changes to the pay Policy Statement as necessitated by new legislation or guidance.**

## **5 ACCREDITATION AS A LIVING WAGE EMPLOYER**

The Director of Governance and Commissioning presented the report which enabled Members to determine whether to pursue accreditation as a Living Wage Employer. He informed Members that the Living Wage was an hourly rate of pay set independently and updated by the Living Wage Foundation, rather than a statutory requirement. Item 10 also provided background information about third party contractors and the potential financial impact of accreditation.

He referred Members to paragraph 24 within the report which detailed the additional annual cost of securing the payment of the Living Wage to cleaning and catering staff employed by third party contractors. He explained that the figure quoted was overstated. Taking into account the increase of the National Living Wage from £8.21 to £8.72 on 1<sup>st</sup> April 2020, the additional cost of paying the Living Wage was expected to be £17k-£20k per year. An updated copy of Appendix 2 to the report was published and circulated ahead of the meeting, indicating the changes to hourly rates from 1<sup>st</sup> April 2020.

### **RESOLVED: That**

**[1] accreditation as a Living Wage Employer be pursued by the Fire Authority.**

## **6 DRAFT INTEGRATED RISK MANAGEMENT PLAN 2020-24 CONSULTATION UPDATE**

The Policy and Transformation Officer presented the report which provided a progress update regarding the consultation concerned with the draft Integrated Risk Management Plan 2020-24 (IRMP). At the meeting of the Authority in December 2019 Members approved the draft IRMP. The consultation was launched on Monday 16<sup>th</sup> December 2019 and was due to conclude on Friday 20<sup>th</sup> March 2020.

The report provided a progress update against each strand of the consultation: the public consultation, the staff consultation and consultation with local partners. Interim feedback received from all parties was outlined in paragraphs 13 to 21. The Policy and Transformation Officer explained that figures had changed slightly since the publication of the report as further survey responses had been received.

Several public roadshows and staff conferences had taken place since January. Officers had also met with two Members of Parliament from Cheshire to discuss the proposals within the draft IRMP. Copies of the draft IRMP had also been sent to councillors across the Service area and neighbouring fire and rescue services for their feedback.

The Consultation Institute had been contracted by the Service to provide an independent quality assurance assessment against the consultation process. The Policy and Transformation Officer informed Members that a mid-point review with the institute was planned for 17<sup>th</sup> February 2020 and that their feedback would be published online.

A Member queried whether consultation response rates were similar to those from previous year. The Policy and Transformation Officer confirmed that response rates were comparable.

**RESOLVED: That**

**[1] the report be noted.**

**7 APPOINTMENT OF INDEPENDENT PERSON (HANDLING OF COMPLAINTS ABOUT MEMBER CONDUCT)**

The Director of Governance and Commissioning presented the report which enabled Members to decide upon the appointment of an Independent Person to assist the Authority in handling complaints about breaches of the Members' Code of Conduct.

An application had been received from Mr Donald Clark, who lived in Cheshire and already acted as an Independent Person for Warrington Borough Council. The application made it clear that Mr Clark fulfilled the key requirement, i.e. to be "independent".

A panel of three members of the Governance and Constitution Committee, together with one of the independent (non-elected) members, interviewed Mr Clark on 29th January 2020. Following the interview, the Committee considered a brief report and heard the views of the Members involved in the interview. The Committee unanimously agreed to recommend Mr Clark's appointment as an Independent Person to the Fire Authority.

**RESOLVED: That**

**[1] Mr Donald Clark be appointed to the role of Independent Person for Cheshire Fire Authority for a period of three years (until February 2023).**

**8 COLLABORATION STRATEGY**

The Director of Governance and Commissioning presented the report which contained a Collaboration Strategy (the Strategy) for approval, attached as Appendix 3 to the report.

The Strategy in Appendix 3 was presented to the Governance and Constitution Committee (the Committee) on 13<sup>th</sup> November 2019. The Committee had supported the structure and content of the document but asked whether it needed to reference any national collaborative activity. The Director of Governance and Commissioning had agreed to further develop the draft Strategy and submit it to the Fire Authority for approval.

A Member queried whether a review date should be scheduled for the Strategy to be brought back to the Authority. It was agreed that it should be brought back to the Authority for review every 2 years.

**RESOLVED: That**

**[1] the Collaboration Strategy by approved; and**

**[2] the Collaboration Strategy be reviewed by the Authority every two years.**

**9 EXCLUSION OF THE PRESS AND PUBLIC**

Members did not discuss the information in Item 10 so there was no requirement to exclude the press and public.

**10 ACCREDITATION AS A LIVING WAGE EMPLOYER**

Members took the information in Item 10 into account when making a decision about Item 5.

## Updated Fire Authority Membership 2019-20

Appointed by Cheshire East Borough Council (3 Con, 3 Lab, 2 Ind)

Labour	Conservative	Independent
Cllr Marilyn Houston (Jan 2020)	Cllr Rachel Bailey	Cllr David Edwardes
Cllr Nick Mannion	Cllr Michael Beanland	Cllr James Nicholas
Cllr Jonathan Parry	Cllr David Brown	

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

Labour	Conservative
Cllr Martyn Delaney	Cllr Razia Daniels
Cllr Gina Lewis	Cllr Stuart Parker
Cllr Bob Rudd	Cllr Norman Wright
Cllr Peter Wheeler	

Appointed by Halton Borough Council (3 Lab)

Labour  
Cllr Phil Harris  
Cllr Stef Nelson  
Cllr Rob Polhill

Appointed by Warrington Borough Council (4 Lab, 1 Lib Dem)

Labour	Liberal Democrat
Cllr Les Morgan (Dec 2019)	Cllr Mike Biggin
Cllr Karen Mundry	
Cllr Morgan Tarr	
Cllr Steve Wright	

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.

### LEAD MEMBERS

Cheshire East: Councillor Nick Mannion  
Cheshire West and Chester: Councillor G Lewis  
Halton: Councillor S Nelson  
Warrington: Councillor M Tarr

## APPOINTMENTS TO COMMITTEES, BOARDS AND GROUPS FOR 2019-20

### BODIES COVERED BY POLITICAL PROPORTIONALITY RULES

#### PERFORMANCE AND OVERVIEW COMMITTEE – 8 Members and 1 independent member

Chair: Cllr Phil Harris

Deputy Chair: Cllr Peter Wheeler

<b>CONSERVATIVE</b>	<b>LABOUR</b>	<b>INDEPENDENT</b>	<b>independent member</b>
Cllr Norman Wright	Cllr Phil Harris	Cllr James Nicholas	Derek Barnett
Cllr Razia Daniels	Cllr Les Morgan		
	Cllr Gina Lewis		
	Cllr Jonathan Parry		
	Cllr Peter Wheeler		

#### Substitute Members for Performance and Overview Committee

<b>CONSERVATIVE</b>	<b>LABOUR</b>	<b>INDEPENDENT</b>
Cllr Rachel Bailey	Cllr Rob Polhill	Cllr Mike Biggin

#### GOVERNANCE AND CONSTITUTION COMMITTEE – 7 Members and 2 independent members

Chair: Cllr Steve Wright

Deputy Chair: Cllr Rob Polhill

<b>CONSERVATIVE</b>	<b>LABOUR</b>	<b>INDEPENDENT</b>	<b>independent member</b>
Cllr David Brown	Cllr Steve Wright	Cllr Mike Biggin	Derek Barnett
Cllr Rachel Bailey	Cllr Rob Polhill		Lesley Thomson
	Cllr Martyn Delaney		
	Cllr Nick Mannion		

#### Substitute Members for Governance and Constitution Committee

<b>CONSERVATIVE</b>	<b>LABOUR</b>	<b>INDEPENDENT</b>
Cllr Michael Beanland	Cllr Peter Wheeler	Cllr David Edwardes

#### BRIGADE MANAGERS' 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 Bob Rudd

Deputy Chair: Cllr Stef Nelson

<b>CONSERVATIVE</b>	<b>LABOUR</b>	<b>INDEPENDENT</b>
Cllr Stuart Parker	Cllr Bob Rudd	Cllr Mike Biggin
Cllr Michael Beanland	Cllr Stef Nelson	
	Cllr Morgan Tarr	
	Cllr Karen Mundry	

**Substitute Members for Brigade Managers' Pay & Performance Committee**

<b>CONSERVATIVE</b>	<b>LABOUR</b>	<b>INDEPENDENT</b>
Cllr David Brown	Cllr Jonathan Parry	Cllr James Nicholas

**ESTATES AND PROPERTY COMMITTEE – 7 Members and 1 independent member**

**Chair: Cllr Karen Mundry**

**Deputy Chair: Cllr Stef Nelson**

<b>CONSERVATIVE</b>	<b>LABOUR</b>	<b>INDEPENDENT</b>	<b>independent member</b>
Cllr Stuart Parker	Cllr Karen Mundry	Cllr David Edwardes	Derek Barnett OR
Cllr Norman Wright	Cllr Marilyn Houston		Lesley Thomson
	Cllr Peter Wheeler		
	Cllr Stef Nelson		

**Substitute Members for Estates and Property Committee**

<b>CONSERVATIVE</b>	<b>LABOUR</b>	<b>INDEPENDENT</b>
Cllr Michael Beanland	Cllr Phil Harris	Cllr James Nicholas

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

**JOINT CONSULTATIVE COMMITTEE – 4 Members**

**Chair: Cllr Rob Polhill**

**Deputy Chair: Cllr Phil Harris**

<b>CONSERVATIVE</b>	<b>LABOUR</b>
Cllr Rachel Bailey	Cllr Rob Polhill
	Cllr Phil Harris
	Cllr Morgan Tarr (was substitute)

**Substitute Members for Joint Consultative Committee**

<b>CONSERVATIVE</b>	<b>LABOUR</b>
Cllr Stuart Parker	Cllr Peter Wheeler

**BODIES NOT COVERED BY POLITICAL PROPORTIONALITY RULES**

**MEMBER TRAINING AND DEVELOPMENT GROUP – 5 Members and 1 Independent Member**

**Chair: Cllr Gina Lewis**

Cllr Gina Lewis	Cllr Karen Mundry	Cllr Stuart Parker	Cllr David Brown
Cllr David Edwardes	<b>independent member</b> Lesley Thomson		

### **RISK MANAGEMENT BOARD – 2 Members**

Cllr Stef Nelson	Cllr Stuart Parker
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### **PHOENIX BOXING CLUB BOARD – 2 Members (Warrington Members only)**

<b>Members</b>	<b>Substitutes</b>
Cllr Karen Mundry	Cllr Les Morgan
Cllr Steve Wright	Cllr Morgan Tarr

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

<b>Member</b>
Cllr Stef Nelson

### **PENSION BOARD – 1 Member**

<b>Member</b>
Cllr David Brown

### **SPRINKLER GROUP – 4 Members (from each constituent authority)**

<b>Members</b>	
Cllr David Edwardes	Cllr Les Morgan
Cllr Gina Lewis	Cllr Stef Nelson

### **EQUALITY STEERING GROUP – 1 Member**

<b>Member</b>
Cllr Razia Daniels

### **SERVICE HEALTH, SAFETY AND WELLBEING COMMITTEE – 1 Member**

<b>Member</b>
Cllr Mike Biggin

### **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 – 7 Members**

The Brigade Managers' Pay and Performance Committee sits as the Staffing Committee.

## **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.

## **MEMBER CHAMPION ROLES**

<b>Equality and Diversity</b> Sits on Equality Steering Group (Note: 2 appointments for 2019-20)	Cllr Razia Daniels Cllr Marilyn Houston
<b>Health and Safety</b> Sits on Health and Safety Committee	Cllr Mike Biggin
<b>Information and ICT</b>	Cllr Rob Polhill
<b>Environment</b>	Cllr Karen Mundry
<b>Procurement</b>	Cllr Martyn Delaney
<b>Finance</b> (Note: 2 appointments for 2019-20)	Cllr Stef Nelson Cllr David Brown
<b>Older People</b>	Cllr Peter Wheeler
<b>Young People</b>	Cllr Jonathan Parry
<b>Performance Management</b>	Cllr Phil Harris
<b>Commercial/Business Risk Reduction</b>	Cllr Stuart Parker
<b>Industrial Relations (JCC Chair)</b>	Cllr Rob Polhill
<b>Road Safety</b>	Cllr Nick Mannion
<b>Pensions (Local Pension Board Chair)</b>	Cllr David Brown
<b>Sprinklers</b>	Cllr Gina Lewis



**MINUTES OF THE MEETING OF THE PERFORMANCE AND OVERVIEW COMMITTEE  
held on Wednesday, 26 February 2020 at Lecture Theatre - Sadler Road, Cheshire at  
10.00 am**

**PRESENT:** Councillors Phil Harris, Gina Lewis, James Nicholas, Jonathan Parry, Peter Wheeler, Norman Wright, Derek Barnett, Les Morgan, Rachel Bailey (substitute for Razia Daniels) and independent (non-elected) member Derek Barnett

**1 PROCEDURAL MATTERS**

**A Record of Meeting**

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

**B Apologies for Absence**

Apologies for absence were received from Councillor Razia Daniels.

**C Declaration of Members' Interests**

There were no declarations of Members' interests.

**D Minutes of the Performance and Overview Committee**

**RESOLVED:**

**That the minutes of the Performance and Overview Committee meeting held on 27<sup>th</sup> November 2019 be confirmed as a correct record.**

**2 FINANCIAL REVIEW - QUARTER 3, 2019-20**

The Treasurer introduced the report which provided an overview of the Service's forecast of financial performance at the end of Quarter 3 and reported on progress against 2019-20 capital projects.

He informed Members that, in relation to the revenue budget, the Quarter 3 review was reporting a forecast overspend of £80k. Further details were contained within Appendix 1 to the report.

He referred Members to Appendix 2 to the report which contained details of the movement in reserves. He also drew Members' attention to Appendix 3 to the report, which contained details of the schemes and projects within the capital programme. The capital programme was forecasting an overall outturn of £34.2m, £1.7m above the current programme mainly due to those major build projects detailed in the report.

A Member asked for further information about the Bellwin Scheme. The Assistant Chief Fire Officer, Operational Assurance and Service Improvement, informed Members that this was a Government Scheme set up to provide compensation to public bodies (like fire and rescue services) for costs incurred as a result of actions taken in connection with emergencies and disasters.

Another Member asked for information about the additional costs reported regarding the Training Centre project, which were higher than the approved 5% contingency. The Director of Governance and Commissioning reported that these involved a range of elements and gave some examples: additional asbestos related costs and additional work to bring the existing building up to standard. He stated that an update was due to be taken to the Estates and Property Committee.

**RESOLVED: That**

**[1] the forecast outturn position be noted; and**

**[2] the movement in reserves, as set out in Appendix 2, be approved.**

### **3 PERFORMANCE REPORT - QUARTER 3, 2019-20**

The Head of Protection and Organisational Performance introduced the report, which provided Members with an update on the Service's performance against the key performance indicators (KPIs) for Quarter 3, 2019-20. The corporate performance scorecard reflecting the Quarter 3 position against targets set and the year-on-year direction of travel for the Service's KPIs was attached to the report.

Members were referred to the Performance Health report which was also attached to the main report. It contained a detailed description of each KPI, including a summary of current performance and any actions taken to improve performance.

The Head of Protection and Organisational Performance expanded on the KPIs, providing further context particularly where targets had not been achieved.

The Head of Protection and Organisational Performance referred Members to the KPI relating to the number of deaths in primary fires. Two deaths had occurred in Quarter 3 and the cause for both had been recorded as unknown until the inquests had taken place.

The KPI status for the number of automatic fire alarms in non-domestic premises/false alarms was currently red (previously amber). The Head of Protection and Organisational Performance confirmed that figures were lower than in previous years due to the revised attendance policy which was approved in 2017/18. However, he stated that unless the policy was amended, it was unlikely that future reductions could be achieved.

An update was also provided regarding the fire safety audit KPI. Members were informed that the target had been revised. In future, the number of audits achieved would be shown against the number that the Service had capacity to undertake. This approach was shown for Quarter 3.

The Head of Service Delivery provided an update on performance against the on-call availability KPI. On-call availability had risen to 66% in Quarter 3 (previously 62% at Quarter 2). He referred Members to the actions listed in the report which were intended to improve performance.

A Member referred to the 10 minute standard KPI and asked for further information on failure to achieve the standard. The Head of Protection and Organisational Performance confirmed that he could provide further details outside of the meeting.

A Member asked for clarification on pre-alerting. The Head of Service Delivery explained that pre-alerting involved North West Fire Control alerting crews to an incoming call prior to completion of the call handling process to enable them to turn out to an incident as quickly as possible.

Another Member requested further information on the Unwanted Fire Signals Policy and what type of properties were exempt. The Head of Protection and Organisational Performance stated that exempt premises tended to be life risk or sleeping premises, such as nursing homes. It was suggested that further input on AFAs could form part of a future Members' Planning Day.

**RESOLVED: That**

**[1] the report be noted.**

#### **4 PROGRAMME REPORT - QUARTER 3, 2019-20**

The Chief Fire Officer and Chief Executive provided Members with an update on the Service's programmes and projects. He referred Members to Appendix 1 to the report which contained a health report for the Quarter 3, 2019-20 and picked out key performance areas for specific focus, including:-

- Whole Service Review;
- Blue Light Collaboration;
- Major build projects;
- The drone project;
- Sprinkler campaign; and
- Implementation of the Fire Protection Review.

The Chief Fire Officer and Chief Executive formally thanked officers and Members for their assistance in shaping the Whole Service Review.

He also thanked officers and Members who had supported the Sprinkler Campaign.

**RESOLVED: That**

**[1] the report be noted.**

## **5 INTERNAL AUDIT PROGRESS REPORT - QUARTER 3, 2019-20**

Anne-Marie Harrop (the Auditor), a representative from Mersey Internal Audit Agency (MIAA) was in attendance at the meeting to present the quarterly progress summary of the 2019-20 Internal Audit Plan (attached as Appendix 1 to the report).

She provided Members with a brief overview of the progress made against the audit plan and informed them that reviews had taken place in the following areas: IT Service Continuity Review, Financial Systems and Efficiency Savings Review. It was reported that Substantial Assurance was found in the Financial Systems and Efficiency Savings Review, but Limited Assurance in the IT Service Continuity Review.

The Chief Information Security Officer was in attendance to provide a progress update against the areas for improvement identified within the IT Service Continuity Review. He explained that an action plan had been created. The issues in the two risks that were rated as high had been rectified. Officers were aiming to address the two risks that were noted as medium by 31<sup>st</sup> March 2020.

Members were referred to Appendix 2 of the report which contained details of the work on the National Fraud Initiative which was also carried out in Quarter 3.

**RESOLVED: That**

**[1] the report be noted.**

## **6 BONFIRE PERIOD REPORT 2019**

The Deliberate Fire Reduction and Road Safety Manager introduced the report which appended the Authority's annual Bonfire Period Report 2019. It contained details of the preventative and operational activities of the Service and its partners during the bonfire period 24<sup>th</sup> October 2019 to 7<sup>th</sup> November 2019.

Overall, there had been a 22% reduction in deliberate small fires compared to 2018.

He drew Members' attention to unitary area performance during the 2019 bonfire period; all but one of the four unitary areas recorded a year on year decrease in deliberate small fires. Warrington was the only unitary area to have seen an increase compared to 1 and 5 years ago, respectively.

A Member asked for further information on the fuel removal waste management initiative referred to within the report. The Deliberate Fire Reduction and Road Safety Officer informed Members that bonfire removal schemes were in place, enabling the reporting of waste on public land. The schemes were effective in areas of high deliberate fire activity and the visual presence of teams actively removing material also discouraged the rebuilding of bonfires.

Another Member asked for further information on making cash contributions towards organised displays. The Deliberate Fire Reduction and Road Safety Officer informed Members that making cash contributions towards organised displays,

particularly in areas of high deliberate fire activity, helped to reduce deliberate small fires and incidents. Members were encouraged to support this through the use of Unitary Performance Group budgets.

**RESOLVED: That**

**[1] the report be noted; and**

**[2] the recommendations in Section 12 of the annual Bonfire Period Report 2019 (attached as Appendix 1) be supported.**

**7 EQUALITY, DIVERSITY AND INCLUSION UPDATE**

The Equality and Inclusion Officer introduced the report, which provided an overview of key equality, diversity and inclusion developments within the Service and progress made against the Equality, Diversity and Inclusion Action Plan.

The report outlined key areas of focus and accomplishments over the last 6 months, as well as priorities for the next 6 months.

He informed Members that the Service had been awarded third place in the Stonewall Workplace Equality Index 2019 for the second consecutive year. The Service continued to be the top performing emergency service for the fifth consecutive year and the top performing employer in the North West region for the first time. The Service was also commended for demonstrating outstanding work towards trans inclusivity.

The Chief Fire Officer and Chief Executive was awarded the 'Senior Leader of the Year' for the North West Region. Members congratulated the Service on these excellent achievements and the Chief Fire Officer and Chief Executive for his individual award.

The Equality and Inclusion Officer also highlighted that, following feedback from Her Majesty's Inspectorate of Constabulary and Fire & Rescue Service (HMICFRS) inspection, a significant amount of work had focused on improving fairness and promoting diversity.

**RESOLVED: That**

**[1] progress to date be noted.**

**8 GRENFELL TOWER INQUIRY PHASE 1 UPDATE**

The Station Manager, Protection, presented the report which provided Members with details of the Service's planning and position in relation to the recommendations from The Grenfell Tower Inquiry: Phase 1 Report.

A Member raised concerns about the response to cross-border incidents involving high rise buildings with cladding and the risk to firefighters. The Station Manager reassured Members that the services in the region were working together to share

information on incidents to ensure firefighter safety. Officers were trying to influence changes to legislation by responding to consultations. Cross-border exercises had also been arranged with neighbouring services.

**RESOLVED: That**

**[1] the report be noted; and**

**[2] the work the Service is carrying out in relation to the recommendations within the report be supported.**

**9 FORWARD WORK PROGRAMME**

The table included those items that had been identified/agreed to-date. Members were asked to agree any additional items at the end of the meeting which needed to be added to the programme. No further items were requested.

Members asked for an update regarding Coronavirus and flooding and how the Service was dealing with these issues. Assistant Chief Fire Officer, Operational Assurance and Service Improvement, reassured Members that the Service had a business continuity process in place and Local Resilience Forum meetings were ongoing with partners to ensure wider plans were regularly updated and reviewed.

**RESOLVED: That**

**[1] the Forward Work Programme be noted.**



**MINUTES OF THE MEETING OF THE ESTATES AND PROPERTY COMMITTEE held on Friday, 13 March 2020 at HODs Meeting Room - Sadler Road, Winsford, Cheshire at 10.00 am**

**PRESENT:** Councillors Karen Mundry (Chair), David Edwardes, Marilyn Houston, Stef Nelson, Stuart Parker, Peter Wheeler and independent (non-elected) member Lesley Thomson

**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 Norman Wright.

**C Declarations of Members' Interests**

There were no declarations of Members' interests.

**D Minutes of the Estates and Property Committee**

**RESOLVED:**

**That the minutes of the Estates and Performance Committee held on 28<sup>th</sup> March 2019 be confirmed as a correct record.**

**2 CHESTER FIRE STATION - ENVIRONMENTAL PERFORMANCE**

The Director of Governance and Commissioning introduced the report, which presented options to Members in relation to the enhancement of environmental performance for Chester Fire Station. The report asked Members to decide which option should be recommended to the Fire Authority.

Ian Gammack, from IKG Consulting talked to Members about two options that would deliver environmental improvements for the new fire station. He stated the options did not initially create a station where the building would be zero carbon. However, an enhanced option 2 could do so. This was only in relation to regulated energy, i.e. the heat, light, hot water and ventilation of the fire station, not any other energy requirements.

Members raised concerns about roof access. The consultant confirmed that the access to the roof was included in plans for option 2.

Members queried the impact on ventilation to the building due to the environmental improvements, in particular the impact of better insulation. It was confirmed that three rooms in the fire station had been identified as at risk of overheating. However, this risk was mitigated by improving the G Value of the glass and allowing the window to open sufficiently when the room temperature needed to be regulated.

The consultant also discussed how the environmental improvements made at Chester Fire Station were being considered for Crewe Fire Station.

**RESOLVED: That**

**[1] the enhanced Option 2, as noted within the report, be recommended to the Fire Authority.**

**NOTE: Members did not wish to go into private session to discuss the figures contained in Item 5. They took the additional information into account.**

### **3 FIRE STATION MODERNISATION PROGRAMME - PROGRESS REPORT AND FUNDING**

The Director of Governance and Commissioning introduced the report which provided information on the progress made with the Fire Station Modernisation Programme (the Programme) and sought agreement from Members to secure the release of further capital funding for the Programme.

The Group Manager, Blue Light Collaboration delivered a presentation on the works at Bollington and Tarporley Fire Stations completed during the Year Zero phase of the Programme. Members noted the improvements made to the fire stations and how their on-call availability had increased due to new facilities within the fire stations.

The Director of Governance and Commissioning highlighted the Station Modernisation Delivery Schedule, attached as Appendix 1 to the report. He explained that the actual spend during Year Zero and the expected spend during Year 1 were higher than anticipated and the projected overall costs of the Programme was likely to be higher than the approved £8.5M budget. He indicated that the rest of the £8.5M allocated budget needed to be made available in order for the Programme to progress as the initial £3.5M was now almost entirely committed.

Members queried whether an audit was considered to show what equipment and appliances would need replacing. The Director of Governance and Commissioning confirmed that provisions were in place at the start of the Programme to ensure the fire stations did not reach the same conditions as they were before works started.

Members noted that with government requirements such as the use of electric vehicles, further funding would be required to ensure infrastructure was available at fire stations. The consultant confirmed that it would be difficult to accommodate these requirements without capital funding from the government.

**RESOLVED: That**

- [1] the Fire Station Modernisation Programme – Progress Report and Funding be noted; and**
- [2] officers secure the release of further capital funding for the Station Modernisation Programme.**

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## **URGENT BUSINESS TO BE DETERMINED BETWEEN FIRE AUTHORITY MEETINGS PROCEDURAL MATTERS (PARAGRAPHS 4.87 TO 4.89 OF CONSTITUTION)**

Contact Officer: Andrew Leadbetter, Director of Governance and Commissioning  
01606 868456 and 07824 529534

Date: 9<sup>th</sup> April 2020

### **MATTER REQUIRING SUPPORT**

**PROPOSAL TO ALLOCATE ADDITIONAL CAPITAL FUNDING TO THE PROJECT TO REPLACE CHESTER FIRE STATION IN ORDER TO ALLOW ELEMENTS TO BE INCORPORATED INTO THE PROJECT TO IMPROVE THE ENVIRONMENTAL PERFORMANCE OF THE BUILDING**

### **COUNCILLORS WHOSE SUPPORT IS SOUGHT**

Councillor B Rudd, Councillor S Parker and Councillor M Biggin

### **COUNCILLORS COPIED IN FOR INFORMATION**

Councillor S Nelson

### **APPROVAL IS SOUGHT BY**

The Chief Fire Officer and Chief Executive, the Monitoring Officer and the Treasurer

### **INFORMATION**

A report, together with Appendix 1, that was considered by Estates and Property Committee, on 13<sup>th</sup> March 2020, is appended to this document. The Committee decided that the enhanced Option 2 to improve the environmental performance of the replacement Chester Fire Station should be recommended to the Fire Authority (see Appendix 1, paragraphs 20 onwards, which explain what the enhanced Option 2 involves). The enhanced Option 2 is expected to cost around £270k (some elements have not been priced competitively at this point).

The reason that this decision was not resolved by the Committee is because additional funding is needed: a further allocation of capital to the project. The original budget (and contingency) cannot cover the elements required to improve the environmental performance of the fire station; that funding is already expected to be exceeded for a variety of reasons, some of which are explained in the report.

Officers intend to instruct the contractor to proceed with the elements that will deliver the improved environmental performance (enhanced Option 2). In order to commit to the works, it is necessary to allocate an additional sum to the project. Officers propose to allocate a further £300k.

It is likely that the additional costs will be funded by a further contribution from reserves. The position will be assessed following the closure of the accounts for 2019/20.

**REASON FOR URGENCY**

In order to include the elements in the project it is necessary to instruct the contractor prior to the next available Fire Authority meeting.

**SUPPORT**

I support the proposal to allocate additional funding to the Chester Fire Station project to allow elements to be added to the project which will improve the environmental performance of the building.

Confirmed	Councillor Bob Rudd .....	Dated 9 April 2020
Confirmed	Councillor Mike Biggin .....	Dated 9 April 2020
Confirmed	Councillor Stuart Parker .....	Dated 15 April 2020

Notes:

If you do not support the proposal, please amend this form and return it to the Contact Officer.

In the current situation an email response will suffice.

## CHESHIRE FIRE AUTHORITY

**MEETING OF:** ESTATES AND PROPERTY COMMITTEE  
**DATE:** 13<sup>TH</sup> MARCH 2020  
**REPORT OF:** DIRECTOR OF GOVERNANCE AND COMMISSIONING  
**AUTHOR:** ANDREW LEADBETTER

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**SUBJECT:** CHESTER FIRE STATION – ENVIRONMENTAL PERFORMANCE

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### Purpose of Report

1. To present options to Members about the enhancement of the environmental performance of the building.

### Recommended: That

- [1] Members determine whether to recommend to the Fire Authority an option to enhance the environmental performance of the building.

### Background

2. The Fire Authority decided to replace Chester Fire Station with a new building in December 2017.
3. Planning permission was obtained in June 2019. The permission included a condition requiring the Fire Authority to meet a higher environmental standard than was achieved at Lymm, Penketh and Powey Lane. The standard covers a broad range of environment-related matters; it is not just about the fabric of the building.
4. Since the Fire Authority gained planning permission and entered into the contract for the construction of the fire station the climate change agenda has led to a much greater interest in achieving carbon neutrality.
5. The project team was asked to consider whether the fire station could be changed in order to deliver enhanced environmental performance.

### Information

6. A report prepared by the external project manager has already been shared with members of the committee. A slightly redacted version is attached to this report as Appendix 1. The information that has been redacted is contained in the report at Item 5. The information is not being published as there is some commercial sensitivity about it at this time. Should Members wish to discuss the figures in detail they should do so in private session.

7. Members will see that the proposals fall into two main elements. Firstly, improvements to the building fabric (e.g. insulation and window systems) leading to better air tightness; and secondly, the fitting of photo voltaic panels to generate electricity.
8. Members will see that it is expected to cost around £270k to achieve a zero carbon building. This will only deliver a small reduction in annual running costs; they are already expected to be very low if the building is constructed without the environmental enhancements.

### **Financial Implications**

9. The capital approval for the project was £5.51m. Members agreed that a contingency of 5% (£275,000) could also be utilised. There have been a variety of issues that have had an impact on the budget, e.g. the planning appeal and second planning application as well as the archaeological investigations. As a result there are no funds available to cover the environmental enhancements described in this report. Should the committee determine that it wishes the environmental enhancements to be included in the contract for the new fire station the Fire Authority will need to allocate additional capital funding.

### **Legal Implications**

10. Some of the environmental enhancements will require planning approval. An application would be required to amend the existing planning permission. Ultimately, the Fire Authority is expected to be required to meet environmental targets, including one relating to carbon emissions. The environmental enhancements will obviously benefit the Authority in relation to a target to become carbon neutral.

### **Equality and Diversity Implications**

11. None of the matters in this report have an impact upon equality and diversity.

### **Environmental Implications**

12. The report is about environmental matters.

**CONTACT: NAOMI THOMAS, GOVERNANCE AND CORPORATE PLANNING  
MANAGER  
TEL [01606] 868804  
BACKGROUND PAPERS: NONE**

## **Chester Fire Station – Enhancing the Green Credentials**

### Background

1. Given concerns about climate change and in light of expectations about reducing CO<sub>2</sub> an exercise was commissioned to establish the potential to improve the sustainability credentials of the new fire station.
2. The proposed design for Chester Fire Station, which is currently under construction was developed some eighteen months ago, and has been “on the shelf” due to the delays securing planning permission. In general terms the design was a good “low carbon” design for the time it was prepared. However, construction technologies and processes have evolved to an extent that it could now be improved. This paper rehearses the changes that could be made and assesses their cost and impact.
3. It seems likely that in the future the Fire Authority will be required to upgrade its estate to reduce energy consumption/CO<sub>2</sub> production. Whilst Chester as a newer station will be a lot better than those constructed in the 1960s and 1970s, it will still require an upgrade if completed to the current design.
4. Given the delays to the construction of the new Fire Station, there is a small window of time, available to amend some elements of the fabric to improve the building significantly during the construction period at a much lower cost than would be the case for retrofitting.
5. These measures include improvements to the thermal efficiency of the building fabric and the addition of photovoltaic panels. The target standards set have been driven by the proposals for the new Crewe Fire Station. However in some cases, as will be seen from the proposals below, it is not considered to be feasible to achieve these in all elements.

### Proposals

#### Enhanced Roof Coverings:

Chester Design – Contract U Value: 0.16 W/m<sup>2</sup>K

Crewe Design – Proposed U Value: 0.12 W/m<sup>2</sup>K

Chester Proposed Enhancement: 0.12 W/m<sup>2</sup>K

6. Following review, it is possible through a change of insulating material to improve the U value of the roof at Chester to achieve that proposed at Crewe. The cost to make this change is to be finalised.

#### External Wall Insulation:

Chester Design – Contract U Value: 0.22 W/m<sup>2</sup>K

Crewe Design – Proposed U Value: 0.15 W/m<sup>2</sup>K

Chester Proposed Enhancement: 0.18 W/m<sup>2</sup>K

7. Following review, it is not possible to achieve a U value of 0.15 at Chester without increasing the width of the external wall cavities. Unfortunately to do this, at this stage, would involve redesigning the foundations and adjusting the orders for pre manufactured materials such as concrete reinforcing bars. Whilst this is possible, it is felt that this would be cost prohibitive and consequently has not been pursued.
8. However, it is possible within the existing cavity to increase the thickness of the insulating material to achieve an improvement in the U Value to 0.18W/m<sup>2</sup>K. The cost to make this change is to be finalised.

Ground Floor Insulation:

Chester Design – Contract U Value: 0.20 W/m<sup>2</sup>K

Crewe Design – Proposed U Value: 0.15 W/m<sup>2</sup>K

Chester Proposed Enhancement: 0.15 W/m<sup>2</sup>K

9. Following review, it is possible through an increase in the thickness of the insulating material to improve the U value of the floor at Chester to achieve that proposed at Crewe. The cost to make this change is to be finalised.
10. The above cost, includes additional excavation and removal of spoil from site as this thickens the floor slab construction by 30mm.

Windows, Doors and Curtain Walling: (Not Appliance Bay Doors)

Chester Design – Contract U Value: 1.60 W/m<sup>2</sup>K

Contract G Value: 0.4

Crewe Design – Proposed U Value: 1.40 W/m<sup>2</sup>K

Proposed G Value: 0.4

Chester Proposed Enhancement: 1.40 W/m<sup>2</sup>K

Proposed G Value: 0.3

11. Following review, it is possible through a change in the proposed window system to improve both the U value and G Value of the windows at Chester to achieve that proposed at Crewe. The cost to make this change is to be finalised.
12. A second option to enhance the U value of the windows only, to a level of 0.8 W/m<sup>2</sup>K has been identified. This will require the proposed double glazing to be enhanced to triple glazing at a further additional cost which is to be finalised. This has not been analysed further in the energy modelling, as it is an additional improvement beyond the target for Crewe.

Air Tightness:

Chester Design – Contract Air Tightness: 7

Crewe Design – Proposed Air Tightness: 3

Chester Proposed Enhancement: 5

13. Following review, it is not possible to achieve an air tightness of 3 without substantial change to the proposed designs and construction methods. It is thought that this would incur a significant additional cost as it will increase the contract period and the associated overheads and staffing costs would therefore be payable.

14. However, it is possible to enhance the air tightness using the existing construction methodology to a level of 5. ISG have agreed to amend the contract to this revised level at NIL cost.

Photo Voltaic Panels to the Roof:

15. The addition of Photo Voltaic (PV) Panels to the roofs to generate electricity is, by far, the easiest and quickest way to enhance further the reduction in the carbon consumption of the proposed building, however it is also one of the most expensive.
16. At present the building is designed with no roof access, however if PV Panels are added then builders work is required to the following, in addition to the addition of the PV Panels:
- Additional roof beams to carry the additional weight
  - The addition of a “man safe” system. (This will also require maintenance thus increasing the operating costs.)

NB: A number of options for safe maintenance access have been considered, but as this is effectively a retro fit to an existing design, the design team have advised that this is the most cost effective and least obtrusive option available.

Three options have been considered for the installation of PV Panels:

1. Installation to the low level roof only, at a cost to be finalised
  2. Installation to all roofs, at a cost to be finalised
  3. As Option 2 with the addition of storage batteries, at a cost to be finalised
17. The design team have advised that Option 3 is not viable, due to the size and weight of the batteries. This has therefore not been considered further.

Summary

18. To help understand the effect of implementing the above proposals on the carbon consumption of the building a BRUKL energy model of two options has been undertaken to compare against the current design proposal.
19. The two options considered are:

Option 1: Enhance Roof, Walls, Floor and Double Glazed Windows. Increase Air Tightness to 5 and install PV Panels to the low level roof only.

Option 2: Enhance Roof, Walls, Floor and Double Glazed Windows. Increase Air Tightness to 5 and install PV Panels to all roofs.

The table below sets out to compare the BRUKL results for each option, the proposed design and the current proposals for Crewe.

Criteria	Chester FS: As Submitted to Planning	Chester FS: As Designed	Chester FS: Enhanced Option 1	Chester FS: Enhanced Option 2	Crewe FS: Draft Feasibility
Building Emission Rate (kgCO <sub>2</sub> /m <sup>2</sup> /annum)	48.2	37.2	26.8	1.6	-0.1
Energy Consumption (kWh/m <sup>2</sup> )	92.83	71.73	60.73	60.73	68.76
Area of PV Proposed (m <sup>2</sup> )	NIL	NIL	99.6	637.4	600
Energy Produced by PV (kWh/m <sup>2</sup> )	NIL	NIL	9	57.62	68.91
Electrical Energy to be Purchased from Grid (kWh/m <sup>2</sup> )	92.83	71.73	51.73	3.11	-0.15
Additional Capital Cost:	NIL	NIL	Cost to be finalised	Cost to be finalised	N / A
Annual Running Electricity Cost (Regulated Energy only). Based on 0.135pence per kWh (current price) - 1370m <sup>2</sup>		£ 132.66	£ 95.67	£ 5.75	
Annual Saving			£ 36.99 (27.9%)	£ 126.91 (95.7%)	

NB. These consumption figures are in respect of REGULATED ENERGY ONLY, i.e. energy used in the building for heat, light, ventilation and hot water. It does not include end user energy consumption e.g. Computers, Charging Fire Engines, Charging Cars.

The costs shown will not reflect actual electricity bills as the bills include all electricity consumed on the premises.

### Further Work and Summary

- Following the receipt of the above results, further modelling has been undertaken to assess the implications of adding triple glazing and further PV panels.

21. The design team have determined that adding triple glazing will result in a reduction in the Building Emission Rate from 1.6 kgCO<sub>2</sub>/m<sup>2</sup>/annum to 1.3 which is still some way from “zero carbon”. A possible side effect of doing this, is that the potential overheating of the building on a hot day may get worse, as hot air will get trapped in, rather than be allowed to escape.
22. As will be seen in the next paragraph, it is possible to obtain “Zero Carbon” for a lower cost than the triple glazing option. As a consequence of the above the design team do not recommend progressing with this option.
23. The design team have calculated that the addition of a further 35m<sup>2</sup> of PV panels would convert Option 2 to a “zero carbon” option, in respect of regulated energy.
24. Therefore, by enhancing Option 2 with additional PV panels the Fire Authority can deliver a zero carbon building for an additional £ 270,232.00 (subject to caveats below).
25. In order to test if a cheaper option is available we have also considered if “zero carbon” can be achieved by omitting the building fabric improvements and just doing additional PV panels. This option however would require a total of 795 m<sup>2</sup> of PV panels. By rule of thumb, this would require approximately 1000m<sup>2</sup> of roof, which is far in excess of the building size. This therefore isn't a viable option.
26. The design team therefore recommend that the “best value option” to enhance the green credentials of Chester Fire Station sufficiently to meet the “Climate Emergency Declaration” of the local authorities would be to adopt Option 2, with the additional PV for a sum of £270,232.00
27. This option will produce a zero carbon building through a combination of the use of PV Panels and Building Fabric Enhancements.
28. There are three steps which will need to be taken before the zero carbon option could be delivered: firstly, further design work will be required to ensure that the photo voltaic panels can be orientated for the best effect and so as not to impact upon neighbouring properties; secondly, an approach will be required to Scottish Power concerned with the discharge of spare energy into the grid; and thirdly, the current planning permission will need to be amended.

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## CHESHIRE FIRE AUTHORITY

**MEETING OF:** CHESHIRE FIRE AUTHORITY  
**DATE:** 1 JULY 2020  
**REPORT OF:** DIRECTOR OF GOVERNANCE AND COMMISSIONING  
**AUTHOR:** ANDREW LEADBETTER

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**SUBJECT:** FIRE STATION MODERNISATION PROGRAMME  
– RELEASE OF BALANCE OF CAPITAL  
FUNDING

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### Purpose of Report

1. To secure the release of the balance of allocated capital funding for the Fire Station Modernisation Programme.

### Recommended: That

- [1] The Fire Station Modernisation Programme – Progress Report and Funding (Appendix 1) be noted; and
- [2] The balance of the allocated capital funding for the Fire Station Modernisation Programme be released.

### Background

2. The Estates and Property Committee considered a report of the Director of Governance and Commissioning at its meeting on 13<sup>th</sup> March 2020. The report is attached to this report as Appendix 1.

### Information

3. Since the Committee met in March, the Year One works at Birchwood, Middlewich, Runcorn and Sandbach have all been completed. The Year Zero works at Bollington and Tarporley were completed at the end of the last financial year.
4. Currently, spend on the Programme stands at £3.3m. £5m of the allocated funding (and roughly £200k of the initial £3.5m) is left. Members will see from Appendix 1 that officers anticipate that the Programme will cost between £11.5 and £12m in total (albeit that is quite speculative given the substantial question marks caused by Brexit and Covid-19).
5. Members are asked to confirm the release of the balance of the original funding - £5m. This will fund Year 2 and part of Year 3 of the Programme. However, officers intend to seek additional funding prior to the Year 3 works being

instructed. The additional funding that is required will almost certainly lead to borrowing.

### **Financial Implications**

6. The financial implications are covered in the report.

### **Legal Implications**

7. There are no legal implications associated within the report.

### **Equality and Diversity Implications**

8. There are no equality and diversity implications associated within the report.

### **Environmental Implications**

9. There are no environmental implications associated within the report.

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

**TEL [01606] 868804**

**BACKGROUND PAPERS: NONE**

## CHESHIRE FIRE AUTHORITY

**MEETING OF:** ESTATES AND PROPERTY COMMITTEE  
**DATE:** 13<sup>TH</sup> MARCH 2020  
**REPORT OF:** DIRECTOR OF GOVERNANCE AND COMMISSIONING  
**AUTHOR:** ANDREW LEADBETTER

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**SUBJECT:** FIRE STATION MODERNISATION PROGRAMME  
– PROGRESS REPORT AND FUNDING

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### Purpose of Report

1. To update Members about progress with the Fire Station Modernisation Programme (the Programme), particularly in relation to Year Zero (2018/19) and Year One (2019/20). To seek agreement from Members to secure the release of further capital funding for the Programme.

### Recommended: That Members

- [1] Note progress; and
- [2] Agree that officers should secure the release of further capital funding for the Programme.

### Background

2. The Fire Authority approved the Programme in September 2018, allocating £8.5m with £3.5m released initially. The Estates and Property Committee agreed the Delivery Schedule for the Programme in March 2019. This is attached to this report as Appendix 1.

### Information

3. Two fire stations have been modernised; Bollington and Tarporley (Year Zero). The works were completed in January 2020. The works were procured on a Direct Award basis under the Procure North West Lite Framework. This provided a quick route to market and promised an early completion date. Unfortunately, this did not prove to be the case. The works overran considerably and the contractor did not impress. The PNW Framework Director has been proactive in assisting officers with dealing with the contractor issues. The cost of the works did increase, but not significantly. Officers will show Members some images of the completed works.
4. The procurement of a contractor to deliver the rest of the Programme was concluded in July 2019 and Wates Construction was appointed. Subsequently, a great deal of work has gone into creating a good working relationship. This included the preparation of detailed programmes for the four sites to be modernised in Year One as well as agreeing ways of working to support the successful delivery of the Programme.

5. Four fire stations are currently being modernised; Birchwood, Middlewich, Runcorn and Sandbach (Year One) and are due to be completed in June 2020. The initial period on site has gone well and officers are optimistic that the June deadline will be met.
6. The preparatory work for Year Two is now starting. However, at present there is no funding for this work or subsequent years.

## Financial Implications

7. The capital approval for the Programme was £8.5m. At the outset £3.5m was made available for the Programme. This initial sum covers the works carried out in Year Zero and those that are to be completed in Year One.
8. The tables below set out the spend profile to-date:

Year Zero 2018/19 – Actual Spend		
Bollington Fire Station	£233,872	£406,738
Tarporley Fire Station	£172,866	

Year One 2019/20 – Expected Spend		
Birchwood Fire Station	£825,000	£2,900,000
Middlewich Fire Station	£475,000	
Runcorn Fire Station*	£1,025,000	
Sandbach Fire Station	£575,000	

\* major project, one of three fire stations in this category

9. Members will see that the first 6 fire stations (of 21 covered by the Programme) will have cost around £3.3m, which is 38% of the £8.5m that has been approved for the Programme. Whilst it is difficult to give a definitive view about the projected overall costs of the Programme it is reasonable to assume that it cannot be completed to the desired standard for £8.5m. Currently, a figure of somewhere between £11.5 and £12m appears more realistic, albeit a lot can change over the next four years (Year Two to Year Five inclusive).
10. Officers do not believe that it is appropriate to seek the allocation of additional funding for the Programme at this point. However, the balance of the £8.5m that has been allocated already needs to be made available if the Programme is to progress.
11. Officers intend to carry out a formal review of the Programme when the Year One works are completed, by which time the preparatory activity associated with the Year Two works should be completed. At that point officers could show Members further detail about actual spend and anticipated spend. Members could then determine how they wish to move forward with the Programme and more particularly whether additional funding should be sought.

## Legal Implications

12. There are no legal implications associated with this report.

## **Equality and Diversity Implications**

13. The Programme is delivering facilities that meet the Service's expectations around equality and diversity.

## **Environmental Implications**

14. The works to-date have delivered some environmental improvements to the fire stations. However, since the Programme was commenced climate change has become a much more significant issue. Officers intend to carry out an assessment of one fire station in Year Two to establish what would be involved to achieve significant environmental improvements, possibly even a zero carbon building. This will give an indication of the kind of costs that this might entail. It is hoped that this can be factored in to the review mentioned in paragraph 11.

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

**TEL [01606] 868804**

**BACKGROUND PAPERS: NONE**

## Station Modernisation Delivery Schedule

Year	Financial Year	Cheshire East	Cheshire West	Halton	Warrington	Total
zero	2018-19	Bollington	Tarporley			2
1	2019-20	Middlewich Sandbach		Runcorn (major)	Birchwood	4
2	2020-21	Audlem Holmes Chapel	Northwich	Widnes		4
3	2021-22	Congleton Knutsford	Ellesmere Port (major) Malpas			4
4	2022-23	Macclesfield (major) Poynton	Frodsham Winsford			4
5	2023-24	Nantwich Wilmslow			Stockton Heath	3
	Sub-Total	11	6	2	2	21
	Replace	Crewe	Chester		Warrington	3
	Recent	Alsager	Powey Lane		Lymm Penketh	4
	<b>Total</b>	<b>13</b>	<b>8</b>	<b>2</b>	<b>5</b>	<b>28</b>

**PROGRAMME OF MEMBER MEETINGS FOR THE MUNICIPAL YEAR 2020-21**

<b>Cheshire Fire Authority (Wednesday at 10.30am)</b>	<b>Governance and Constitution Committee (Wednesday at 10am)</b>	<b>Performance and Overview Committee (Wednesday at 10am)</b>	<b>Staffing Committee (Wednesday at 12pm)</b>
<b>1 July 2020</b>	<b>29 July 2020 - Provisional</b>	<b>22 July 2020 - Provisional</b>	
<b>29 July 2020</b> (Sign off final accounts)			
<b>16 September 2020</b> (Annual report) (IRMP Consultation)		<b>2 September 2020</b> (Q1 Performance Report)	<b>21 October 2020</b>
<b>9 December 2020</b> (Consider outline budget)	<b>11 November 2020</b>	<b>25 November 2020</b> (Q2 Mid Year Performance Report)	
<b>10 February 2021</b> (Approve final budget & IRMP sign-off)	<b>27 January 2021</b>	<b>24 February 2021</b> (Q3 Performance Report)	<b>24 March 2021</b>
<b>28 April 2021</b>	<b>7 April 2021</b>		

**ADDITIONAL MEMBER MEETINGS:**

**Estates and Property Committee:**

Dates arranged as required.

**BM Pay and Performance Committee dates: 10am – 12pm**

CFO Interim Appraisal:

Wednesday 21 October 2020

BM Pay Review:

Wednesday 20 January 2021

CFO Appraisal:

Wednesday 24 March 2021

**Pension Board: 2pm – 4pm**

\*Additional date TBA

Wednesday 18 November 2020

Wednesday 17 March 2021

**Closure of Accounts 10am-12pm:**

Wednesday 26 May 2021

**Risk Management Board: 10am – 12pm**

Tuesday 13 October 2020

Tuesday 16 March 2021

**Member Training and Development Group: 10am – 12pm**

Tuesday 7 July 2020 - Postponed

Tuesday 6 October 2020

Tuesday 8 December 2020

Tuesday 23 March 2021

**Member Planning Days:**

Friday 10 July 2020 - Removed

Friday 24 July 2020 (TBC)

Friday 4 September 2020

Friday 6 November 2020

Friday 15 January 2021



## **URGENT BUSINESS TO BE DETERMINED BETWEEN FIRE AUTHORITY MEETINGS PROCEDURAL MATTERS (PARAGRAPHS 4.87 TO 4.89 OF CONSTITUTION)**

Contact Officer: Andrew Leadbetter, Director of Governance and Commissioning  
07824 529534

Date: 16<sup>th</sup> June 2020

### **MATTER REQUIRING SUPPORT**

**ADOPTION OF REMOTE MEETING RULES TO ALLOW THE FIRE AUTHORITY AND ITS  
COMMITTEES TO MEET**

### **COUNCILLORS WHOSE SUPPORT IS SOUGHT**

Councillor Bob Rudd, Councillor Stuart Parker and Councillor Mike Biggin

### **COUNCILLORS COPIED IN FOR INFORMATION**

Councillor Stef Nelson

### **SUPPORT IS SOUGHT BY**

The Chief Fire Officer and Chief Executive, the Monitoring Officer and the Treasurer

### **INFORMATION**

The Coronavirus pandemic has had a significant impact on the way that local authorities are able to carry out their activities, including meetings. Legislation introduced by the Government enables local authorities (which includes the Fire Authority) to hold meetings remotely including by (but not limited to) telephone conferencing, video conferencing, live webcast, and live interactive streaming. The legislation applies automatically to the arrangements that are adopted by the Fire Authority for remote meetings and applies notwithstanding any other legislation or pre-existing rules that govern the meeting arrangements of the Fire Authority.

In order to facilitate remote meetings of the Fire Authority and its committees etc. it has been necessary to consider the technology, procedures and rules that would be required. The attached Remote Meeting Rules supplement the existing rules in the Constitution as well as replacing, amending or suspending some of the existing rules. The Remote Meeting Rules have been framed to take account of the legislation. Where there is a conflict between the Remote Meeting Rules and pre-existing rules the Remote Meeting Rules will take precedence.

The Remote Meeting Rules are intended to have effect until such time as the Fire Authority determines, or until the law changes, whichever is the earliest. The Remote Meeting Rules provide that the Director of Governance and Commissioning can make changes, as necessary.

**REASON FOR URGENCY**

The Fire Authority’s Constitution does not envisage remote meetings and it is important that the Fire Authority has appropriate rules in place to enable those meetings to take place.

**SUPPORT**

I support the proposal to adopt the Remote Meeting Rules appended to this document to take effect on 19<sup>th</sup> June 2020.

Confirmed	Cllr Bob Rudd.....	Dated	.....16 <sup>th</sup> June 2020.....
Confirmed	Cllr Mike Biggin.....	Dated	.....19 <sup>th</sup> June 2020.....
Confirmed	Cllr Stuart Parker.....	Dated	.....17 <sup>th</sup> June 2020.....

Notes:

If you do not support the proposal, please amend this form and return it to the Andrew Leadbetter.

In the current situation, an email response will suffice whether you are in support, or not.

# REMOTE MEETINGS RULES

June 2020

## Introduction and Application of Remote Meetings Rules (RMR)

The following paragraphs are extracts from the Explanatory Memorandum to The Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations 2020 (the Regulations).

*These Regulations make provision to enable local authorities to hold meetings remotely including by (but not limited to) telephone conferencing, video conferencing, live webcast, and live interactive streaming. The Regulations further modify existing legislative provisions to remove the requirement for local authorities to hold annual meetings, and to enable requirements for public and press access to local authority meetings and associated documents to be complied with through remote means and website access.*

*The Regulations are time limited and apply in relation only to meetings taking place before 7 May 2021; it will be possible to make amending secondary legislation to bring forward this date if social distancing rules are relaxed or removed on the basis of medical and scientific advice.*

The Regulations apply automatically to the arrangements that are adopted by the Fire Authority for remote meetings. The regulations apply notwithstanding any other legislation or pre-existing rules which govern the meeting arrangements of the Fire Authority. Accordingly, the RMR have been framed to take account of the Regulations. Where there is a conflict between the RMR and pre-existing rules the RMR will take precedence.

The RMR have been prepared in consultation with the Group Leaders and the Chair and Deputy Chair of the Governance and Constitution Committee. The RMR were introduced using Procedure Rule 4.87, Urgent Business to be determined between Fire Authority Meetings.

The RMR will have effect until such time as the Fire Authority determines, or until the law changes, whichever is the earliest.

## **RULE 1 - REMOTE MEETINGS**

### **Remote Meetings Generally**

1. The Regulations enable the Fire Authority to hold meetings without all, or any, of its Members being physically present in a room. This allows for remote meetings through electronic, digital, virtual locations, live webcast, live interactive streaming, video and telephone conferencing.
2. A remote meeting is a meeting of the Fire Authority or one of its Committees held by remote access where remote attendance by some or all Members of the Fire Authority and/or some or all the public and press is by way of video or telephone conferencing or other suitable electronic or digital means.
3. In order for Members to be able to attend meetings remotely, they need not be physically present, provided they are able to hear and be heard and, where possible, see and be seen by other Members and members of the public and press attending remotely or in person.

### **Holding Remote Meetings**

4. The Fire Authority and all Committees may hold all such remote meetings that are deemed necessary and where such remote meetings are held these RMR shall apply.

N.B. When reading the RMR it is worth having in mind that a person can attend a remote meeting without being physically present.

## **RULE 2 - AMENDMENTS TO EXISTING PROCEDURE RULES**

5. The existing rules in Chapter 4 of the Constitution apply to remote meetings in the same way as they do for other meetings, except where they conflict with these RMR, in which case these RMR take precedence over the existing rules in relation to the governance of remote meetings. Some of the existing rules are replaced, amended, or suspended by these RMR, as set out in Appendix 1 to these RMR.

## **RULE 3 – ACCESS TO INFORMATION**

### **Notice of Meetings and Agenda Papers**

6. Notice of meetings will be published in the normal way on the Cheshire Fire and Rescue Service website. Information will be provided indicating that the meeting is to be a remote meeting and explaining how members of the

public and press will be able to attend the remote meeting and/or ask questions and/or present petitions.

7. Members will be notified of a remote meeting in the normal way and all agenda papers (apart from reports to be considered in private) will be available on the Cheshire Fire and Rescue Service website. Hard copy agenda packs will be issued to Members.
8. The 'place' at which the remote meeting is held may be at a Fire Authority building, or where the organiser of the meeting is located, or an electronic, digital or virtual location, a web address, or a conference call telephone number, or could be a number of these combined. Any meeting that includes attendees that cannot be present in person will be deemed to be a remote meeting and covered by these RMR.
9. Agendas, reports, etc. of remote meetings will be deemed to be published and open to inspection provided that they appear on the Cheshire Fire and Rescue Service website. Hard copies of agendas and reports will be made available to members of the public and press where this is practicable.

#### **RULE 4 – REMOTE ACCESS TO REMOTE MEETINGS**

10. For all purposes of the Constitution the term "meeting" is not limited in meaning to a meeting of persons all of whom, or any of whom, are present in the same place, for which purposes any reference to:

"place" is to be interpreted as where a meeting is held, or to be held, includes reference to more than one place including electronic, digital or virtual locations such as internet locations, web addresses or conference call telephone numbers; and

"open to the public" includes access to the remote meeting being through remote means including (but not limited to) video conferencing, live webcast, and live interactive streaming and where a remote meeting is accessible to the public through such remote means the remote meeting is open to the public and press whether or not members of the public and press are able to attend the remote meeting in person.

11. Members will attend a remote meeting using a video conferencing facility accessed via a link that has been provided to them by officers or by phone. Should the video conferencing facility fail Members are able to attend via a telephone conferencing facility.
12. Members of the public that have submitted a question and wish to speak at the meeting will have also been provided with a link to the meeting so that they can attend.

13. Other members of the public and members of the press that wish to attend the meeting can do so because it will be broadcasted.

#### **RULE 5 – MEMBERS IN REMOTE ATTENDANCE AT REMOTE MEETINGS**

14. A Member in remote attendance is present and attends the remote meeting, including for the purposes of the remote meeting's quorum, if at any time all three of the following conditions are satisfied:

To hear, and where practicable see, and be so heard and, where practicable, be seen by, the other Members in attendance.

To hear, and where practicable see, and be so heard and, where practicable, be seen by, any members of the public entitled to attend the meeting in order to exercise a right to speak at the meeting; and

To be so heard and, where practicable, be seen by any other members of the public attending the meeting.

15. A Member in remote attendance will be deemed to have left the remote meeting where, at any point in time during the remote meeting, any of the conditions for remote attendance contained in 14 above are not met
16. Should any aspect of remote participation by Members fail, the Chair may call a short adjournment for a specified period to determine whether the connection can quickly be re-established, either by video technology or by telephone. If the connection is not restored within that time, the meeting should continue to deal with the business, provided that the meeting remains quorate and the public are able to attend by virtual means. If the provision of access through remote means cannot be restored to sufficient Members to achieve a quorum within a reasonable period, then the remaining business will be considered at a time and date fixed by the Chair.
17. The attendance of Members attending a remote meeting will be recorded by a Democratic Services Officer following a roll call of names at the start of the meeting by the Chair (with, or without the support of officers).
18. The normal quorum requirements for meetings as set out in the Fire Authority's Constitution apply to remote meetings.
19. In the event of a failure of remote attendance by Member(s) they will be deemed to have left the meeting at the point of failure and if the connection cannot be re-established the presumption will be that the meeting should continue. If remote attendance is re-established, then the Member(s) attending remotely will be deemed to have returned to the remote meeting at the point of re-establishment.

## **RULE 6 – REMOTE ATTENDANCE BY MEMBERS OF THE PUBLIC AND PRESS**

20. A member of the public entitled to attend the meeting in order to exercise a right to speak or present a petition at the meeting is in remote attendance at any time if all three of the following conditions are satisfied:

To hear, and where practicable see, and be so heard and, where practicable, be seen by, Members in attendance;

To hear, and where practicable see, and be so heard and, where practicable, be seen by, any other members of the public entitled to attend the meeting in order to exercise a right to speak at the meeting; and

To be so heard and, where practicable, be seen by any other members of the public attending the meeting.

In the alternative a member of the public entitled to attend the meeting in order to exercise a right to speak, or present a petition at the meeting may be accommodated by alternative arrangements, e.g. an officer may read out the question, or a prepared statement, or a video clip may be played.

21. A member of the public in remote attendance in order to exercise a right to speak or present a petition at the meeting will be deemed to have left the meeting where, at any point in time during the meeting, any of the conditions contained in 20 above are not met. In such circumstance the Chair may, as he or she deems appropriate:

Adjourn the meeting for a short period to permit the conditions for remote attendance in 20 to be re-established; or

Suspend consideration of an item of business which relates to the member of public's remote attendance until such time as the next item of business on the agenda has been transacted and the conditions for the member of the public's remote attendance have been re-established or, on confirmation that this cannot be done, at an appropriate point before the end of the meeting, whichever is the earliest; or

Continue to transact the remaining business of the meeting in the absence of the member of the public in remote attendance – having an officer reading out the question and/or confirm details of the petition.

22. A member of the public with no right to speak and a member of the press will be in remote attendance at any time if the following condition is met:

The broadcast technology providing remote attendance is functioning.

23. If the Chair is made aware that attendance is no longer possible for members of the public and/or members of the press the Chair shall adjourn the remote meeting. If remote attendance by public and press cannot be restored within a reasonable period, then the remaining business will be considered at a time and date fixed by the Chair.

## **RULE 7 – RUNNING REMOTE MEETINGS**

### **TAKING PART**

24. Members and officers should ensure that they are familiar with the software and equipment that is to be used for the remote meeting.

25. Members and officers should ensure that their broadband is adequate to take part in the remote meeting, failing which they should join the meeting using the Join by phone facility.

### **BEFORE THE MEETING**

26. Member and officers should join at least 15 minutes before the meeting is due to start.

27. In setting up the room and equipment Members and officers should consider these points:

- Ensure you set up in a place where you will not be disturbed throughout the meeting;
- Ideally have a neutral background;
- Arrange the equipment at an appropriate height and consider light sources so that your face is clear;
- Arrange the equipment so that you are close enough to the microphone and speaker in order to hear what is said and be heard when you are speaking;
- Keep the equipment plugged in to avoid problems with battery failure;
- Ensure that there is no confidential information visible;
- Have Join by phone details available in case of video-conferencing problems.
- Have details of Democratic Services/IT support available in case of problems with video-conferencing and/or Join by phone arrangements.

## DURING THE MEETING

### 28. The Chair (with/without assistance of officers)

- Will explain how the meeting will be run and make sure that a member of the public attending to ask a question or present a petition is aware of how they will take part.
- May switch off attendees microphones and cameras.
- Will rely on the chat function to manage contributions during the meeting.
- Will invite contributors to take part by the use of 'Cllr [first name and surname]'.
- Will regularly check that Members are connected and do so immediately before a vote takes place.
- Will regularly check that Members attending using the Join by phone facility remain connected and do so immediately before a vote takes place.

### 29. All Members (except Chair)

- Will mute their microphone and switch off their camera unless invited to speak.
- Will check that their microphone and camera are both operating before speaking.
- Will state their name (first name and surname) when beginning to speak.
- Will, when wishing to speak, indicate this by typing 'speak' using the chat function. Members using the Join by phone facility will need to orally draw their wish to speak to the attention of the Chair.
- Will, when uncertain about a procedural issue or when they need to raise a point of order will indicate this by typing 'order' using the chat function. This issue will take precedence over those Members that have indicated that they wish to speak.
- Will, when speaking, about a specific part of a report, or appendix, state the page and paragraph that they are referring to.
- Will, when speaking, be brief and to the point, focussing on the matter under consideration.
- Will, when asked to vote, indicate their vote by typing 'for', 'against', or 'abstain' using the chat function – for Members attending using the Join by phone facility they will be asked to state their vote.

N.B. The chat function is not to be used for any other purpose by Members

### 30. Members of the Public with a Right to Speak

- Will comply with the Chair's instructions.

## **RULE 8 – REMOTE VOTING**

31. Voting cannot take place by a show of hands. However, the rules about recording votes will apply at remote meetings, i.e. before a vote is taken a Member:

With the support of two other members may request that the voting on a motion, or amendment, is recorded to show how each Member present and voting cast their vote, or whether they abstained; or

May ask that the minutes shows the number of votes for and against a motion or amendment and the number of abstentions; or

May request that the minutes show how he/she voted individually on any motion or amendment.

32. The Chair will:

- Where he/she reasonably believes that there is no dissent from any Member attending the remote meeting proceed to affirm the decision once he/she has given Members an opportunity to require a vote, e.g. the Chair will say something along the following lines: 'I believe that we are all in agreement and support the motion. I will pause for 10 seconds to allow any Member to request a vote.' Once the 10 seconds has elapsed the Chair will say something along the following lines: 'I believe that the motion is passed'; or
- Where he/she is uncertain as to whether there is no dissent, or believes a vote is required he/she (with or without the assistance of officers) will conduct a vote by
  - a. Asking Members using the video-conferencing system to use the chat function to indicate by typing 'for', 'against', or 'abstain'.
  - b. Asking Members using the Join by phone facility to confirm whether they are 'for', 'against', or wish to 'abstain'.
- At the conclusion of the vote, the Chair will announce the result of the vote and confirm whether the motion has been passed or lost.

## **RULE 9 – DECLARATIONS OF INTERESTS AND MEMBERS EXCLUDED FROM THE MEETING**

33. Any Member participating in a virtual meeting who declares a disclosable pecuniary interest, or other declarable interest, in any item of business that would normally require them to leave the room, must also leave the virtual

meeting. An officer will confirm their departure from the meeting. The Member will be invited to re-join the meeting at the appropriate time.

34. Where a Member is required to leave the virtual meeting, the means of remote attendance and access is to be severed whilst any discussion or vote takes place in respect of the item or items of business in which the Member may not participate.

#### **RULE 10 – EXCLUSION OF THE PUBLIC AND PRESS**

35. There are times when Fire Authority or committee meetings are not open to the public, when confidential, or “exempt” issues (as defined in Schedule 12A of the Local Government Act 1972) are under consideration. An officer will ensure that there are no members of the public in remote attendance once the exclusion has been agreed by the meeting.

36. The Chair will check that all Members in remote attendance have no other persons present with them during the period where the public and press are excluded.

#### **RULE 11 – REVIEW**

37. The RMR will be kept under review and may be amended by the Monitoring Officer in light of experience.

## Appendix 1

### CHANGES TO CONSTITUTION: SECTION 4 – PROCEDURAL MATTERS

#### **Arrangements for Meetings**

##### REPLACEMENT

#### 4.10 Venue

The venue of the meeting will be determined by the Monitoring Officer taking into account the arrangements for the meeting. It does not need to be a physical place.

#### **Record of Attendance**

##### REPLACEMENT

4.18 An officer will note the attendance of Members when the Chair carries out a roll call at the start of a meeting.

#### **Rules of Debate**

##### REPLACEMENT

#### 4.33 (a) **Motions and Amendments**

Motions and amendments will be recorded by an officer and the Chair will ensure that Members are clear about the wording of motions and amendments before they are discussed and voted upon. If deemed necessary the Chair will ask for the motion, or amendment to be typed into the chat function so that Members can read it before they vote on it.

#### (c) **Only One Member to Speak at a Time**

When speaking at an Authority meeting and other meetings Members are expected to address the Chair. Members will use the chat function in order to indicate that they wish to speak. The Chair will call on Members to speak. Other Members will remain silent whilst another Member is speaking.

#### (n) **Points of Order**

A Member may raise a point of order or offer a personal explanation and will normally be heard immediately. Members will use the chat function in order to indicate that they wish to do so, typing 'order'. Members using the Join by phone facility will need to speak up.

#### (p) **Respect for the Chair**

Members will take the lead from the Chair during meetings. The Chair is able to mute Members.

#### **Voting**

##### REPLACEMENT

4.43 to 4.46 see Rule 8 of the Remote Meeting Rules.

### **Questions and Petitions by Members of the Public**

#### **REPLACEMENT**

4.48 Questions must be submitted to the Monitoring Officer by email at least 5 clear working days before the meeting is due to take place. The person lodging the question must provide a full name and address.

4.55 Petitions must be submitted to the Monitoring Officer by email at least 5 working days before the meeting is due to take place. The Monitoring Officer will bring the petition to the attention of Members.

### **Disturbance by Members of the Public**

#### **ADDITION**

4.64 If a member of the public with a right to speak is in remote attendance and fails to comply with the Chair's instructions and/or interrupts the remote meeting the Chair shall warn him/her. If the person continues to fail to comply/interrupts the meeting the Chair may order his/her removal from the remote meeting.

### **PROTOCOL ON REPORTING AT MEETINGS**

#### **PROTOCOL SUSPENDED AND REPLACED WITH THIS STATEMENT**

Members of the public and press can access remote meetings. Remote meetings will be audio recorded.

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## CHESHIRE FIRE AUTHORITY

**MEETING OF:** CHESHIRE FIRE AUTHORITY  
**DATE:** 1 JULY 2020  
**REPORT OF:** DIRECTOR OF GOVERNANCE AND COMMISSIONING  
**AUTHOR:** LOUISE WILLIS/CHRIS ASTALL

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**SUBJECT:** INTERNAL AUDIT PLAN 2020-21

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### Purpose of Report

1. A representative from Mersey Internal Audit Agency (MIAA) to present the Authority's Internal Audit Plan 2020-21 (the Plan).

### Recommended: That Members

[1] Members approve the Internal Audit Plan for 2020-21.

### Background

2. Under the United Kingdom Public Sector Internal Audit Standards (PSIAS), the Authority is required to implement an annual risk-based internal audit plan from which an annual assurance opinion can be derived. The internal audit activity must evaluate and contribute to the improvement of governance, risk management and control environment using a systematic and disciplined approach, focusing on:
  - Achievement of the organisation's strategic objectives;
  - Reliability and integrity of financial and operational information;
  - Effectiveness and efficiency of operations and programmes;
  - Safeguarding of assets
  - Compliance with laws, regulations, policies, procedures and contracts
3. The Authority's internal audit function is outsourced and the current provider is Mersey Internal Audit Agency. The plan has been developed with senior officers after considering the Authority's risk profiles and appetite.

### Information

4. The new contract for Internal Audit Services was awarded to MIAA and is based on 70 days per annum. The Plan therefore shows how these days are allocated across the strategic risks identified.
5. Findings from internal audits are used by management to take action where control weaknesses are identified and also to provide the evidence upon which

MIAA base a professional opinion about the effectiveness of the Authority's governance, risk management and control arrangements.

6. Progress against the Plan will be monitored by the Performance and Overview Committee (P&O) as part of the Service's quarterly performance reporting cycle and any specific issues identified during the year may be escalated by P&O to the Fire Authority. Implementation of recommendations is also monitored and tracked by senior officers on the Cheshire Planning System, and any critical weaknesses identified are escalated to the Risk Management Board.

### **Financial Implications**

7. Internal audit is an outsourced service funded from base budget. Any additional financial implications arising from internal audit recommendations are assessed individually as part of the management response to final audit reports.

### **Legal Implications**

8. Legal implications are considered when audit reports are presented to senior managers.

### **Equality and Diversity Implications**

9. There are no specific impacts on any particular section of the community arising from this report.

### **Environmental Implications**

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

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

**BACKGROUND PAPERS: INFORMATION PROVIDED BY MERSEY INTERNAL  
AUDIT AGENCY (MIAA)**

**APPENDIX 1 – INTERNAL AUDIT PLAN 2020-21**



# DRAFT Internal Audit Plan 2020/2021

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Cheshire Fire Authority / Fire and Rescue Service

# Contents

1. Executive Summary
2. Plan On A Page: Your Internal Audit Plan
3. Your Internal Audit, Assurance and Advisory Services
4. Your Risk Assessment
5. Operational Internal Audit Plan 20/21

Appendix A 3 Year Strategic Audit Plan

# 1. Executive Summary

## Your Risk Assessment

A strong risk assessment underpins the Internal Audit Plan. We have clearly set out the risks which have been prioritised within the audit plan and those which are not.

## Your Internal Audit Plan

Your internal audit plan includes core assurances, national and regional risk areas, strategic risks from your Risk Register and management requests. MIAA insights, including benchmarking, briefings and events will be integral to your plan. Your fees for 2020/2021 are **£22,700**

## Your Team

Your team will be led by Steve Connor, Engagement Lead and Anne-marie Harrop, Engagement Manager. We can confirm sufficient resources, including specialist expertise have been established to delivery your plan.

## Your Audit Team



**Steve Connor**

*Engagement Lead*

07768 131785

Steve.connor@miaa.nhs.uk



**Anne-marie Harrop**

*Engagement Manager*

07920 150313

Anne-marie.harrop@miaa.nhs.uk

# 1. Executive Summary

## Impact of Covid-19

We fully appreciate the challenging circumstance in which the organisation is currently working and recognise that it is not practical to try to continue to deliver an Internal Audit Plan as we would do normally as business as usual.

We will be supporting the organisation with its governance arrangements, and our short term focus (two/three months) will be on our advisory role, redeployment of staff to the frontline NHS provide capacity and any additional support we can provide to the organisation.

We recognise that this will mean little or no audit work in the first quarter of 2020/21 and we would urge you to use us to support any revised governance arrangements, new system developments, changes to processes and documentation, to support future assurance.

Over the coming weeks, we will be looking at how organisations have responded to Covid-19 and will share this insight with you to promote best practice and sharing of solutions.

## Our Internal Audit Plan

- Where audits are required, these will be conducted remotely (We will work with you to identify the work that will add the most value at this time)
- We will postpone any planned audits of areas providing critical services (or require input from key individuals)
- Where appropriate, we will seek agreement with you to extend due dates for the implementation of actions based on new risks/priorities.
- We will undertake an ongoing risk assessment based on your organisation's response to date, in order to understand any revised internal audit priorities.
- We will continue to fully communicate with the Audit Committee to keep them apprised as things develop
- We will continue to discuss with the organisation the impact of Covid-19 on its 1<sup>st</sup> and 2<sup>nd</sup> lines of defence and the potential internal control implications.

At this point in time, we do not consider that this will compromise our ability to fully deliver an Internal Audit Service and Head of Internal Audit Opinion for 2020/21.

# 2. Plan On A Page: Your Internal Audit Plan

## Planning Approach

- Risk Assessment of the external environment, system and organisation (including the Integrated Risk Management Plan).
- Engagement of Service Management Team to influence the plan.
- Use of MIAA's client risk database to inform planning.
- Coverage of Critical Business Systems to support organisation's objectives through the strategic internal audit plan.
- Provision of sufficient resources and expertise.
- Compliance with Public Sector Internal Audit Standards.

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## Your Plan

### Protection and Organisational Performance

**Risk management** arrangements will be evaluated to ensure these are operating effectively throughout the organisation and we will continue to attend Risk Management Board.

### Corporate Services

To provide assurance on the procedures and controls relating to **Core Financial Systems**. Preparations for the **National Fraud Initiative Data Matching** will continue.

### Service Delivery / Operational Policy and Assurance

On a rolling programme basis we will review the effectiveness of systems to govern and performance manage **collaboration arrangements**. We will also evaluate the effectiveness of the programme to modernise and manage the service's **estate**.

### People

Assurance in respect of the new Payroll arrangements and Pensions

### Follow up and Contingency

Follow Up, Contingency

## Outcomes

Head of Internal Audit Opinion to inform the AGS

Assignment assurance levels

The use of data analytics in a range of ways in how we gather, analyse and present data.

Insight driven dynamic reporting through tools such as heat maps and infographics.

Recommendations, advice, and guidance to enhance the control environment

Insights through briefings.

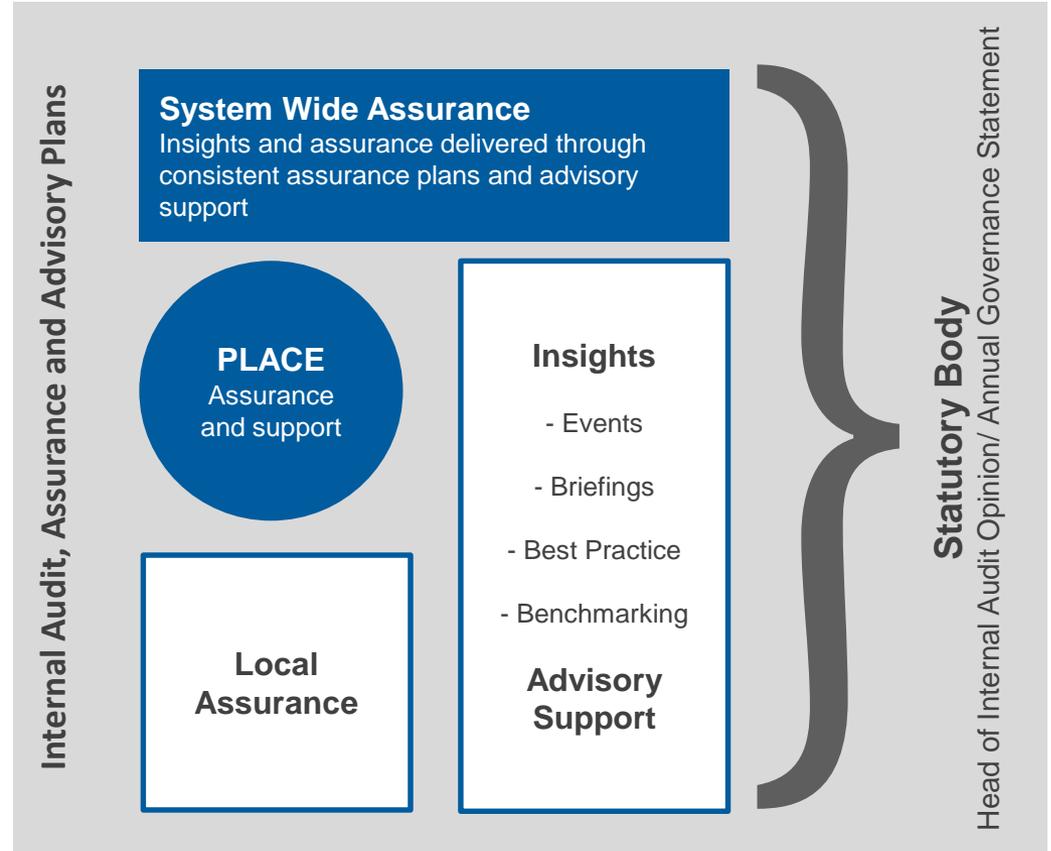
# 3. Your Internal Audit, Assurance and Advisory Services

The public sector landscape in England continues to change, with huge funding pressures across all public services.

Our vision is for MIAA to continue to be a Trusted Advisor through the retention of personalised, local focus and relationships with the added benefits provided by an at scale provider.

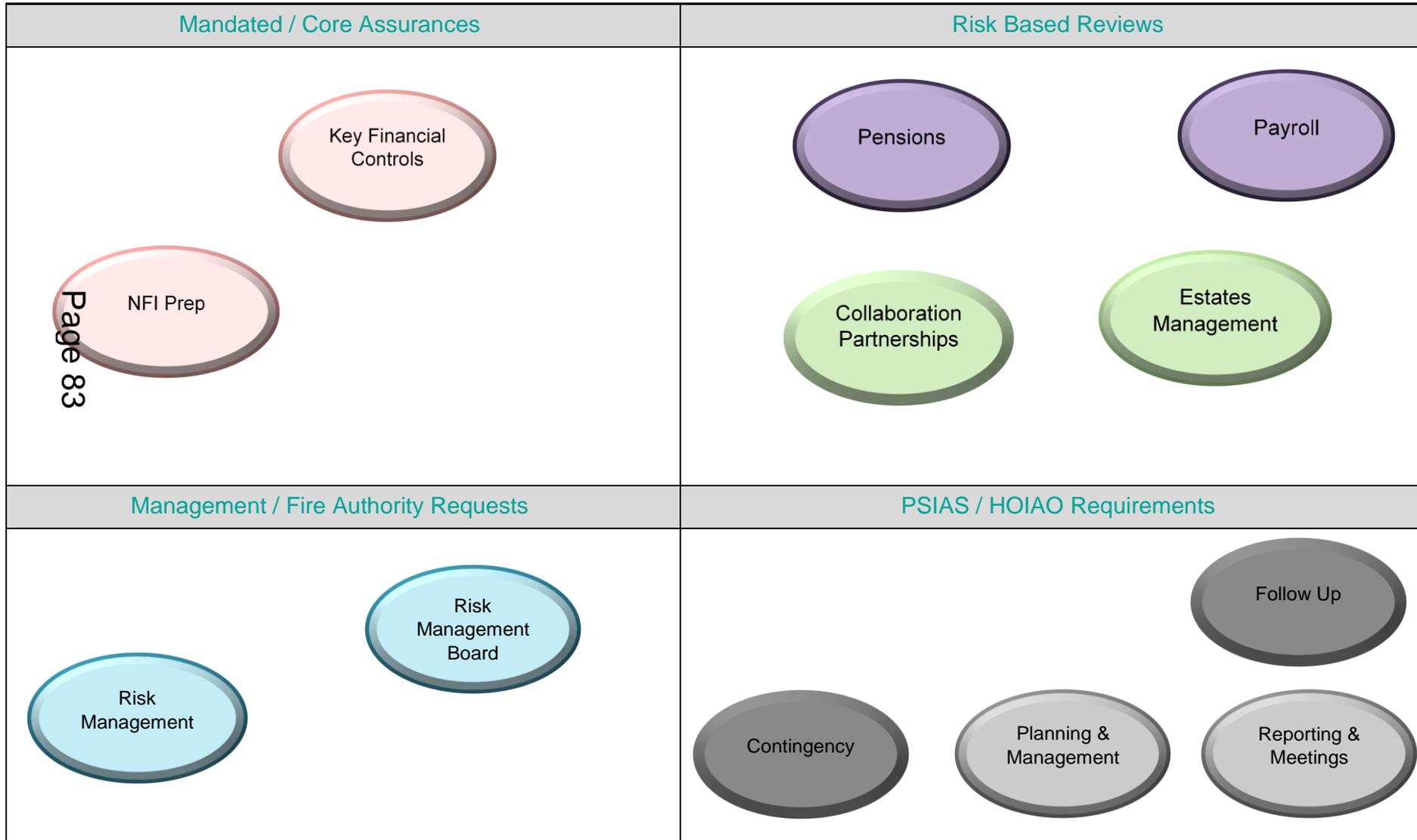
This is about MIAA building on its shared services capability to create a comprehensive offering, which provides insight and supports transformation change whilst operating efficiently.

MIAA continue to review and re-engineer our audit plans and the way we provide assurance to meet your needs in the changing landscape. This is about risk assessment at every level and regrouping audit, anti-fraud plans and advisory commissions to support organisations and local systems.



# 4. Your risk assessment

Your risk assessment is built from national and local system risks, place based developments and your local strategic risk assessment.



## 5. 2020/21 Operational Internal Audit Plan

Review & Scope	Rationale	Audit Days	Planned Delivery	Lead
<b>Protection and Organisational Performance</b>				
<b>Risk Management:</b> <i>Evaluation of the effectiveness of risk management within the service.</i>	PSIA/ Risk Management Board Request	10	Q3	Director of Governance & Commissioning
<b>Risk Management Board:</b> <i>Attendance and contribution to Risk Management Board</i>	Management Request	1	Q1 – Q4	Director of Governance & Commissioning
<b>Corporate Services</b>				
<b>Key Financial Controls:</b> <i>To provide assurance on the operation of the key financial controls.</i>	IRMP/Risk Register	10	Q3	Treasurer / Head of Finance
<b>National Fraud Initiative (NFI) Data Matching:</b> <i>Preparations for the NFI data match exercise including data release and staff notification.</i>	Mandated Requirement	4	Q3	Director of Governance & Commissioning / Head of Finance
<b>Service Delivery / Operational Policy and Assurance</b>				
<b>Collaboration and Partnerships:</b> <i>A rolling programme of reviews to evaluate the effectiveness of systems to govern and performance manage collaboration arrangements, to assure value for money. This year we will focus on Blue Light Collaboration.</i>	IRMP/ Strategic Risk Register	10	Q3	Director of Governance & Commissioning
<b>Estates Management:</b> <i>Evaluation of the programme to modernise and manage the service's estate.</i>	IRMP/ Strategic Risk Register	10	Q2	Head of Estates

Review & Scope	Rationale	Audit Days	Planned Delivery	Executive Lead
<b>People</b>				
<b>Payroll:</b> <i>Assessment of the new payroll arrangements and the effectiveness of payroll related controls.</i>	Management Request/ Risk Register	10	Q3	Director of Governance & Commissioning
<b>Pensions ( Carry Forward Days 2019/20):</b> <i>Management requested a change to the utilisation of the carry forward days to evaluate the effectiveness of management controls over pensions instead of Professional Standards.</i>	Management Request/ Risk Register	10 carry forward	Q2	Director of Governance & Commissioning
<b>FOLLOW UP &amp; CONTINGENCY</b>				
<b>Follow Up</b>	Public Sector Internal Audit Standards Requirement	4	Q1 – Q4	Director of Governance & Commissioning
<b>Contingency</b>	Public Sector Internal Audit Standards Requirement	1	Q1 – Q4	Director of Governance & Commissioning
<b>PLANNING &amp; REPORTING</b>				
<b>Planning, Management, Reporting and Meetings</b>	Public Sector Internal Audit Standards Requirement	10	Q1 – Q4	Director of Governance & Commissioning
<b>Total Plan Days</b>		<b>70 plus 10 carry forward 19/20</b>		

*The Internal Audit Risk assessment and plan will be reviewed on an ongoing basis throughout the year and any requests for change discussed and approved via the Performance & Overview Committee. A formal 6 month review of the plan will also take place.*

# Appendix A 3 Year Strategic Audit Plan

Your 3 year strategic audit plan is set out below.

2019/20

- Financial Systems
- Cost Improvement/ PBB
- Collaboration / Partnerships
- IT Resilience
- Professional Standards
- Safety Central – Volunteers
- HMICFRS (Carry Forward 18/19)
- Phishing (Carry Forward 18/19)

2020/21

- Financial Systems
- Collaboration / Partnerships
- Payroll
- Pensions (Carry forward 19/20)
- Estates Management
- Risk Management
- National Fraud Initiative Prep

2021/22

- Financial Systems
- Collaboration / Partnerships
- Cyber Security
- Professional Standards
- Station Thematic Review
- Health & Wellbeing
- National Fraud Initiative

## CHESHIRE FIRE AUTHORITY

**MEETING OF:** CHESHIRE FIRE AUTHORITY  
**DATE:** 1 JULY 2020  
**REPORT OF:** TREASURER  
**AUTHOR:** ALLAN RAINFORD

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**SUBJECT:** EXTERNAL AUDIT PLAN FOR 2019-20

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### Purpose of Report

1. To present the External Audit Plan for 2019-20. The Plan is attached to this report as Appendix 1. A representative from Grant Thornton will attend the meeting to present the report.

### Recommended: That

- [1] The External Audit Plan for 2019-20 be noted; and
- [2] The external audit fee for 2019-20 be approved.

### Background

2. The National Audit Office's Code of Audit Practice (the Code) sets out the external auditor's statutory responsibilities in relation to local public bodies. These are to:
  - a. Give an opinion on whether the Statement of Accounts gives a true and fair view of the Fire Authority's financial position and financial performance for the year being reported on and whether the accounts have been prepared in accordance with proper practices; and
  - b. Conclude on whether the Fire Authority has made proper arrangements to secure economy, efficiency and effectiveness in its use of resources: the Value for Money conclusion.
3. The Code requires that the approach of the external auditors reflects their understanding of the issues facing the Fire Authority and of the relevant risks that the Authority faces. These are set out in the External Audit Plan.

### Information

4. Grant Thornton have been the external auditors to Cheshire Fire Authority since 2012. As a result of a process managed by Public Sector Audit Appointments Limited (PSAA) – the successor to the Audit Commission - it was confirmed in December 2017 that Grant Thornton would continue as external auditors to

Cheshire Fire Authority for a further five years, covering the audits of the accounts for 2018-19 to 2022-23.

5. The PSAA is responsible for setting the scale of fees for external audit work and in March 2019 confirmed that the fee for the Authority was £22,992 for 2019-20, unchanged from the scale fee for the previous year. However, the PSAA has recognised that at a local level the proposed fees are likely to vary from the scale fee due to additional work as a result of local circumstances and the auditors assessment of audit risk.
6. Grant Thornton have proposed that the audit fee for 2019-20 be £27,492 which is £4,500 above the scale fee and reflects increased work that the auditors are required to carry out. The proposed fee is the same as the final audit fee for 2018-19 which increased from the planned fee as a result of additional work in respect of the financial statements.
7. There are increasing pressures being faced by audit firms as the scope of audit has grown, with additional technical accounting requirements, particularly around pension liabilities and newly introduced reporting standards. The role of the auditor has also come under renewed scrutiny, not least because of:
  - a. Recent high profile corporate governance failures in the private sector, such as the collapse of Carillion;
  - b. Concerns about the financial resilience of some local authorities, which will have increased as a result of the Covid-19 pandemic; and
8. In July 2019 the Government announced there was to be a review into the quality of local authority audits, including an assessment of the effectiveness of local authority financial reporting. The outcome of this review, which is expected later this year, together with a new Code of Audit Practice for 2020-21 from the National Audit Office, will have an impact on the work performed by external audit in future years.

## **Financial Implications**

9. The report deals with the proposed costs of external audit and the additional costs in 2019-20.

## **Legal Implications**

10. There are no legal implications as a result of this report. The External Audit Plan has been prepared to help the external auditors to meet the statutory responsibilities under the Local Audit and Accountability Act 2014 and the Code of Practice 2015.

## **Equality and Diversity Implications**

11. There are no equality and diversity implications as a result of this report.

## **Environmental Implications**

12. There are no environmental implications as a result of this report.

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

**APPENDIX 1 – EXTERNAL AUDIT PLAN YEAR ENDING 31 MARCH 2020**

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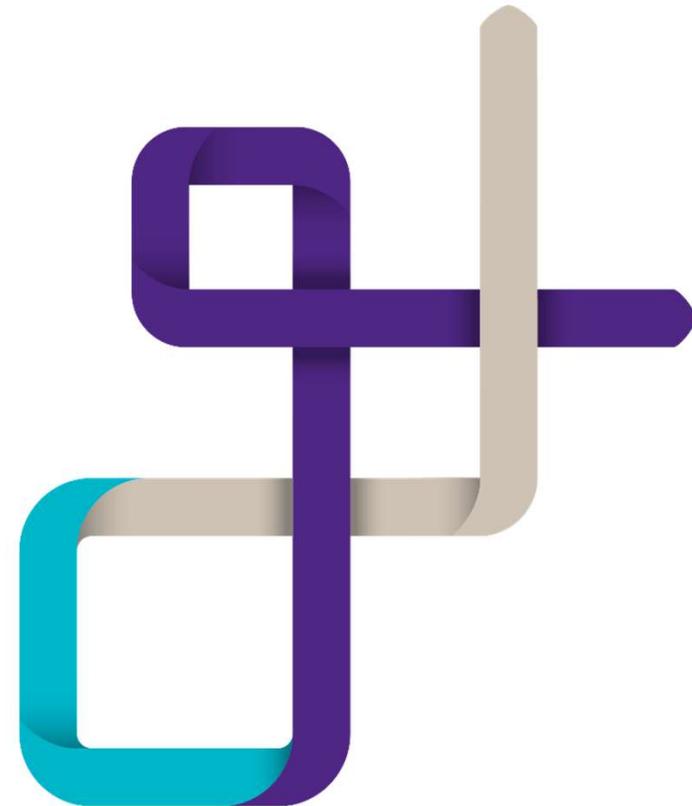
# External Audit Plan

*Year ending 31 March 2020*

Cheshire Fire and Rescue Authority

29 April 2020

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Your key Grant Thornton  
team members are:

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## Appendix

### A. Audit quality – national context

The contents of this report relate only to the matters which have come to our attention, which we believe need to be reported to you as part of our audit planning process. It is not a comprehensive record of all the relevant matters, which may be subject to change, and in particular we cannot be held responsible to you for reporting all of the risks which may affect the Authority or all weaknesses in your internal controls. This report has been prepared solely for your benefit and should not be quoted in whole or in part without our prior written consent. 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.

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# 1. Introduction & headlines

## Purpose

This document provides an overview of the planned scope and timing of the statutory audit of Cheshire Fire Authority ('the Authority') for those charged with governance.

## Respective responsibilities

The National Audit Office ('the NAO') has issued a document entitled Code of Audit Practice ('the Code'). This summarises where the responsibilities of auditors begin and end and what is expected from the audited body. Our respective responsibilities are also set out *in the Terms of Appointment and Statement of Responsibilities issued by Public Sector Audit Appointments (PSAA), the body responsible for appointing us as auditor of [insert name of organisation]. We draw your attention to both of these documents on the [PSAA website](#).*

## Scope of our audit

The scope of our audit is set in accordance with the Code and International Standards on Auditing (ISAs) (UK). We are responsible for forming and expressing an opinion on the :

- financial statements that have been prepared by management with the oversight of those charged with governance (the Authority); and
- Value for Money arrangements in place at the Authority for securing economy, efficiency and effectiveness in your use of resources.

The audit of the financial statements does not relieve management or the Audit Committee of your responsibilities. 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 audit approach is based on a thorough understanding of the Authority's business and is risk based.

## Significant risks

Those risks requiring special audit consideration and procedures to address the likelihood of a material financial statement error have been identified as:

- Management override of controls
- Valuation of property, plant and equipment
- Valuation of pension fund net liability
- Impact of Covid 19

We will communicate significant findings on these areas as well as any other significant matters arising from the audit to you in our Audit Findings (ISA 260) Report.

## Materiality

We have determined planning materiality to be £739k (PY £736k) for the Authority, which equates to 2% of your prior year gross expenditure for the year. We are obliged to report uncorrected omissions or misstatements other than those which are 'clearly trivial' to those charged with governance. Clearly trivial has been set at £37k (PY £37k .)

## Value for Money arrangements

Our risk assessment regarding your arrangements to secure value for money have identified the following VFM significant risks:

- Financial sustainability.

Covid 19 hit at the end of the financial year and is unlikely to be significant for considering arrangements during 2019/20 but we will review effectiveness of business continuity plans and consider the impacts on financial planning and sustainability.

## Audit logistics

Our interim visit took place in January and February 2020 and our final visit will take place in July and August 2020. Our key deliverables are this Audit Plan and our Audit Findings Report. Our audit approach is detailed in Appendix A.

Our fee for the audit for the Authority will be £27,492 (PY: £27,429), including a proposed variation of £4,500, subject to PSAA Ltd confirmation and, subject to the Authority meeting our requirements set out on page 13.

## Independence

We have complied with the Financial Reporting Council's Ethical Standard and we as a firm, and each covered person, confirm that we are independent and are able to express an objective opinion on the financial statements..

## 2. Key matters impacting our audit

### Factors

#### The wider economy and political uncertainty

Local Government funding continues to be stretched with increasing cost pressures and demand from residents.

The Authority are managing their financial position to date, with high levels of reserves. There are plans in progress to utilise capital reserves through a station renewal programme.

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#### Financial reporting and audit – raising the bar

The Financial Reporting Council (FRC) has set out its expectation of improved financial reporting from organisations and the need for auditors to demonstrate increased scepticism and challenge, and to undertake more robust testing as detailed in Appendix 1.

Our work in 2018/19 has highlighted areas where local government financial reporting, in particular, property, plant and equipment and pensions, needs to be improved, with a corresponding increase in audit procedures. We have also identified an increase in the complexity of local government financial transactions which require greater audit scrutiny.

#### Covid 19

The corona virus global pandemic is impacting how people work. Whilst it is a constantly evolving picture, we are expecting the delivery of the audit to be impacted by staff at audited bodies and audit teams working remotely to avoid spreading the virus as well as inevitable sick days reducing staff capacity.

On 17<sup>th</sup> March 2020 the government announced that the deadline for local government financial audits will be extended to 30 September 2020 from 31 July 2020. This has been subsequently updated and the deadline has now been extended to 30 November 2020.

### Our response

- 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 consider whether your financial position leads to material uncertainty about the going concern of the Authority and will review related disclosures in the financial statements.

- As a firm, we are absolutely committed to meeting the expectations of the FRC with regard to audit quality and local government financial reporting. Our proposed work and fee, as set further in our Audit Plan, has been proposed to the Treasurer and Head of Finance and is subject to PSAA Ltd agreement.

We appreciate the significant responsibility and burden your staff have to ensure vital public services are provided. As far we can, our aim is to work with you in these unprecedented times, ensuring up to date communication and flexibility where possible in our audit procedures.

### 3. Significant risks identified

Significant risks are defined by ISAs (UK) as risks that, in the judgement of the auditor, require special audit consideration. In identifying risks, audit teams consider the nature of the risk, the potential magnitude of misstatement, and its likelihood. Significant risks are those risks that have a higher risk of material misstatement.

Risk	Reason for risk identification	Key aspects of our proposed response to the risk
<b>ISA240 revenue recognition risk</b>	Under ISA 240 (UK) there is a rebuttable 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>Having considered the risk factors set out in ISA 240 and the nature of the revenue streams at the Authority, we have determined that the risk of Fraud arising from revenue recognition can be rebutted, because:</p> <ul style="list-style-type: none"> <li>• there is little incentive to manipulate revenue recognition.</li> <li>• opportunities to manipulate revenue recognition are very limited as some 94% of the Authority's gross income is from taxation or government grant.</li> <li>• the culture and ethical frameworks of local authorities, including Cheshire Fire and Rescue Authority, mean that all forms of fraud are seen as unacceptable.</li> </ul> <p>Therefore we do not consider this to be a significant risk for Cheshire Fire and Rescue Authority.</p>
<b>Management over-ride of controls</b>	<p>Under ISA 240 (UK) there is a non-rebuttable presumed risk that the risk of management override of controls is present in all entities. The Authority faces external scrutiny of its spending and this could potentially place management under undue pressure in terms of how they report performance.</p> <p>We therefore identified management override of control, in particular journals, management estimates and transactions outside the course of business as a significant risk, which was one of the most significant assessed risks of material misstatement.</p>	<p><b>We will:</b></p> <ul style="list-style-type: none"> <li>• evaluate the design effectiveness of management controls over journals.</li> <li>• analyse the journals listing and determine the criteria for selecting high risk unusual journals.</li> <li>• test unusual journals recorded during the year and after the draft accounts stage for appropriateness and corroboration.</li> <li>• gain an understanding of the accounting estimates and critical judgements applied made by management and consider their reasonableness with regard to corroborative evidence.</li> <li>• evaluate the rationale for any changes in accounting policies, estimates or significant unusual transactions.</li> </ul>

# Significant risks identified

Risk	Reason for risk identification	Key aspects of our proposed response to the risk
Covid 19	<p>The global outbreak of the Covid-19 virus pandemic has led to unprecedented uncertainty for all organisations, requiring urgent business continuity arrangements to be implemented. We expect current circumstances will have an impact on the production and audit of the financial statements for the year ended 31 March 2020, including and not limited to;</p> <ul style="list-style-type: none"> <li>• Remote working arrangements and redeployment of staff to critical front-line duties may impact on the quality and timing of the production of the financial statements, and the evidence we can obtain through physical observation</li> <li>• Volatility of financial and property markets will increase the uncertainty of assumptions applied by management to asset valuation and receivable recovery estimates, and the reliability of evidence we can obtain to corroborate management estimates</li> <li>• Financial uncertainty will require management to reconsider financial forecasts supporting their going concern assessment and whether material uncertainties for a period of at least 12 months from the anticipated date of approval of the audited financial statements have arisen; and</li> <li>• Disclosures within the financial statements will require significant revision to reflect the unprecedented situation and its impact on the preparation of the financial statements as at 31 March 2020 in accordance with IAS1, particularly in relation to material uncertainties.</li> </ul> <p>We therefore identified the global outbreak of the Covid-19 virus as a significant risk, which was one of the most significant assessed risks of material misstatement.</p>	<p>We will:</p> <ul style="list-style-type: none"> <li>• Work with management to understand the implications the response to the Covid-19 pandemic has on the organisation's ability to prepare the financial statements and update financial forecasts and assess the implications on our audit approach</li> <li>• Liaise with other audit suppliers, regulators and government departments to co-ordinate practical cross sector responses to issues as and when they arise</li> <li>• Evaluate the adequacy of the disclosures in the financial statements in light of the Covid-19 pandemic.</li> <li>• Evaluate whether sufficient audit evidence using alternative approaches can be obtained for the purposes of our audit whilst working remotely</li> <li>• Evaluate whether sufficient audit evidence can be obtained to corroborate significant management estimates such as asset valuations and recovery of receivable balances</li> <li>• Evaluate management's assumptions that underpin the revised financial forecasts and the impact on management's going concern assessment</li> <li>• Discuss with management any potential implications for our audit report if we have been unable to obtain sufficient audit evidence.</li> </ul>

# Significant risks identified

Risk	Reason for risk identification	Key aspects of our proposed response to the risk
<b>Valuation of Property, Plant and Equipment</b>	<p>The Authority revalues its land and buildings on a five-yearly basis. In the intervening years, such as 2019/20, to ensure the carrying value in the Authority financial statements is not materially different from the current value or the fair value (for surplus assets) at the financial statements date, the Authority requests a desktop valuation from its valuation expert to ensure that there is no material difference. This valuation represents a significant estimate by management in the financial statements due to the size of the numbers involved and the sensitivity of this estimate to changes in key assumptions.</p> <p>We therefore identified valuation of land and buildings as a significant risk, which was one of the most significant assessed risks of material misstatement, and a key audit matter.</p>	<p>We will:</p> <ul style="list-style-type: none"> <li>• evaluate 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>• evaluate the competence, capabilities and objectivity of the valuation expert.</li> <li>• write to the valuer to confirm the basis on which the valuation was carried out to ensure that the requirements of the Code are met.</li> <li>• challenge the information and assumptions used by the valuer to assess completeness and consistency with our understanding.</li> <li>• test revaluations made during the year to see if they had been input correctly into the Authority's asset register.</li> </ul>

# Significant risks identified

Risk	Reason for risk identification	Key aspects of our proposed response to the risk
<b>Valuation of pension fund net liability</b>	<p>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 a significant estimate 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 key assumptions used.</p> <p>We therefore identified valuation of the Authority's pension fund net liability as a significant risk, which was one of the most significant assessed risks of material misstatement, and a key audit matter.</p>	<p>We will:</p> <ul style="list-style-type: none"> <li>• update our understanding of the processes and controls put in place by management to ensure that the Authority's pension fund net liability is not materially misstated and evaluate the design of the associated controls;</li> <li>• evaluate the instructions issued by management to their management expert (an actuary) for this estimate and the scope of the actuary's work;</li> <li>• assess the competence, capabilities and objectivity of the actuary who carried out the Authority's pension fund valuation;</li> <li>• assess the accuracy and completeness of the information provided by the Authority to the actuary to estimate the liability;</li> <li>• test the consistency of the pension fund asset and liability and disclosures in the notes to the core financial statements with the actuarial report from the actuary;</li> <li>• undertake procedures to confirm the reasonableness of the actuarial assumptions made by reviewing the report of the consulting actuary (as the auditor's expert) and performing any additional procedures suggested within the report;</li> <li>• agree the advance payment made to the pension fund during the year to the expected accounting treatment and relevant financial disclosures; and</li> <li>• obtain assurances from the auditor of Cheshire 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 Cheshire Pension Fund financial statements.</li> <li>• test the data provided to the actuary of the Fire Fighter Pension Fund.</li> </ul>

We will communicate significant findings on these areas as well as any other significant matters arising from the audit to you in our Audit Findings Report in September/October 2020.

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## 4. Other matters

### Other work

In addition to our responsibilities under the Code of Practice, we have a number of other audit responsibilities, as follows:

- We read your Narrative Report and Annual Governance Statement and any other information published alongside your financial statements to check that they are consistent with the financial statements on which we give an opinion and consistent with our knowledge of the Authority
- We carry out work to satisfy ourselves that disclosures made in your Annual Governance Statement are in line with the guidance issued by CIPFA
- We carry out work on your consolidation schedules for the Whole of Government Accounts process in accordance with NAO group audit instructions
- We consider our other duties under the Local Audit and Accountability Act 2014 (the Act) and the Code, as and when required, including:
  - Giving electors the opportunity to raise questions about your 2019/20 financial statements, consider and decide upon any objections received in relation to the 2019/20 financial statements
  - Issue of a report in the public interest or written recommendations to the Authority under section 24 of the Act, copied to the Secretary of State
  - Application to the court for a declaration that an item of account is contrary to law under Section 28 or for a judicial review under Section 31 of the Act or
  - Issuing an advisory notice under Section 29 of the Act.
- We certify completion of our audit.

### Other material balances and transactions

Under International Standards on Auditing, "irrespective of the assessed risks of material misstatement, the auditor shall design and perform substantive procedures for each material class of transactions, account balance and disclosure". All other material balances and transaction streams will therefore be audited. However, the procedures will not be as extensive as the procedures adopted for the risks identified in this report.

### Going concern

As auditors, we are required to "obtain sufficient appropriate audit evidence about the appropriateness of management's use of the going concern assumption in the preparation and presentation of the financial statements and to conclude whether there is a material uncertainty about the Authority's ability to continue as a going concern" (ISA (UK) 570). We will review management's assessment of the going concern assumption and material uncertainties, and evaluate the disclosures in the financial statements.

# 5. Materiality

## The concept of materiality

The concept of materiality is fundamental to the preparation of the financial statements and the audit process and applies not only to the monetary misstatements but also to disclosure requirements and adherence to acceptable accounting practice and applicable law.

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.

## Materiality for planning purposes

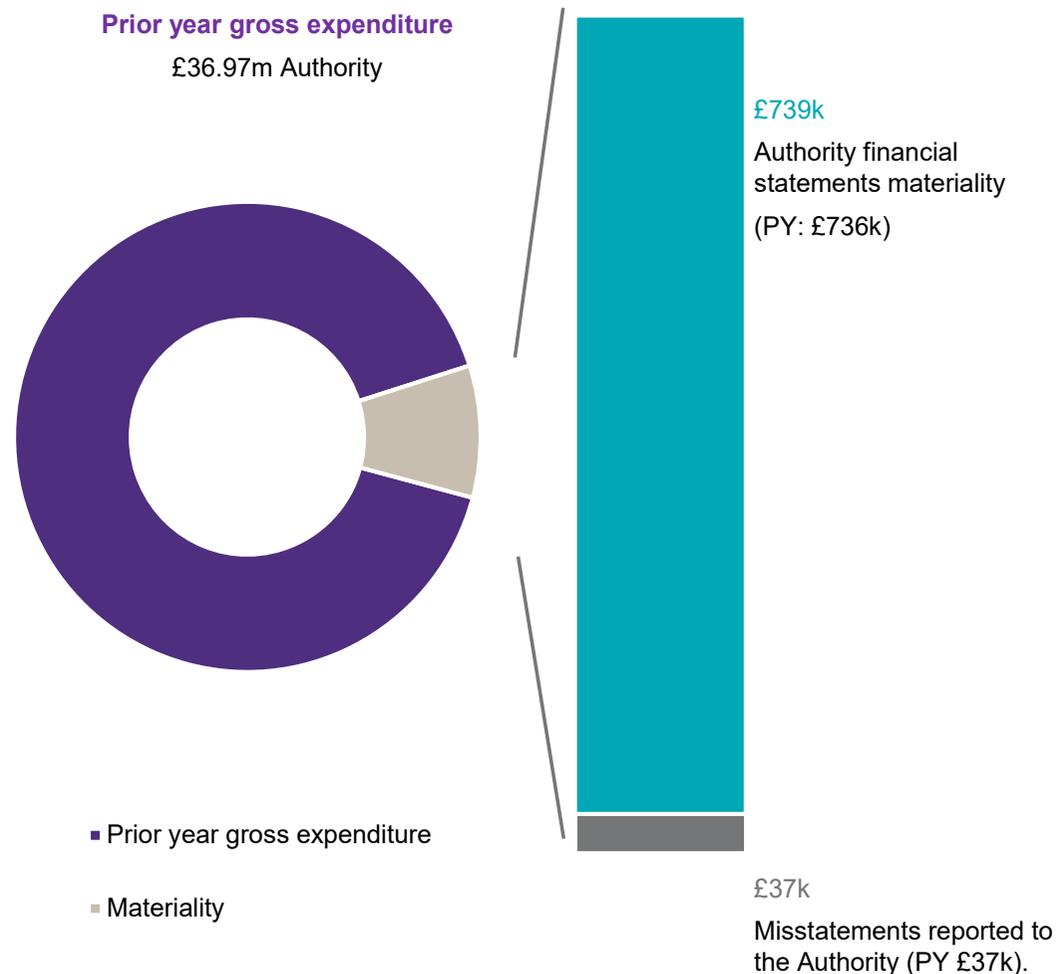
We have determined financial statement materiality based on a proportion of the gross expenditure of the Authority for the financial year. In the prior year we used the same benchmark. Materiality at the planning stage of our audit is £739k (PY £736k), which equates to 2% of your [forecast/prior year] gross expenditure for the year. We design our procedures to detect errors in specific accounts at a lower level of precision which we have determined to be £5k for senior officers' remuneration because of the increased sensitivity of this figure. We will review related party transactions and exit packages against the qualitative aspects of their disclosure and consider whether a lower threshold is appropriate for these too.

We consider planning materiality if, during the course of our audit engagement, we become aware of facts and circumstances that would have caused us to make a different determination of planning materiality.

## Matters we will report to those charged with Governance

Whilst our audit procedures are designed to identify misstatements which are material to our opinion on the financial statements as a whole, we nevertheless report to the Authority any unadjusted misstatements of lesser amounts to the extent that these are identified by our audit work. Under ISA 260 (UK) 'Communication with those charged with governance', we are obliged to report uncorrected omissions or misstatements other than those which are 'clearly trivial' to those charged with governance. ISA 260 (UK) defines 'clearly trivial' as matters that are clearly inconsequential, whether taken individually or in aggregate and whether judged by any quantitative or qualitative criteria. In the context of the Authority, we propose that an individual difference could normally be considered to be clearly trivial if it is less than £37k (PY £37k).

If management have corrected material misstatements identified during the course of the audit, we will consider whether those corrections should be communicated to the Authority to assist it in fulfilling its governance responsibilities.



# 6. Value for Money arrangements

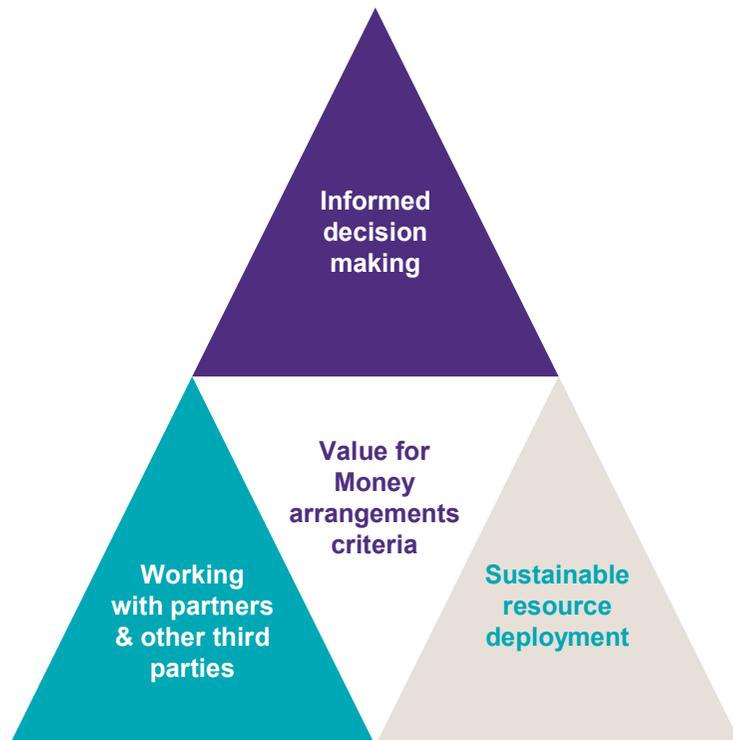
## Background to our VFM approach

The NAO issued its guidance for auditors on Value for Money work in November 2017. The guidance states that for Local Government bodies, auditors are required to give a conclusion on whether the Authority has proper arrangements in place to secure value for money.

The guidance 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.”*

This is supported by three sub-criteria, as set out below:



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## Significant VFM risks

Those risks requiring audit consideration and procedures to address the likelihood that proper arrangements are not in place at the Authority to deliver value for money.



### Financial Sustainability

The Authority is operating against a backdrop of:

- Funding reductions
- Changes in legislative and policy requirements
- Changes to the regulatory bodies and frameworks
- Uncertainty as to the future pension costs arising from the McCloud decision

At the same time it is projected to maintain Council Tax rises below 3% and fund its capital programme from reserves. To achieve this the authority will need to continue to exercise financial discipline.

We will review the Authority's arrangements for budgeting and for monitoring and reporting financial performance which is a key part of ensuring sustainable resource deployment.

### Covid 19

We will review our VfM risk assessment to document our understanding of your arrangements to ensure critical business continuity in the current environment. And we will consider how the Authority has reflected the impact of financial uncertainty in its financial forecasts but at this stage we have not identified any significant VfM risks in relation to Covid-19 for 2019/20.

# 7. Audit logistics & team



## Michael Green, Engagement Lead

Michael has overall responsibility for the audit and the opinions, for ensuring the quality of our audit work and for ensuring we provide you with the best service possible.



## Gerard Small, Audit Manager

Gerard is responsible for the technical and logistical aspects of the audit. He will be the first point of contact for your Treasurer and the finance team.



## Stuart Richardson, Audit Incharge

Stuart will lead all the on-site work and manage day to day aspects of the engagement.

## Client responsibilities

Where clients do not deliver to the timetable agreed, we need to ensure that this does not impact on audit quality or absorb a disproportionate amount of time, thereby disadvantaging other clients. Where the elapsed time to complete an audit exceeds that agreed due to a client not meeting its obligations we will not be able to maintain a team on site. Similarly, where additional resources are needed to complete the audit due to a client not meeting their obligations we are not able to guarantee the delivery of the audit to the agreed timescales. In addition, delayed audits will incur additional audit fees.

Recognising that the Government has relaxed reporting timescales for local government, we will liaise with management to ensure that we report promptly to the Authority once meetings schedules have been re-arranged.

## Our requirements

To minimise the risk of a delayed audit, you need to ensure that you:

- produce draft financial statements of good quality by the deadline you have agreed with us, including all notes, the narrative report and the Annual Governance Statement
- ensure that good quality working papers are available at the start of the audit, in accordance with the working paper requirements schedule that we have shared with you
- ensure that the agreed data reports are available to us at the start of the audit and are reconciled to the values in the accounts, in order to facilitate our selection of samples
- ensure that all appropriate staff are available on site throughout (or as otherwise agreed) the planned period of the audit
- respond promptly and adequately to audit queries.

# 8. Audit fees

## Planned audit fees 2019/20

Across all sectors and firms, the FRC has set out its expectation of improved financial reporting from organisations and the need for auditors to demonstrate increased scepticism and challenge and to undertake additional and more robust testing. Within the public sector, where the FRC has recently assumed responsibility for the inspection of local government audit, the regulator requires that all audits achieve a 2A (few improvements needed) rating.

Our work across the sector in 2018/19 has highlighted areas where local government financial reporting, in particular, property, plant and equipment and pensions, needs to be improved. We have also identified an increase in the complexity of local government financial transactions. Combined with the FRC requirement that 100% of audits achieve a 2A rating this means that additional audit work is required. We have set out below the expected impact on our audit fee. The table overleaf provides more details about the areas where we will be undertaking further testing.

As a firm, we are absolutely committed to meeting the expectations of the FRC with regard to audit quality and local government financial reporting. Our proposed work and fee for 2019/20 at the planning stage, as set out below and with further analysis overleaf, has been agreed with the Treasurer and Head of Finance and is subject to PSAA agreement.

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	Actual Fee 2017/18	Actual Fee 2018/19	Proposed fee 2019/20
Authority Audit	£29,860	£27,429	£27,492

### Assumptions:

In setting the above fees, we have assumed that the Authority will:

- prepare a good quality set of accounts, supported by comprehensive and well presented working papers which are ready at the start of the audit
- provide appropriate analysis, support and evidence to support all critical judgements and significant judgements made during the course of preparing the financial statements
- provide early notice of proposed complex or unusual transactions which could have a material impact on the financial statements.

### Relevant professional standards:

In preparing our fee estimate, we have had regard to all relevant professional standards, including paragraphs 4.1 and 4.2 of the FRC's [Ethical Standard](#) which stipulate that the Engagement Lead (Key Audit Partner) must set a fee sufficient to enable the resourcing of the audit with staff of appropriate skills, time and abilities to deliver an audit to the required professional standard.

# Audit fee variations – Further analysis

## Planned audit fees

The table below shows the planned variations to the original scale fee for 2019/20 based on our best estimate at the audit planning stage. Further issues identified during the course of the audit may incur additional fees. In agreement with PSAA (where applicable) we will be seeking approval to secure these additional fees for the remainder of the contract via a formal rebasing of your scale fee to reflect the increased level of audit work required to enable us to discharge our responsibilities. Should any further issues arise during the course of the audit that necessitate further audit work additional fees will be incurred, subject to PSAA approval.

Audit area	£	Rationale for fee variation
Scale fee	22,992	
Raising the bar	£750	The Financial Reporting Council (FRC) has highlighted that the quality of work by all audit firms needs to improve across local audit. This will require additional supervision and leadership, as well as additional challenge and scepticism in areas such as journals, estimates, financial resilience and information provided by the entity.
Pensions – valuation of net pension liabilities under International Auditing Standard (IAS) 19	£1,750	We have increased the granularity, depth and scope of coverage, with increased levels of sampling, additional levels of challenge and explanation sought, and heightened levels of documentation and reporting.
PPE Valuation – work of experts	£1,750	We have therefore increased the volume and scope of our audit work to ensure an adequate level of audit scrutiny and challenge over the assumptions that underpin PPE valuations.
Covid 19	£250	Covid 19 recent events have led us to update our planning risk assessment and reconsider our audit and value for money (VfM) approach to reflect the unprecedented global response to the Covid-19 pandemic. The significance of the situation cannot be underestimated and the implications for individuals, organisations and communities remains highly uncertain. In response to these events, we have identified a significant risk to the financial statements audit requiring additional audit procedures to address. We will also continue to perform procedures to consider the impacts on VfM.
<b>Revised scale fee to be approved by PSAA</b>	<b>£27,492</b>	

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## 9. Independence & non-audit services

### Auditor independence

Ethical Standards and ISA (UK) 260 require us to give you timely disclosure of all significant facts and matters that may bear upon the integrity, objectivity and independence of the firm or covered persons relating to our independence. We encourage you to contact us to discuss these or any other independence issues with us. We will also discuss with you if we make additional significant judgements surrounding independence matters.

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 Financial Reporting Council's Ethical Standard and we as a firm, and each covered person, 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 Financial Reporting Council's Ethical Standard and we as a firm, and each covered person, confirm that we are independent and are able to express an objective opinion on the financial statements. Further, we have complied with the requirements of the National Audit Office's Auditor Guidance Note 01 issued in December 2017 and PSAA's Terms of Appointment] which set out supplementary guidance on ethical requirements for auditors of local public bodies.

### Other services provided by Grant Thornton

For the purposes of our audit we have made enquiries of all Grant Thornton UK LLP teams providing services to the Authority. No other non-audit services were identified.

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# Appendices

**A. Audit Quality – national context**

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# Appendix A: Audit Quality – national context

## What has the FRC said about Audit Quality?

The Financial Reporting Council (FRC) publishes an annual Quality Inspection of our firm, alongside our competitors. The Annual Quality Review (AQR) monitors the quality of UK Public Interest Entity audits to promote continuous improvement in audit quality.

All of the major audit firms are subject to an annual review process in which the FRC inspects a small sample of audits performed from each of the firms to see if they fully conform to required standards.

The most recent report, published in July 2019, shows that the results of commercial audits taken across all the firms have worsened this year. The FRC has identified the need for auditors to:

- improve the extent and rigour of challenge of management in areas of judgement
- improve the consistency of audit teams' application of professional scepticism
- strengthen the effectiveness of the audit of revenue
- improve the audit of going concern
- improve the audit of the completeness and evaluation of prior year adjustments.

The FRC has also set all firms the target of achieving a grading of '2a' (limited improvements required) or better on all FTSE 350 audits. We have set ourselves the same target for public sector audits from 2019/20.

## Other sector wide reviews

Alongside the FRC, other key stakeholders including the Department for Business, energy and Industrial Strategy (BEIS) have expressed concern about the quality of audit work and the need for improvement. A number of key reviews into the profession have been undertaken or are in progress. These include the review by Sir John Kingman of the Financial Reporting Council (Dec 2018), the review by the Competition and Markets authority of competition within the audit market, the ongoing review by Sir Donald Brydon of external audit, and specifically for public services, the Review by Sir Tony Redmond of local authority financial reporting and external audit. As a firm, we are contributing to all these reviews and keen to be at the forefront of developments and improvements in public audit.

## What are we doing to address FRC findings?

In response to the FRC's findings, the firm is responding vigorously and with purpose. As part of our Audit Investment Programme (AIP), we are establishing a new Quality Board, commissioning an independent review of our audit function, and strengthening our senior leadership at the highest levels of the firm, for example through the appointment of Fiona Baldwin as Head of Audit. We are confident these investments will make a real difference.

We have also undertaken a root cause analysis and put in place processes to address the issues raised by the FRC. We have already implemented new training material that will reinforce the need for our engagement teams to challenge management and demonstrate how they have applied professional scepticism as part of the audit. Further guidance on auditing areas such as revenue has also been disseminated to all audit teams and we will continue to evolve our training and review processes on an ongoing basis.

## What will be different in this audit?

We will continue working collaboratively with you to deliver the audit to the agreed timetable whilst improving our audit quality. In achieving this you may see, for example, an increased expectation for management to develop properly articulated papers for any new accounting standard, or unusual or complex transactions. In addition, you should expect engagement teams to exercise even greater challenge management in areas that are complex, significant or highly judgmental which may be the case for accounting estimates, going concern, related parties and similar areas. As a result you may find the audit process even more challenging than previous audits. These changes will give the audit committee – which has overall responsibility for governance - and senior management greater confidence that we have delivered a high quality audit and that the financial statements are not materially misstated. Even greater challenge of management will also enable us to provide greater insights into the quality of your finance function and internal control environment and provide those charged with governance confidence that a material misstatement due to fraud will have been detected.

We will still plan for a smooth audit and ensure this is completed to the timetable agreed. However, there may be instances where we may require additional time for both the audit work to be completed to the standard required and to ensure management have appropriate time to consider any matters raised. This may require us to agree with you a delay in signing the announcement and financial statements. To minimise this risk, we will keep you informed of progress and risks to the timetable as the audit progresses.

We are absolutely committed to delivering audit of the highest quality and we should be happy to provide further detail about our improvement plans should you require it.



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## CHESHIRE FIRE AUTHORITY

MEETING OF: CHESHIRE FIRE AUTHORITY  
 DATE: 1 JULY 2020  
 REPORT OF: HEAD OF FINANCE  
 AUTHOR: WENDY BEBBINGTON

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**SUBJECT: END OF YEAR FINANCIAL REPORT 2019-20**

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### Purpose of report

1. This report provides Members with a review of the Service's financial performance at end of 2019-20 financial year and reports on progress against 2019-20 capital projects.

### Recommended: That Members

- [1] note the outturn position (subject to audit and the finalisation of the local authorities non-domestic rates collection fund/Section 31 grant); and
- [2] approve the movement in reserves as set out in Appendix 2.

### Background

2. The Authority's vision, plans, policies, and organisational structures are all focused on ensuring the Service can deliver the improvements in safety outcomes that matter to the communities of Cheshire East, Cheshire West and Chester, Halton and Warrington.
3. On 13<sup>th</sup> February 2019 the Authority approved the 2019-20 net revenue budget of £43.461m together with a 2019-20 capital programme of £17.488m. Performance against both the revenue and capital budgets has been reported quarterly to the Performance and Overview Committee (P&O). A summary of the revenue budget performance for 2019-20 is shown in the following table. The cumulative position for the year is an underspend of £613k.

<u>Revenue v Budget Outturn</u>	<u>(Under) / Over £000</u>	<u>P&amp;O Committee</u>
Quarter 1 - 30 <sup>th</sup> June 2019	(75)	4 <sup>th</sup> September 2019
Quarter 2 - 30 <sup>th</sup> September 2019	(102)	27 <sup>th</sup> November 2019
Quarter 3 - 31 <sup>st</sup> December 2019	257	26 <sup>th</sup> February 2020
Quarter 4 – 31 <sup>st</sup> March 2020	(693)	CFA 17 <sup>th</sup> June 2020
<b>Cumulative amount for 2019-20</b>	<b><u>(613)</u></b>	

4. At the time this report was written the outturn position for the non-domestic rates, including the relevant Section 31 grant had not been received by the Authority. In a normal year the deadline for this information is 31<sup>st</sup> May but due to the Coronavirus pandemic, this deadline has been extended until 31<sup>st</sup> July 2020. Although the estimated impact of this is not expected to materially alter the outturn, an update will be brought to the Authority when the figures are available.

## Information

### Revenue Spending

5. For 2019-20 there is a net underspend of £613k as shown in the table below with further details of each service area's forecast outturn set out in Appendix 1 to this report.

<u>Summary for 2019-20 year-end review</u>	Original Budget £000	Actual Spend £000	Variance £000
Firefighting and Rescue Operations	27,364	28,052	688
Protection	1,942	1,897	(45)
Prevention	2,463	2,041	(422)
Support Services	9,672	9,181	(491)
Unitary Performance Groups	100	97	(3)
Finance Resources	1,348	(709)	(2,057)
Contributions to/(from) provisions	-	120	120
Contributions to/(from) reserves	572	2,310	1,738
<b>Net Revenue Position</b>	<b>43,461</b>	<b>42,989</b>	<b>(472)</b>
Funding:			
Council Tax (Precept)	(29,084)	(29,084)	-
Collection Fund Surplus (council tax)	(382)	(362)	20
Business Rates Retention scheme	(9,501)	(9,501)	-
Collection Fund Deficit (business rates)	86	54	(32)
Collection Fund Provision	-	(129)	(129)
Collection Fund Adjustment Account	-	-	-
Business Rates S31 grants	(653)	(653)	-
Revenue Support Grant	(3,927)	(3,927)	-
<b>Net (under) spend at year end</b>	<b>-</b>	<b>(613)</b>	<b>(613)</b>

6. The following paragraphs detail the main, significant variances included in the above table, and reported for the last quarter of the year.
- 6.1. Funding saw some additional income of £32k received at the end of March 2020 relating to redistribution of the business rates levy account surplus

allocation 2019-20. Funding had been set-aside in case of a deficit on the collection fund (£129k), as the final outturn was a surplus not a deficit this has not been needed.

- 6.2. Service Delivery, overall in the last quarter, has a slight underspend of £50k when compared to previous forecasts. Pay costs for whole time establishment are slightly less than reported at Quarter 3 but the majority of this is offset by an increase in on call costs and additional mileage costs. Premises costs have overspent by £30k due to increases in electricity and in particular water charges (costs for the new stations built a few years ago are higher than previously forecast). This has been offset by an underspend in council tax and business rate (including a £16k refund following demolition of Chester Fire Station).
- 6.3. Operational Policy and Assurance is reporting an underspend of £139k against the position reported at Quarter 3. At Quarter 3 an overspend of £200k was anticipated for uniform and personal protective equipment, the actual overspend was £40k less than this. There were also reduced external charges for cross border charges of £24k; hydrants repairs were underspent £9k; and there was £12k income for ESCMP work done. There has been some slippage in the training programme into 2020-21, with £56k transferred into reserves to cover the cost when the courses are run in 2020-21.
- 6.4. At outturn Protection forecasts an underspend of £20k with a number of small immaterial variances. This includes savings of £12k on supplies and £9.5k on fire investigation work offset by £1.4k shortfall in Primary Authority income and £5.3k prosecution costs.
- 6.5. Prevention's outturn position has increased the underspend by £108k. This mainly relates to reduced spend on smoke alarms of £64k (a lower number required and the price maintained at previous level); less expenditure on pay due to vacant posts; and part-funded cadet kit refresh which is now planned for 2020-21. The Prince's Trust courses were suspended in their normal format before year end due to the Coronavirus pandemic. Staff have continued to work with the team members to complete the course within the lockdown restrictions and therefore funding is expected. Savings of £49k reported at Quarters 3 and 4 on Prince's Trust have been transferred to the specific reserve to cover the short term uncertainties for the Prince's Trust team, (which include when the teams can start again and in what format due to the Coronavirus).
- 6.6. Within Support Services, savings have been achieved on utilities at Sadler Road while building work is taking place; savings on grounds maintenance within Property Management; and additional income has led to an underspend at outturn. ICT has reviewed a number of contracts which have resulted in savings together with additional Firelink grant above expected amount leading to an underspend at year end. Finally, within Fleet there have been savings on the vehicle insurance costs; lease car costs and reduced spend due to lower fuel costs.

- 6.7. Finance Resources held a contingent budget of £124k for the Blue Light Collaboration. At year end the recharges went to the actual support service area they related to and this contingency was not required. Overall the budget for the joint corporate services was £2,955k with the final recharge being £2,851k – a saving of £104k
- 6.8. Under accounting regulations, when the Authority makes a contractual commitment funding should be set aside to cover related costs. As such a provision has been made to cover applicable exit costs relating to fixed term contracts upon completion.
- 6.9. Finance Resources show investments had generated £44k additional income above that anticipated at Quarter 3. This has been transferred to the capital reserve to fund future approved capital projects. Towards the end of March additional funding of £8k Transparency Grant was received which has not been included in the budget.
- 6.10. In summary, the position at year end shows a corporate underspend of £693k: i.e. a cumulative underspend for 2019-20 of £613k when the position for the previous quarters are included. This underspend will be transferred to the capital reserve to support the funding of the Authority's capital programme. The final position will be updated once all the collection fund and Section 31 grant information has been received.

## Capital Programme

7. At the end of March 2020, the Authority had an overall approved capital programme of £33.7m; which is an increase of £1.2m on the £32.5m reported at Quarter 3. The increase comprises of £0.9m for the fire houses refurbishment project which is to be funded mainly from capital receipts from the sale of surplus houses/assets; and £0.3m for environmental improvements to the new fire station at Chester. These capital project updates were included in the budget report and capital strategy 2020-21 report.
8. The forecast outturn spend is £35.9m, £2.3m above the current programme as previously reported in the quarterly financial reports.
9. The Coronavirus pandemic has caused a number of the capital projects to progress more slowly than originally anticipated due to a shortage of materials; sub-contractors not on site due to self isolating; or staff furloughed by the contractors. However, all projects continue to move forward e.g. Year 1 of the Fire Station Modernisation Programme has now been completed.
10. Full details of all the capital schemes are in Appendix 3. The following table shows the proposed capital funding.

	£000
<b>Capital Expenditure</b>	<b><u>12,844</u></b>
Financed by:	
Capital grants	-
Capital Receipts	119
Revenue Contributions to Capital	169
Use of Reserves	12,556
Borrowing	-
<b>Total Financing</b>	<b><u>12,844</u></b>

## Reserves

11. As a result of the year end position, the level of Reserves held is as shown in the table below.

Reserves	Balance 31 Mar 2019 £000	Changes in year £000	Balance 31 Mar 2020 £000
IRMP Related	(8,269)	(27)	(8,296)
Capital Receipts	(100)	100	-
Capital Reserves	(14,856)	11,230	(3,626)
2019-20 Underspend		(613)	(613)
Resource Centre Managers	(5,269)	(790)	(6,059)
Community Risk Reduction	(330)	(15)	(345)
UPG	(117)	(3)	(120)
<b>Total Earmarked Reserves</b>	<b>(28,941)</b>	<b>9,882</b>	<b>(19,059)</b>
General Reserves	(2,210)	-	(2,210)
<b>Total Usable Reserves</b>	<b>(31,151)</b>	<b>9,882</b>	<b>(21,269)</b>

12. The above figures are also in the Draft Statement of Accounts which is subject to audit and therefore could potentially change when the audit is completed later this year. Any changes will be reported by the auditors at the appropriate Authority meeting.
13. In accordance with the approved Reserve Strategy, the General Reserve will be maintained at a level of approximately £2.2m which is broadly equivalent to 5% of the net revenue budget. The Fire & Rescue National Framework encourages fire authorities to keep their general reserve at this 5% level and requires specific justification for reserves above this level.

### **Financial implications**

14. This report considers financial matters.

### **Legal Implications**

15. There are no legal implications arising from the report.

### **Equality and diversity implications**

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

### **Environmental implications**

17. There are no environmental implications arising from this report.

**BACKGROUND PAPERS: NONE**

## CHESHIRE FIRE AUTHORITY 2019-20 YEAR END

	Original Budget £000	Actual Spend £000	Income/ expenditure variance £000
Firefighting and rescue operations			
Service Delivery	21,980	22,863	883
Operational Policy and Assurance	5,384	5,189	(195)
Protection	1,942	1,897	(45)
Prevention			
Community Safety	2,042	1,673	(369)
Safety Centre	421	368	(53)
Support Services			
Executive Management	1,030	1,034	4
Workforce Transformation	197	232	35
Property Management	1,609	1,490	(119)
Finance	395	441	46
ICT	1,549	1,430	(119)
Legal and Democratic Services	528	497	(31)
People and Development	1,677	1,603	(74)
Planning, Performance & Communications	945	868	(77)
Procurement and Stores	234	235	1
Fleet services	1,508	1,351	(157)
Unitary Performance Groups	100	97	(3)
Finance Resources	1,348	(709)	(2,057)
Contributions to/(from) provisions	-	120	120
Contributions to/(from) reserves	572	2,310	1,738
* see appendix 3			
<b>Total Service Expenditure</b>	<b>43,461</b>	<b>42,989</b>	<b>(472)</b>
<b>Funding:</b>			
Council Tax (Precept)	(29,084)	(29,084)	-
Collection Fund Surplus (council tax)	(382)	(362)	20
Business Rates Retention scheme	(9,501)	(9,501)	-
Collection Fund Deficit (business rates)	86	54	(32)
Collection Fund Provision	-	(129)	(129)
Business rates S31 grant	(653)	(653)	-
RSG	(3,927)	(3,927)	-
<b>Total Funding</b>	<b>(43,461)</b>	<b>(43,602)</b>	<b>(141)</b>
<b>Forecast Net Overspend</b>	<b>-</b>	<b>(613)</b>	<b>(613)</b>

## Appendix 2 to Item 5

### MOVEMENT IN RESERVES 2019-20

<u>Department</u>	<u>Description</u>	TOTAL £000
Finance Resources	Annual Contribution to Capital	572
	<b>Approved as part of 2019-20 Budget</b>	572
Property Management	Annual contribution of RHI Income to Environment Reserve	25
Property Management	Annual contribution Poynton Maintenance	5
ICT	Annual contribution Mobile Data Terminals	34
	<b>Annual Contributions</b>	64
<u>Q1 Contributions to/(from) Reserves (reported to P&amp;O, 4 Sept 2019)</u>		
Finance Resources	Transfer to capital reserve - loan costs - not required in Qtr1	77
Finance Resources	Transfer to capital reserve - Additional Investment Income	22
Finance Resources	Repayment of LGPS actuarial costs funded from reserves	285
Finance Resources	Ill Health pension costs	(16)
OPA	New Dimensions Grant - transfer to reserves	6
OPA	Vet fees funded from reserve	(1)
Protection	Contribution to one retro fit of sprinklers	(36)
Prevention	Road safety - transfer to reserve	7
Prevention	Cadets - temporary storage container * reversed Q2	(4)
Workforce Transformation	Contribution from reserve to staff survey - bi-annual	(11)
Workforce Transformation	Pilot Health & wellbeing advisor post costs falling into 2020-21	9
Finance	Agresso upgrade funded from reserve	(31)
People & development	Operational staff recruitment drive	(15)
People & development	Payroll contract extension then set up costs * reversed Q2	(44)
Quarter 1 Review	First Quarter Review underspend to capital reserve	75
	<b>First Quarter Transfers</b>	323
<u>Q2 Contributions to/(from) Reserves (reported to P&amp;O, 27 November 2019)</u>		
OPA	Funding for NOGs post 2019-20 period 1 - 6	(27)
OPA	Funding for NOGS post 2020-21 period 1 - 6	32
Protection	Prosecution income to reserve	14
Protection	Whole Service Review project	31
Protection	ISO1720 accreditation delayed	18
Prevention	Cadets - temporary storage container * reversal of Q1 transfer	4
Prevention	Safety Central website funded from reserve	(11)
People & development	Payroll contract extension then set up costs * reversal of Q1	44
People & development	Payroll contract extension then set up costs	(1)
Unitary Performance Groups	Schemes committed to in previous years, paid in 2019-20	(16)
Finance Resources	Transfer to capital reserve - loan costs – no longer required	231
Finance Resources	Transfer to capital reserve - Additional Investment Income	50
Finance Resources	Transfer to capital reserve – Additional pension grant	301
	<b>Second Quarter Transfers</b>	670
Quarter 2 Review	Second Quarter Review underspend to capital reserve	102

## Appendix 2 (cont'd)

<u>Department</u>	<u>Description</u>	<u>£000</u>
<i>Q3 Contributions to/(from) Reserves (reported to P&amp;O, 26 February 2020)</i>		
Service Delivery	Temporary on-call support roles	18
OPA	Training fees during Sadler Road site project	39
OPA	Drone project	(1)
OPA	Inner fleeces / thermal fleeces (2017-18 OO867)	(30)
OPA	Growth item for undress uniform delayed to 2020-21	115
OPA	Temporary High Rise Project Officer post	42
OPA	Operational equipment (branches / connections / hose reels)	(70)
Prevention	Project to create profiles of members of the community which indicates how "fire safe" they are.	15
Prevention	Cadet uniform refresh delayed until 2020-21	10
Workforce Transformation	Pilot Health & wellbeing advisor post costs falling into 2020-21 * reversal of Q1	(9)
Property Management	Transfer to capital reserve - Revenue contribution to Poynton drill tower	27
ICT	Replacement servers	(20)
Legal and Democratic Services	Democratic Services System hosting fee	(3)
People & development	Corporate training	50
Finance Resources	Transfer to capital reserve - Additional Investment Income	28
<b>Third Quarter Transfers</b>		<b>211</b>
Quarter 3 Review	Third Quarter Review overspend amount to capital reserve	(257)

## Appendix 2 (cont'd)

### Q4 Contributions to/(from) Reserves

Service Delivery	Relocation allowance	10
OPA	Operational equipment (Positive ventilation fans)	(79)
OPA	Operational equipment (Lifting bags)	80
OPA	Operational equipment (radio equipment)	146
OPA	Operational equipment (branches / connections / hose reels)	(30)
OPA	Operational Training	56
OPA	ESCMP work	12
Protection	Prosecution income to reserve / expenditure from reserve	(5)
Prevention	Road safety - transfer to reserve	4
Prevention	Princes Trust Teams	49
Prevention	Safety Central website part reversal of Q2 transfer	1
Prevention	Safety Central – equipment refresh	15
Executive Management	External consultant (IRMP related work)	7
Property Management	Contribution of RHI Income to Environment Reserve * part reversal of Q1 transfer	(16)
Property Management	Property modernisation programme	97
Property Management	Alsager Fire Station	20
Property Management	Environmental / Invest to save projects	8
Property Management	Sadler Road site	3
Property Management	To capital reserve – PCSO office at Birchwood Fire Station.	43
Finance	Agrosso upgrade part reversal of Q1 transfer	(1)
ICT	ESCMP project costs	38
Corporate Communications	Choir reserve	4
Fleet	Historic vehicles	2
Finance Resources	Transfer to insurance reserve	20
Finance Resources	Transfer to capital reserve - Additional Investment Income	44
Unitary Performance Groups	Unitary Performance Groups	19
	<b>Forth Quarter Transfers</b>	547
	<b>Sub-total of transfers</b>	<b>2,232</b>
Outturn / Quarter 4 Review	Outturn underspend amount going to capital reserve	693
<b>TOTAL POTENTIAL NET CONTRIBUTION TO/ (FROM) RESERVES 2019-20</b>		<b>2,925</b>

**CHESHIRE FIRE AUTHORITY CAPITAL OUTTURN 2019-20**

Service Area	Description	2019-20 Capital Budget £000	Total Programme Budget £000	2019-20 Expenditure £000	Total Expenditure to date £000	Expected Scheme Outturn £000	Variance £000
Prior year schemes:	ERP Programme - final fees and retention adjustments	-	-	20	20	25	25
	ICT Review/Server Replacement Programme	-	557	73	384	410	(147)
	2 x cadets vehicles	-	20	-	-	-	(20)
	Three New Appliances 2018-19 programme	-	810	441	744	744	(66)
	Support vehicles replacement 2018-19 programme	-	60	63	63	63	3
	New Drill Tower - Poynton Fire Station	-	60	87	87	87	27
	<b>Sub-total</b>	<b>-</b>	<b>1,507</b>	<b>684</b>	<b>1,298</b>	<b>1,329</b>	<b>(178)</b>
2019-20 Schemes:	New Operational Training Facility	8,800	11,000	7,357	7,961	12,075	1,075
	Chester Fire Station	4,400	5,810	1,819	2,215	6,200	390
	Aborted Crewe Joint Fire & Police scheme <i>transfer to revenue</i>	-	-	(13)	-	-	-
	Crewe Fire Station	1,300	5,000	20	20	6,000	1,000
	Fire Station Modernisation Programme	2,000	8,500	1,943	1,943	8,500	-
	Three New Appliances 2019-20 programme	810	810	753	753	775	(35)
	Support vehicles replacement 2019-20 programme	60	60	46	46	60	-
	Animal Rescue Unit	30	30	-	-	30	-
	2 x Rapid Response Units	60	60	-	-	60	-
	Replacement thermal image cameras (phased replacement)	28	28	26	26	26	(2)
	<b>Sub-total</b>	<b>17,488</b>	<b>31,298</b>	<b>11,951</b>	<b>12,964</b>	<b>33,726</b>	<b>2,428</b>
In-year approvals:	Fire Houses Refurbishment programme (3 year programme)	880	880	209	209	880	-
	<b>Total</b>	<b>18,368</b>	<b>33,685</b>	<b>12,844</b>	<b>14,471</b>	<b>35,935</b>	<b>2,250</b>

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## CHESHIRE FIRE AUTHORITY

**MEETING OF:** CHESHIRE FIRE AUTHORITY  
**DATE:** 1 JULY 2020  
**REPORT OF:** HEAD OF FINANCE  
**AUTHOR:** WENDY BEBBINGTON

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**SUBJECT:** TREASURY MANAGEMENT ANNUAL REPORT  
2019-20

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### Purpose of Report

1. To present a review of the Authority's treasury management activities undertaken during 2019-20.

### Recommended that Members note:

- [1] the report on treasury management activity for 2019-20; and
- [2] the performance against the prudential and treasury management indicators.

### Background

2. The Chartered Institute of Public Finance and Accountancy (CIPFA) define Treasury Management as 'the management of the local authority's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.'
3. The associated Code of Practice for Treasury Management recommends that those charged with governance are updated on treasury management activities regularly by way of a strategy at the start of the year, a mid-year review and an outturn report.
4. This report provides Members with details of the treasury management activities undertaken in 2019-20. It also considers compliance with the Authority's Treasury Management Practices (TMPs) during the year.
5. This report includes details of:
  - a) the Authority's loans portfolio position at 31 March 2020;
  - b) the Authority's investment portfolio position at 31 March 2020;
  - c) a summary of performance for the year 2019-20;
  - d) the Authority's performance in 2019-20 set against the key Prudential Indicators;
6. Members should be aware that all the 2019-20 figures in the report remain subject to audit.

## The Economy and Interest Rates

7. Investment returns remained low during 2019-20. The expectation for interest rates within the Treasury Management Strategy for 2019-20 was that the Bank Rate would stay at 0.75% during 2019-20 as it was not expected that the Monetary Policy Committee (MPC) would be able to deliver on an increase in the Bank Rate until Brexit was finally settled. However, there was an expectation that the Bank Rate would rise after Brexit was delivered, but would only rise to 1.0% during 2020. Shorter term investment interest rates were fairly flat during most of the year until two cuts in the Bank Rate from 0.75% to 0.25% on 11<sup>th</sup> March 2020 and then to the current 0.10% on 19<sup>th</sup> March 2020 which caused short term investment rates to fall sharply.
8. Rising concerns over the possibility that the UK could leave the EU at the end of October 2019 caused longer term investment rates to be on a falling trend for most of April to September 2019. They then rose after the end of October deadline was rejected by the Commons but fell back again in January before recovering again after the 31 January departure of the UK from the EU. When the Coronavirus outbreak hit the UK in February/March, longer term rates initially plunged but then rose sharply back up again due to a shortage of liquidity in financial markets. As longer term rates were significantly higher than shorter term rates during the year, value was therefore sought by placing longer term investments where cash balances were sufficient to allow this during the year. However, towards the end of the year the Authority was unable to continue this approach due to caution around the financial impact of Coronavirus on its short to medium term cashflows.
9. Investment balances have been kept to a minimum through the agreed strategy of using reserves and balances to support current capital programme expenditure which was significant in 2019-20, rather than borrowing externally from the financial markets. External borrowing would have incurred an additional cost, due to the differential between borrowing and investment rates. This approach has also provided benefits in terms of reducing counterparty risk exposure, by having fewer investments placed in the financial markets.
10. Table 1 below provides a summary of the Public Works Loan Board (PWLB) borrowing rates comparing the start of the year and the end of the year and provides a picture of how the rates moved throughout the year.

Table 1

	1 Year	5 Year	10 Year	25 Year	50 Year
01/04/2019	1.46%	1.52%	1.84%	2.41%	2.24%
31/03/2020	1.90%	1.95%	2.14%	2.65%	2.39%
Low	1.17%	1.00%	1.13%	1.73%	1.57%
Date	03/09/2019	08/10/2019	03/09/2019	03/09/2019	03/09/2019
High	2.47%	2.45%	2.76%	3.25%	3.05%
Date	21/10/2019	19/03/2020	19/03/2020	19/03/2020	31/12/2019
Average	1.83%	1.77%	2.00%	2.56%	2.40%

## Outlook for 2020-21

11. The Coronavirus outbreak has inflicted an unprecedented shock on financial markets and economic activity, with policymakers struggling to avert a longer-lasting downturn. In common with other advanced countries, the UK has shut down parts of its economy to slow the spread of the disease, which will cause a deep contraction centred on the second quarter of 2020. On 23 March, the Prime Minister announced more significant measures to contain the spread of COVID-19. Consequently, the deep near-term damage to the UK economy caused by the Coronavirus outbreak and the lingering uncertainty regarding the post-Brexit UK-EU trade relationship is significant. The commensurate and necessary policy response to contain the COVID-19 outbreak will result in a sharp rise in general government deficit and debt ratios, leading to an acceleration in the deterioration of public finances over the medium term.
12. The Government's furlough scheme has prevented the UK economy from being engulfed by a tsunami-like first wave of unemployment. But a second wave may come once the reduction in the generosity of the scheme in August forces businesses to decide if they can then retain their employees. That introduces a major risk of the economic recovery from the Coronavirus crisis deepening. As the lockdown is eased and firms reopen, in an ideal world workers would move off the furlough scheme and back to work, meaning that unemployment never rises. But even in that situation, there would still be an economic cost as lots of the 10m furloughed workers are having to cope with reduced pay.
13. Markets now estimate that GDP could fall by close to 4% in 2020. In the baseline, there is an assumption that containment measures can be unwound in the second half of 2020, allowing for recovery in sequential growth and the broader economy, leading to a sharp recovery in growth to around 3% in 2021. However, with so much depending on the extent and duration of the Coronavirus outbreak, there is material downside risk to these economic forecasts. A plausible downside case, including a second wave of infections and a longer lockdown period, would see an even larger decline in output in 2020 and a weaker recovery in 2021.
14. The strength of the recovery is also subject to lingering Brexit uncertainty, as the final shape of any future trade deal with the EU remains unknown and the risk of the transition period ending without a deal persists.

## **Portfolio Position at 31 March 2020**

15. A summary of the Authority's long term borrowing and investments at 31 March 2020 is shown in Table 2, including the equivalent position at 31 March 2019 for reference.

<b>Table 2 – Portfolio Position</b>		
	31 March 2019 £000	31 March 2020 £000
Long Term Borrowing	1,892	1,012
Investments	(25,190)	(18,795)
Net Borrowing / (Investments)	(23,298)	(17,783)

16. Long term borrowing as at 31 March 2020 is made up entirely of maturity loans from the Public Works Loans Board (PWLB). A PWLB loan of £880k matured and was repaid on 31 March 2020.
17. Investment balances (including cash on deposit in Money Market Funds) have reduced during 2019-20 due mainly to the use of cash reserves to fund major capital expenditure during the year in line with the currently approved Treasury Management strategy.

## **Treasury Management Performance 2019-20**

### **Investments**

18. The Authority has continued to find it difficult to generate significant rates of return on investments in light of continuing low interest rates throughout 2019-20. Investment income in 2019-20 is £244k, increased from the £216k generated in 2018-19. This year-on-year increase is mainly due to the fact that bank base rate was maintained at 0.75% throughout almost the whole financial year, compared to 2018-19 when it was only 0.5% until August 2018. In addition, higher cash balances were available for investment in the early part of 2019-20 before significant capital expenditure reduced cash balances later in the year, most notably in respect of the new Training Centre and replacement Chester Fire Station projects both of which moved into their build phases during the year.
19. The Authority has continued with a cautious approach to its choice of counterparties. As at 31 March 2020, the Authority's investments are with Lloyds Bank of Scotland, Santander UK and Aberdeen Standard Money Market Liquidity Fund, which the Authority continues to use regularly to manage day to day cashflows. Other investment counterparties used during 2019-20 were Goldman Sachs UK and National Westminster Bank Plc.
20. There have been no known instances of non-compliance with TMPs during the year.

### **Borrowing**

21. The amount of borrowing as at 31st March 2020 is £1.092m. During 2019-20 interest rates have been monitored and no debt rescheduling took place during the year as the average 1% differential between

PWLB new borrowing rates and premature repayment rates made rescheduling unwise.

22. The Authority has approved up to £11m of new borrowing to finance the Training Centre project in order to maintain sufficient cash resources to finance its existing ongoing capital expenditure commitments along with new and emerging capital expenditure needs, as detailed in the annual Treasury Management and Capital Strategies.
23. As previously reported to Members and in line with the currently approved Treasury Management Strategy, this borrowing has not yet been secured due to the current temporarily high levels of reserves held. Instead, this borrowing has been deferred in order to enable greater flexibility about the appropriate timing, which needs to be balanced carefully to take account of the actual timing of expenditure, levels of reserves held and prevailing and forecast market interest rates.
24. This borrowing is currently planned for 2021-22, however, in the event of significant upward risk to borrowing rates over the coming months it may well be prudent to secure the borrowing during 2020-21, accepting that this will result in a temporary increase to the Authority's current cash balances. The situation will continue to be kept under close review so that the borrowing can be secured at the most advantageous time based on consultation with appointed Treasury Management Advisors and the Authority's Treasurer.
25. The Authority currently remains in an under-borrowed position, which means that historically decisions have been made to internally finance expenditure as opposed to borrowing. The current position is c£5.8m under-borrowed which has not changed significantly for a number of years. This position may need to be reduced in the longer term with new external borrowing should it begin to place pressure on day to day available cash balances. However this is not an issue at the present time due to current reserve levels.
26. The actual maturity structure for borrowing falls slightly outside the agreed profile, as can be seen in Table 3. This indicator is designed to be a control over an authority having large concentrations of fixed rate debt which need to be replaced at times of uncertainty over interest rates. The limits set represent sensible boundaries and are intended to draw attention to potential issues before they arise. However, as the Authority has relatively low levels of borrowing and currently has such a healthy investment position, this is not considered to be a material risk. Over recent years, the Authority has not required any new additional borrowing and has not therefore been easily able to influence the maturity structure. As planned new borrowing is undertaken to finance the currently approved capital programme, the maturity structure will naturally return to be within the agreed target profile and therefore no specific action is considered necessary at this time.

<b>Table 3 Maturity Structure of Borrowing</b>				
	<b>Upper Limit %</b>	<b>Lower Limit %</b>	<b>Actual %</b>	<b>Amount £000</b>
Under 12 months	25	0	0	0
12 months and within 24 months	25	0	0	0
24 months and within 5 years	50	0	88	893
5 years and 10 years	60	0	12	119
10 years and above	100	5	0	0

## **Prudential and Treasury Indicators**

27. The Authority must approve Prudential and Treasury Indicators annually, to reflect the impact of the capital programme on the Authority's financial position. Table 4 below shows performance in 2019-20 against the indicators, which were approved by the Authority in February 2019.

Table 4: Prudential and Treasury Indicators			
Prudential Indicators	2019-20 Indicator £000	2019-20 Outturn £000	Comment
Capital expenditure	17,488	12,844	Re-profiling of both Chester FS new build due to Planning issues and Crewe FS replacement due to extended feasibility/options stage.
Capital financing requirement	15,655	6,807	Re-profiling / deferral of borrowing required until 2020-21 onwards.
Annual change in capital financing requirement	8,354	(446)	
Gross borrowing requirement: (Under) / Over borrowing	(5,198)	(5,795)	
Ratio of financing costs to net revenue stream	1.39%	0.66%	
Treasury Indicators	2019-20 Indicator £000	2019-20 Outturn £000	
Authorised limit for external debt	12,657	12,657	Set 13/2/19, No change during 2019-20
Operational boundary for external debt	10,607	10,607	
Actual external debt			Approved borrowing not now planned until 2020-21 onwards.
- Borrowing	10,457	1,012	
- Other long term liabilities	0	0	
Total	10,457	1,012	
Upper limit of fixed interest rate exposure	100%	100%	
Upper limit of variable interest rate exposure	40%	Nil	No variable rate loans held or planned
Upper limit for principal sums invested for over 364 days	£5m	£nil	No longer term investments held or planned.

28. The above table shows that the organisation remained within both the authorised limit and operational boundary for external debt. These are limits on the amount of external debt permitted and include both loans and financial leases.

29. With the exception of some re-profiling of expenditure relating to both Chester and Crewe replacement station projects due to unavoidable delays, capital expenditure was broadly in line with anticipated spending levels.

### **Conclusion**

30. Investment interest rates have remained low throughout the year and are forecast to be even lower in the upcoming financial year. Opportunities for seeking improved returns will continue to be pursued within the approved confines of the Investment Strategy.
31. Borrowing levels remain sustainable. Up to £11m of new borrowing has been approved by the Authority to finance the Training Centre project. The timing of this new borrowing is currently planned for 2021-22 but will be kept under close review throughout 2020-21 and the borrowing will be secured at the optimum point taking into account prevailing and forecast market rates.

### **Financial Implications**

32. The report is in its nature financial and the implications are covered in the body of the report.

### **Legal implications**

33. All transactions between the Authority and counterparties are governed by the agreements between the two parties, and overseen by our Treasury Management partner Link Asset Services.

### **Equality and Diversity and Environmental Implications**

34. There are none.

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**BACKGROUND PAPERS : NONE**