



**Wednesday,  
10 February 2021  
10.00 am**

**Meeting of  
Cheshire Fire Authority  
Remote Meeting  
Via Skype**

Contact Officer:  
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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 Cheshire Fire and Rescue Service 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 may be divided into two parts. Most business is dealt with in the first part which is open to the public. On some occasions business is dealt with in private in the second part of the meeting. There are a number of reasons for this, e.g. confidential information about individual people, or contracts are being considered.

**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. 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 THE CHESHIRE FIRE AUTHORITY  
WEDNESDAY, 10 FEBRUARY 2021**

**Time : 10.00 am**

**Remote Meeting - Via Skype**

**AGENDA**

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

**1 PROCEDURAL MATTERS**

**1A Recording of Meeting**

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

**1B Apologies for Absence**

**1C Chair's Announcements**

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

**1D Declaration of Members' Interests**

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

**1E Questions from Members of the Public**

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

**1F Minutes of Fire Authority**

To confirm as a correct record the minutes of the Fire Authority Meeting held on 9<sup>th</sup> December 2020.

(Pages 1 - 8)

**1G Minutes of Governance and Constitution Committee**

To receive, for information, the minutes of the Governance and Constitution Committee meeting held on 27<sup>th</sup> January 2021.  
The recommendation in the minute for Item 2 is covered in Item 3 on this Agenda.

(Pages 9 - 12)

**1H Minutes of Brigade Managers' Pay and Performance Committee**

To receive, for information, the minutes of the Brigade Managers' Pay and Performance Committee meeting held on 25<sup>th</sup> and 28<sup>th</sup> January 2021.

(Pages 13 - 16)

- 1I Notes of the Member Training and Development Group** (Pages 17 - 20)  
To receive, for information, the notes of the Member Training and Development Group meeting held on 8<sup>th</sup> December 2020.
- 1J Notes of the Local Pension Board - Firefighters' Pension Scheme** (Pages 21 - 28)  
To receive, for information, the notes of the Local Pension Board – Firefighters Pension Scheme meeting held on 14<sup>th</sup> January 2021.

## **ITEMS REQUIRING DISCUSSION / DECISION**

- 2 Pay Policy Statement 2021-22** (Pages 29 - 38)
- 3 Members' Allowance Scheme 2021-22** (Pages 39 - 58)
- 4 2020-2021 Precept Survey** (Pages 59 - 94)
- 5 Treasury Management Strategy 2021-22** (Pages 95 - 120)
- 6 Draft Budget 2021-22, Council tax Precept and Medium Term Financial Plan** (To Follow)



## **MINUTES OF THE MEETING OF THE CHESHIRE FIRE AUTHORITY held on Wednesday, 9 December 2020 at 10.00am - Remote Meeting via Skype**

**PRESENT:** Councillors Bob Rudd (Chair), Rachel Bailey, Michael Beanland, Mike Biggin, David Brown, Razia Daniels, Martyn Delaney, David Edwardes, Phil Harris, Jill Houlbrook, Marilyn Houston, Gina Lewis, Nick Mannion, Les Morgan, Karen Mundry, Stef Nelson, James Nicholas, Stuart Parker, Jonathan Parry, Rob Polhill, Peter Wheeler, Norman Wright and Steve Wright

### **1 PROCEDURAL MATTERS**

#### **A Recording of Meeting**

The meeting was held using Skype for Business and in accordance with the Remote Meeting Rules. The Director of Governance and Commissioning confirmed how participants were connected to the meeting and how it would be broadcast. He also mentioned how the meeting would be monitored throughout.

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

#### **B Apologies for Absence**

There were no apologies submitted. Councillor David Brown joined the meeting at 10.45am.

#### **C Chair's Announcements**

The Chair asked Members to note the content of the Chair's announcements which included details of activities carried out by Cheshire Fire and Rescue Service during the Coronavirus pandemic. Staff from across the Service continued to provide exceptional support to partners and the community in response to Covid-19 in a wide variety of areas. This was vital work to reduce risks and support the vulnerable in our community and was making a huge difference to many lives.

#### **D Declaration of Members' Interests**

There were no declarations of Members' interest.

#### **E Questions from Members of the Public**

There were no questions submitted.

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

Ged Small, from Grant Thornton (the External Auditor) attended the meeting to

update Members about the work that had been carried out in relation to the external audit since the Fire Authority meeting in October. He confirmed that the Audit Findings Report had been finalised a copy of which had been supplied to Members. The finalised 2019-20 Statement of Accounts and Letter of Representation had now also been signed.

Councillor Razia Daniels made reference to Minute 1D – Declarations of Members' Interest. She advised that the information recorded was incorrect as she was not a member of Cheshire Pensions Board. She stated that she was a recipient of a pension. Some other Members indicated that they were also in receipt of a pension from the pension fund. This declaration was in relation to Item 3 on the agenda of the previous meeting.

Note: These declarations are not contemplated in the Members' Code of Conduct and therefore the interests had no bearing on any of the Members being involved in the decision-making at the previous meeting. However, the original minutes will be amended accordingly.

**RESOLVED:**

**That the minutes of the Fire Authority meeting held on 7<sup>th</sup> October be approved as a correct record, subject to addition of wording to clarify the Members' interest point raised by Cllr Razia Daniels.**

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

A copy of the Fire Station Modernisation Programme report and the Crewe Fire Station report from the meeting of the Estates and Property Committee held on 16<sup>th</sup> November 2020 were annexed to the agenda for information only.

**RESOLVED:**

**That the minutes of the Estates and Property Committee held on 6<sup>th</sup> November 2020 be approved as a correct record.**

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

**RESOLVED:**

**That the minutes of the Brigade Manager's Pay and Performance Committee held on 16<sup>th</sup> November 2020 be noted.**

**I Minutes of Staffing Committee**

**RESOLVED:**

**That the minutes of the Staffing Committee held on 16<sup>th</sup> November 2020 be noted.**

**J Minutes of Performance and Overview Committee**

**RESOLVED:**

**That the minutes of the Performance and Overview Committee held on 25<sup>th</sup> November 2020 be noted.**

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

**RESOLVED:**

**That the notes of the Member Training and Development Group held on 6<sup>th</sup> October 2020 be noted.**

**L Notes of the Risk Management Board**

**RESOLVED:**

**That the notes of the Risk Management Board held on 13<sup>th</sup> October 2020 be noted.**

**M Programme of Member Meetings 2021-22**

Members were asked to review and approve the Programme of Member Meetings for 2021-22.

**RESOLVED: That**

**[1] the Programme of Member Meetings for 2021-22 be approved.**

**2 2021-22 DRAFT BUDGET AND MEDIUM TERM FINANCIAL PLAN**

The Treasurer presented the report which provided an update on the progress made in preparing a draft revenue budget and capital programme for 2021-22. Members were also asked to consider the recommendations from the Estates and Property Committee held on 6<sup>th</sup> November 2020 concerned with the allocation of additional capital expenditure (Fire Station Modernisation Programme, £3m and Crewe Fire Station, £2m).

The Chancellor announced the Government's Spending Review 2020 on 25<sup>th</sup> November 2020. It prioritised funding to support the Government's response to Covid-19 and set departmental budgets for 2021-22 and devolved administrations for the same period, confirming the core day-to-day spending. Within the Spending Review there was no mention of Fire specifically and as such it was assumed that the funding levels would remain the same for 2021-22, although this had yet to be confirmed. This would be clearer when the Local Government Finance Provisional Settlement was published, which was expected mid-December.

Councillor Stef Nelson requested the Chair to write to the Prime Minister regarding

the pay freeze for public sector workers outside of the NHS urging the Government to reconsider its decision.

The Treasurer explained that there was considerable uncertainty about the funding position going forward due to there being another one-year settlement rather than a three year spending review originally planned pre-Covid. At the present time, for the purpose of planning for the four-year period from April 2022, assumptions had been made about the level of funding and about the potential cost increases that may be faced by the Authority. The current forecasts suggest that the Authority would be required to make cumulative savings of about £1.3m between April 2022 and March 2026. Notwithstanding the uncertainties, the Authority was likely to be required to make reductions in expenditure for the foreseeable future and fund from significant growth from savings. A further update on the medium term position would be available at the next meeting of the Authority.

Members would recall from a presentation at a recent Planning Day that additional capital funding would also be required for further property-related projects such as the Fire Station Modernisation Programme and the Wilmslow Emergency Services Facility. If Members were minded to approve additional capital expenditure for the projects this would have a further and significant impact on the revenue budget; circa £650k per annum would be required to fund the additional borrowing. When the budget was presented to Members on 10<sup>th</sup> February 2021, the MTFP and capital strategy would be updated to reflect any additional borrowing.

**RESOLVED: That**

- [1] the position in the 2021-22 draft revenue budget and medium term financial plan be noted; and**
- [2] £3m additional capital funding be allocated for the Station Modernisation Programme; and**
- [3] £2m additional capital funding be allocated for the Crewe Fire Station project;**
- [4] the Chair write to the Prime Minister urging the Government to reconsider its decision to impose a pay freeze for public sector workers outside of the NHS.**

**3 TREASURY MANAGEMENT - MID YEAR REPORT 2020-21**

The Head of Finance presented the report which provided an update on performance against the Authority's Treasury Management Strategy (TMS).

Members were referred to the section of the report containing information on the current economic background. The Head of Finance highlighted the economic uncertainty currently being faced within the UK and globally due to the Coronavirus pandemic.

The table in paragraph 15 of the report contained a forecast of interest rates from September 2020 to March 2023. The overall balance of risks to economic growth in the UK was probably relatively even, but was subject to major uncertainty due to the Coronavirus pandemic.

Members were referred to the section of the report containing information on the Authority's capital programme and borrowing. The Authority had a loan portfolio of £1.012m at 31<sup>st</sup> October 2020, with plans to borrow a further £11m early in 2021-22. Historically the Authority had financed the majority of its capital programme from reserves and capital grants. Looking ahead, it seemed certain that there would be no future capital grant funding for fire authorities and capital reserves were now fully committed to the existing capital programme. As a result, any future new or additional approval of capital expenditure over and above the currently planned programme, would need to be funded by further new borrowing. This would be in addition to the £11m borrowing already approved.

A summary of projected interest rates was provided at paragraph 15 of the report. The Head of Finance advised that interest rates were not due to rise until 2022.

The Head of Finance referred Members to information within the report regarding the Authority's investment portfolio for 2020-21, which totalled £1.012m at 31<sup>st</sup> October 2020, with plans to borrow a further £11m early in 2021-22.

**RESOLVED: That:**

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

**[2] the requirement to borrow to support the capital programme be noted.**

**4 MENTAL HEALTH STRATEGY 2021-2025**

Consideration was given to a report of the Director of Transformation which set out the background to the Service's approach to mental health and wellbeing.

Members were informed that the Strategy described how the Service would support the mental health and wellbeing of staff through education, leadership, and access to positive and professional support. It also described how the Service intended to mainstream mental health awareness and how the culture would promote the ability of staff to speak out openly about mental health concerns without judgement.

Councillor Steve Wright, Member Champion for Mental Health and Wellbeing endorsed the Strategy and took the opportunity to thank officers who had been involved in its development.

Councillor Jill Houlbrook requested further information on both family and emergency support for employees. In response, the Director of Transformation advised that she would provide a response to this question outside the meeting.

Members welcomed the Strategy and requested that a session was held providing

further information on delivering the Strategy at the next Member Planning Day.

**RESOLVED: That**

- [1] the Mental Health Strategy 2021-25 be approved for publication.**
- [2] the Mental Health Strategy 2021-25 be discussed in further detail at the next Member Planning Day.**

## **5 SERVICE MANAGEMENT TEAM STRUCTURAL REVIEW**

Consideration was given to a report of the Chief Fire Officer and Chief Executive which provided information about the outcomes of the review of the Service Management Team (SMT) structure. The report asked Members to consider the recommendations from the review and determine the way forward.

The review was commissioned by the Chief Fire Officer and Chief Executive and was intended to determine whether the current Service Management Team structure was fit for purpose and sustainable. The initial findings from the review had been considered by the Staffing Committee on 16<sup>th</sup> November 2020 and it was supportive of the recommendations as set out in the report.

A vote was taken in relation to the decision set out below. 22 Members were in favour and one abstained.

**RESOLVED: That:**

- [1] the establishment of the role of Deputy Chief Fire Officer and the removal of one Assistant Chief Fire Officer post be approved; [Note: The creation of any role that attracts a salary package of more than £100,000 must be approved by a vote of Members];**
- [2] the changes to the Constitution set out in Appendix 2 to enable the recruitment of the Deputy Chief Fire Officer to take place be approved;**
- [3] an increase in budgeted hours for the Section 151 Officer (Treasurer) role to allow the postholder to work up to two and a half days per week be agreed;**
- [4] the way that the Director of Transformation role is to be redefined and intention to ultimately remove the role be noted.**
- [5] the removal of the Head of Prevention post, with the responsibilities being combined with another function be supported.**

## **6 MEMBER TRAINING AND DEVELOPMENT PROGRAMME 2020-21**

Consideration was given to a report of the Director of Governance and Commissioning which sought approval of the Member Training and Development

Programme for 2020-21.

The report contained a review of the Member development activities for 2020-21 which included a summary of delivery of the Member Training and Development Programme to date. Due to the Coronavirus-related restrictions, Member training and development sessions between March and June 2020 had been postponed. Since then a number of virtual sessions had taken place which had been a success. These would continue to be arranged until it was possible to carry them out in person.

Councillor Gina Lewis, Chair of the Member Training and Development Group thanked all Members of the Fire Authority for their attendance and contributions to the Authority's Member Training and Development Programme throughout the year. Councillor Gina Lewis. She made specific reference to the virtual Equality and Diversity training which had taken place during October and November 2020 advising how interesting this session had been and requested that an additional session was arranged to take place in early 2021, encouraging all Members to attend.

**RESOLVED: That**

- [1] the Member Training and Development Programme for 2020-21 be approved: and**
- [2] progress against the delivery of the Member Training and Development Programme for 2020-21 be noted.**

## **7 MEMBER DEVELOPMENT STRATEGY 2019-21**

Consideration was given to a report of the Director of Governance and Commissioning which sought approval of the Member Development Strategy for 2019-21.

The Member Development Strategy sets out how the Fire Authority would further develop its elected Members to ensure that they were effective in fulfilling their roles and responsibilities. It provides a structured framework for the delivery of the Member Development and Induction Programme, future Member support and training and development and promotes continuous improvement.

**RESOLVED: That**

- [1] the Member Development Strategy for 2019-21 be approved.**

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## **MINUTES OF THE MEETING OF THE GOVERNANCE AND CONSTITUTION COMMITTEE held on Wednesday, 27 January 2021 - Remote Meeting via Skype at 10.00am**

**PRESENT:** Councillors Steve Wright (Chair), Rachel Bailey, Mike Biggin, David Brown, Martyn Delaney, and Rob Polhill and independent (non-elected) members Derek Barnett and Lesley Thomson

### **1 PROCEDURAL MATTERS**

Members paused to acknowledge National Holocaust Day and to remember the 100,000 people who had lost their lives during the Covid-19 pandemic.

#### **A Recording of Meeting**

Members were reminded that the meeting would be recorded.

#### **B Apologies for Absence**

Apologies for absence were received from Councillor Nick Mannion.

#### **C Declarations of Members' Interests**

The Chair stated that he believed all Members had a statutory pecuniary interest in Item 2, Members' Allowances Scheme 2021-22. However, all Members had been granted a dispensation to allow them to take part in any debate and vote about the approval of or changes to a scheme. All Members acknowledged that they had such an interest and that they would rely upon the dispensation.

No further declarations were made.

#### **D Minutes of the Governance and Constitution Committee**

##### **RESOLVED:**

**That the minutes of the Governance and Constitution Committee held on Wednesday 29<sup>th</sup> July 2020 be confirmed as a correct record.**

### **2 MEMBERS' ALLOWANCES SCHEME 2021-22**

The Director of Governance and Commissioning referred to the report of the independent reviewer which was appended to the committee report. He took Members through the main elements of the independent reviewer's report. The report began by stating that the scheme format was typical and did not require significant change. The independent reviewer had also concluded that the levels of

the basic allowance and special responsibility allowances were appropriate and need not change. In addition the independent reviewer recommended that some other payments were increased to reflect the level of NJC pay increases during the period of the current scheme while travel, subsistence and other allowances should remain the same.

The Director asked Members to focus on two key points in the independent reviewer's report, Section 5.2 Payment of more than one special responsibility allowance and Section 5.3 Member Champions. The independent reviewer left the question of whether to pay more than one special responsibility allowance to an individual Member to the Fire Authority. Whilst she did not have a problem with this as long as it reflected the work being undertaken, she did note that it would be the exception looking across other comparable organisations and the constituent authorities. She was, however, of the view that the Fire Authority needed to carry out a review of the Member Champion roles, so that it could satisfy itself that each provides a meaningful benefit.

The Director referred Members to Appendix 2 to the committee report which contained a draft of the Members' Allowances Scheme for 2021-22. This reflected the conclusions and recommendations of the independent reviewer. However, paragraph 3 was highlighted because a decision was required from Members before this could be finalised.

Members agreed that only one special responsibility allowance should be payable to an individual Member. Members also agreed that a review of Member Champions should be carried out. One of the independent (non-elected) members said that it was important that a review should consider the work and achievements of each Member Champion.

A Member asked if the Chair of the Pensions Board should be mentioned in the table in paragraph 2 of the Scheme. The Director confirmed that he would clarify the situation and update that table, as necessary.

**RESOLVED: That**

- [1] the report of the independent reviewer be noted; and**
- [2] the Members' Allowances Scheme for 2021-22 be finalised, taking into account the views of the Committee; and**
- [3] a review of the Member Champions be carried out by this Committee within the next twelve months.**

**RECOMMENDED: That**

- [4] the Fire Authority approve the finalised Members' Allowances Scheme for 2021-22.**

**3 REVIEW INTO THE WAY THAT SEATS ON CHESHIRE FIRE AUTHORITY ARE ALLOCATED TO THE CONSTITUENT AUTHORITIES**

The Director of Governance and Commissioning updated Members on the review into the way that seats on Cheshire Fire Authority are allocated to the Constituent Authorities.

The Director reported that the terms of reference had been finalised and that the review would be carried out by an independent reviewer. He indicated that an initial report was anticipated next month so that the Committee could consider the matter in April before the Fire Authority considered the matter later that month.

**RESOLVED: That**

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

**4 ANNUAL GOVERNANCE STATEMENT 2019-20 ACTION PLAN UPDATE**

The Director of Governance and Commissioning introduced the report which provided Members with an update on the progress made in relation to the areas for action contained in the Annual Governance Statement 2019-20.

The Director expanded upon the narrative in Appendix 1 to the report for each of the areas for action: Coronavirus, Nationally-led Change and Collaborations.

The Committee extended its thanks to all staff across the Service who had performed to the highest standard in difficult circumstances.

**RESOLVED: That**

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

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## **MINUTES OF THE MEETING OF THE BRIGADE MANAGERS' PAY AND PERFORMANCE COMMITTEE held on Monday, 25 January 2021 at 10.00am. Remote Meeting - Via Skype**

**PRESENT:** Councillors Bob Rudd (Chair), Stef Nelson, Michael Beanland, Mike Biggin, Karen Mundry, Stuart Parker and Peter Wheeler

### **1 PROCEDURAL MATTERS**

#### **A Apologies for Absence**

There were no apologies for absence.

#### **B Declaration of Members' Interests**

There were no declarations of Members' Interest.

#### **C Minutes of the Brigades Managers' Pay and Performance Committee**

##### **RESOLVED:**

**That the minutes of the Brigade Managers' Pay and Performance Committee held on 16<sup>th</sup> November 2020 be confirmed as a correct record.**

### **2 EXCLUSION OF THE PRESS AND PUBLIC**

##### **RESOLVED: That:**

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

#### **Item 3 – 2021 Brigade Manager Remuneration Review**

##### **Paragraph 1 – Information relating to an individual**

### **3 2021 BRIGADE MANAGER REMUNERATION REVIEW**

The Independent HR consultant presented his report to Members which provided details of the process to be followed regarding the 2021 Brigade Manager Remuneration Review.

The Independent HR consultant informed Members that there was a contractual

requirement to review the remuneration arrangements of the Chief Executive/Head of Paid Service in the role of 'Chief Fire Officer' and of the Principal Officers (Brigade Managers) under the two track approach to pay and conditions, defined in paragraphs 10 and 11 of the '*NJC for Brigade Managers of Local Fire and Rescue Services; Constitution and Schemes and Conditions of Service*' (the Gold Book).

Members had previously agreed to review remuneration levels of Brigade Managers annually to ensure that the packages reflected current market factors and were set at a fair and appropriate rate.

**RESOLVED: That**

- [1] having considered the salaries of the Principal Officers and recruitment and retention challenges of combined fire authorities across the country, that the base salary of the Principal Officer roles be increased by 3% with effect from 1<sup>st</sup> January 2021; and**
- [2] under the two track approach, no additional local award be made to increase base salaries for 2021.**

**Note:**

**The Principal Officers were grateful for the award but agreed with the elected Members that all public sector workers deserved a pay rise. Consequently, all of the Principal Officers confirmed that they would not receive the pay award until firefighters and fire staff also received a pay award. They decided to donate the additional money due by virtue of the award to the following charities:-**

- CFO Mark Cashin - half to the Firefighters Charity and half to Cheshire Women's Aid Organisations**
- ACFO Gus O'Rourke - all to the Firefighters Charity**
- ACFO Alex Waller - half to the Firefighter Charity and half to Prostate Cancer Research.**



**MINUTES OF THE MEETING OF THE BRIGADE MANAGERS' PAY AND PERFORMANCE COMMITTEE held on Thursday, 28 January 2021 at 11.00am. Remote Meeting - Via Skype**

**PRESENT:** Councillors Bob Rudd (Chair), Stef Nelson, Mike Biggin and Stuart Parker

**1 PROCEDURAL MATTERS**

**A Apologies for Absence**

There were no apologies for absence. The attendees formed the interview panel.

**B Declaration of Members' Interests**

There were no declarations of Members' Interest.

**2 EXCLUSION OF THE PRESS AND PUBLIC**

**RESOLVED: That:**

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

**Item 3 - Appointment of the Deputy Chief Fire Officer**

**Paragraph (1) Information relating to any individual**

**3 APPOINTMENT OF THE DEPUTY CHIEF FIRE OFFICER**

The Committee conducted an interview for the position of Deputy Chief Fire Officer. The Committee was also provided with a debrief about the other elements of the assessment process.

**RESOLVED: That:**

**[1] Mr Alex Waller be appointed as Deputy Chief Fire Officer.**

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## **MINUTES OF THE MEETING OF THE MEMBER TRAINING AND DEVELOPMENT GROUP held on Tuesday, 8 December 2020 – Remote Meeting via Skype at 10.00 am**

**PRESENT:** Councillors Gina Lewis (Chair), David Brown, Karen Mundry, Stuart Parker and independent (non-elected) member Lesley Thomson

### **1 APOLOGIES**

Apologies were received from Councillor David Edwardes.

### **2 NOTES FROM THE PREVIOUS MEETING**

The Governance and Corporate Planning Manager provided an update on actions from the last meeting. It was reported that the new evaluation form was complete and a survey monkey would be ready for the next training event.

**RESOLVED:** That

**[1] the notes of the meeting on 6<sup>th</sup> October 2020 be approved as a correct record.**

### **3 MEMBER DEVELOPMENT STRATEGY 2019-2021 IMPLEMENTATION - QUARTERLY MONITORING**

The Governance Officer presented the report on Member Development Strategy 2019-21 Quarterly Monitoring, updating Members on progress made against the Implementation Plan for this quarter. She provided an update on each of the objectives that were included in the Implementation Plan, attached as Appendix 1 to the report.

**Objective 1 – Identify and prioritise Member training and development needs and Objective 2 – Review and Refresh of the Members PDR process**

All Members who had requested their PDRs had had them completed. The Leadership Development Advisor provided further information on the PDR outcomes during Item 5 on the agenda.

**Objective 3 – Provision of an Annual Member Development Programme**

The Governance and Corporate Planning Manager provided further information during Item 4 on the agenda and advised that the Programme was due to be approved by the Fire Authority on 9<sup>th</sup> December 2020.

**Objective 4 – Delivery of a comprehensive and effective Induction process for**

## **new Members**

Members were advised that the new Members PDR feedback would help shape the induction process for 2021-22. The proposals for the new Member induction would be considered at the next Member Training and Development Group meeting.

## **Objective 5 – Member Champions**

The Member Champion Review was deferred until the next Member Training and Development Group meeting to take account of any recommendations from the review of the Members' Allowances Scheme that was due to be considered by the Governance and Constitution Committee on 27<sup>th</sup> January 2021.

### **RESOLVED: That**

**[1] the Member Development Strategy 2019-21 Quarterly Monitoring report be noted.**

## **4 MEMBER DEVELOPMENT PROGRAMME 2020-21**

The Governance and Corporate Planning Manager presented a quarterly update on the Member Development Programme for 2020-21. She informed Members of the events that had taken place on the Programme and upcoming scheduled events.

Members praised the recent Member Planning Day and Equality, Diversity and Inclusion workshops hosted by the Equality and Inclusion Officer. It was noted that 11 Members had attended the workshops and the Chair suggested that another session could taken place in the New Year for those who were not able to attend this year.

A Member suggested the lack of attendance was due to similar training also being offered within local authorities. Members requested that officers focus on the promotion of the next workshop to encourage attendance.

### **RESOLVED: That**

**[1] the progress on the delivery of the Member Development Programme 2020-21 be noted.**

## **5 MEMBER PERSONAL DEVELOPMENT REVIEW OUTCOMES 2020-21**

The Leadership Development Advisor introduced the report on the outcomes of the Members' Personal Development Reviews (PDR). She advised that a total of 18 Members had chosen to complete a PDR either by Skype or telephone.

New Members used the existing score matrix form and established Members reviewed their scoring from 2019-20. The Leadership Development Advisor made reference to the graph within the report which showed a consistent increase in the average knowledge of all new Members in 2019 across every knowledge area.

It was noted that Members were proactive with their development and those with Member Champion roles requested further development. Most Members were waiting for annual training and those with outstanding actions had been contacted by Democratic Services. Members noted that most annual training events had been suspended due to Coronavirus and officers would arrange further virtual events in 2021.

The Chair suggested that a glossary of acronyms and a booklet on the different committees should be circulated to all Members to assist them with their understanding of the Fire Authority. The Governance and Corporate Planning Manager advised that it could be incorporated into the Member Induction Handbook for 2021-22.

**RESOLVED: That**

**[1] the Member Personal Development Review Outcomes 2020-21 be noted.**

## **6 DISCUSSION PAPER: MEMBER/OFFICER BUDDY SYSTEM REVIEW**

The Chair introduced a discussion paper on the Member/Officer Buddy System. Members discussed the effectiveness of the current system and ways it could be improved.

Members concluded that the current system worked well and suited their needs. However, it was suggested that the list of buddies could be recirculated to remind Members of their officer buddy.

The Chair suggested that the Buddy system could be supplemented with the addition of a Mentor Scheme. It was requested that officers explore the appetite among Members for the implementation of the Mentor Scheme and how this system could be introduced.

**RESOLVED: That**

**[1] the Discussion Paper: Member/Officer Buddy System Review be noted;  
and**

**[2] officers explore the implementation of a Mentor Scheme and report back  
to the Group.**

## **7 WORK PROGRAMME 2020-21**

The Governance and Corporate Planning Manager provided a copy of the Member Training and Development Work Programme 2020-21. Members noted the content for future meetings.

**RESOLVED: That**

- [1] the Work Programme for the Member Training and Development Group be noted.**



## **MINUTES OF THE MEETING OF THE LOCAL PENSION BOARD - FIREFIGHTERS PENSION SCHEME held on Thursday, 14 January 2021 at 10.00am. Remote Meeting - Via Skype**

### **PRESENT:**

**Board Members:** Councillors David Brown (Chair), Lee Shears (Employers) and George Peers (FBU)

**Officers:** Andrea Harvey (Pension Scheme Manager), Amy Caves (Solicitor), Carmine Rabhani (Senior HR Business Partner), Emily Purslow (Pension Coordinator) and Donna Linton (Governance and Corporate Planning Manager)

### **1 APOLOGIES FOR ABSENCE**

Apologies for absence were received from Neil McElroy (Employee Representative) and Steve Gall (Pension Coordinator and Pay and Pensions Lead).

### **2 DECLARATION OF INTERESTS**

There were no declarations of Members' interests.

### **3 NOTES FROM THE PREVIOUS MEETING**

Issues were raised on the following:-

#### Minute 4 – XPS Administration Cheshire Fire and Rescue Service Delivery Report 2019-20

The Pension Scheme Manager asked if the retired firefighters could be given access to the Self-Service Portal. In response, Graeme Hall confirmed that this request could be accommodated and requested that a written request be submitted detailing the requirements.

#### Minute 8 – Review of Split Pensions Eligibility

The FBU Board Member representative referred to the wording in paragraph 3 of the minutes as follows:-

*'Following the explanation of the assessment Members of the Board were in agreement that this did not represent a material breach and therefore did not require reporting to the Pensions Regulator'.*

He did not feel that the Board were "in agreement" and felt that this was a statement/opinion on the decision made. In response, the Pension Scheme Manager advised that the Pension Board were not required to make a decision on the report

however it had been presented for purposes of transparency, to update the Board, and to give the opportunity for questions. She also advised that the matter of Split Pensions had been discussed at a number of meetings of the Joint Consultative Negotiating Panel (JCNP). She also advised that Andy Fox-Hewitt from the FBU had been involved in all of the discussions and had been very instrumental in supporting the service in finding a resolution to this matter in conjunction with XPS.

**RESOLVED:**

**[1] the minutes of the meeting of the Local Pension Board held on 3<sup>rd</sup> August 2020 be confirmed as a correct record.**

**4 XPS ADMINISTRATION CHESHIRE FIRE SERVICE DELIVERY REPORT APRIL 2020 TO MARCH 2021**

The Operations Manager, Graeme Hall from XPS Administration, was in attendance and presented the Service's Performance Delivery Report for April 2020 – March 2021. The report contained the following information:-

- Regulations and guidance from April to September 2020;
- Membership Quarter 2 2020-21 from April to September 2020;
- Annual Benefit Statement Statistics 2020
- Common Data
- Performance Charts from April to September 2020

Graeme Hall confirmed that 93.26% Annual Benefit Statements had been issued via the Member Self Service portal by the end of August 2020. The remaining Annual Benefit Statements would be issued via MSS as data was updated.

It was reported that in August 2020 XPS Administration had not met its Service Level Agreement (SLA) on 4 Estimates the percentage was therefore down by 20%. The data was sent out approx. 2 days beyond the SLA. In October there was one Estimate that was not issued on time and in November there was one general and one retirement option that went out later than the SLA. In December there were no failures. Graeme Hall apologised for these failures and confirmed that measures had been put in place to ensure that this would not happen again.

The Pension Scheme Manager referred to page 7 of the report and commented that she felt that it would be useful if in future reports information could be included under the report titles headlines, additional work and complaints. In response, Graeme Hall confirmed that this information would be available at the next meeting.

**RESOLVED: That**

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

**[2] in future report XPS Administration provide information under the report titles headlines, additional work and complaints.**

## 5 FIREFIGHTER PENSION SCHEME UPDATE

The Senior HR Business Partner presented a report which provided an overview of current issues relating to the Firefighters' Pension Schemes, including updates on the following:-

- Pension Function Resource
- Membership Statistics
- Immediate Detriment
- Public Service Age Discrimination Remedy
- TPRs Single Code of Practice
- 2020-21 Statutory Levy
- Governance and local issues – Internal Audit of Pensions

The Senior HR Business Partner was pleased to report the appointment of both Emily Purslow and Stephen Gall into the roles of Pension Coordinator and Pay and Pensions Lead. The appointments would bolster support and bring stability to the function going forward and the Pay and Pension Lead would be a shared resource and would work across both Cheshire Fire and Cheshire Police. Unfortunately, Steve Gall was not available to attend this meeting however he would be in attendance at future meetings.

The Board were advised that on 1<sup>st</sup> September 2020, the Pensions Regulator (TPR) confirmed that it intended to launch the formal consultation on a single Code of Practice in late 2020/early 2021. TPR provided 15 codes of practice, covering topics such as early leavers, internal controls and governance and administration of public service pension schemes. The plan was to review and combine the content of the 15 codes to form a single, shorter code.

The Pension Scheme Manager advised that the new Regulations relating to the Public Sector Exit Payments Regulations 2020 took effect on 4 November 2020, capping exit packages for all public sector employees and office holders at £95,000. CFRS potentially had one case as an outcome from the Service Management Team Restructure that was approved by the Fire Authority at its meeting on 9<sup>th</sup> December 2020. The Pension Scheme Manager was currently working with legal on this and further information would be available in due course. (Minute 7 refers).

The Pension Scheme Manager advised that part of the MIAA Internal Audit Plan for 2020/21, was a review pensions and payroll which took place between September and December 2020. She explained the terms of reference for the Audit which were included in the report and advised that the overall rating from the Pensions Audit was 'Substantial Assurance'. She also advised that there were no critical or high risks identified within the audit and the executive summary stated that there was "a good system of internal controls to meet the system objectives and that controls were generally being applied consistently".

In terms of improvements she advised that these were suggested in 3 areas. These areas related to the retention of documentation, updating of policies, and changes to provide more clarity on the leaver's checklists. The timeline for actioning and

completing these recommendations was the end of Quarter 4 2020-21.

A report detailing the audit finding was due to be submitted to the next meeting of the Performance and Overview Committee on 24<sup>th</sup> February 2021. The audit report would then be submitted to the next meeting of the Local Pension Board for information.

George Peers asked if the Pension Board would have sight of the Payroll audit as there were links relating to pensionable pay. The Pension Scheme Manager confirmed that the payroll and pension audits had been completed separately and that as payroll was outside of the scope of the Pension Board, it was not her intention to share this. It was explained that the Head of HR for the Joint Services was responsible for payroll and would be picking up any actions associated with the payroll audit. The Senior HR Business Partner advised that, as he was involved in both audits and the associated actions, if there was anything on the payroll audit that was specific to pensions, he would ensure that this is raised at a future meeting.

**RESOLVED: That**

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

**[2] the MIAA Audit Finding Report be submitted to the Performance and Overview Committee on 24<sup>th</sup> February be noted and the report be submitted to the next meeting of the Local Pension Board on 17<sup>th</sup> March 2021 for information.**

**[3] The Pension Scheme Manager provide an update on the implementation of the MIAA recommendations at the next meeting of the Local Pension Board on 17<sup>th</sup> March 2021.**

**6 FIREFIGHTER PENSION SCHEME RISK REGISTER**

The Senior HR Business Partner presented the Firefighter Scheme Risk Register (the Register) which had been reviewed in January 2021. Updates since the last meeting were highlighted blue in the document. The Pension Scheme Manager provided an update and sought clarity on the following risks:-

- Administration Failure / Maladministration – Ensure resilience in Provider and CFRS teams to migrate the impact of loss of key staff/knowledge of Fire Pension Scheme. This remained a green risk no change.

The Pension Scheme Manager made specific reference to the comment relating to 'Provider have ensured that staff with experience and knowledge of FPS regs are available to work on CFFS contract'.

The Pension Scheme Manager advised that she was aware that two experienced members of staff had recently retired and wanted assurance that these post would be filled with people knowledge and experience on CFRS pensions. In response, Graeme Hall confirmed that two experienced members of staff had been promoted

into these positions namely Eddie Simpson and April Woods also two new people were due to join the team in January and February and training had been arranged accordingly.

- Administration Failure / Maladministration – Robust internal controls for both pension provider and CFRS including counter checks by senior team member for all calculations.

The Pension Scheme Manager raised her concern at this control and suggested the wording was changed it currently stated that 'Counter checks by senior team for all calculation'. This was not the case currently the Director of Transformation of the Director of Governance and Commissioning sign-off the amounts once the calculations had been checked and approved by the HR Pay and Pensions Lead. The wording at present implied that the Director of Transformation of the Director of Governance and Commissioning did the calculations when this was not the case. The Chair suggested that the control be re-worded to reference counter checks be signed off by the HR Pay and Pensions Lead followed by sign-off by the senior team.

- McCloud/Sergeant – Lack of resources to complete any remedy actions. This remained a red risk and an update was provided in the Firefight Pension Scheme Update (minute 5 refers). A further update would be provided in the next item (minute 7 refers).
- Loss of experienced/knowledgeable staff – This risk had been reduced to amber due to the fact that staff were now in place. The risk could be reduced to green once all the relevant training had been completed.
- Failure to offer Split Pensions to all eligible staff at a point of retirement. This risk had been reduced to green due to the fact that there had been no further issues. It was the intension to keep on the register as a watching brief.

The Chair requested that an additional box was included in future risk registers showing arrows which identified the state of risk. This was a good visual tool used by other organisations.

**RESOLVED: That**

- [1] the Firefighter Pension Scheme Risk Register be noted.**
- [2] the Administration Failure / Maladministration Risk relating to robust internal checks be reworded in the Risk Register and the revised risk be submitted to the next meeting of the Local Pension Board for approval.**
- [3] the HR Pay and Pension Lead include an additional box was included in future risk registers showing arrows which identified the state of risk.**

**7 UPDATE ON THE MCCLOUD JUDGEMENT**

The Solicitor provided an update regarding the judgment of the Court of Appeal in the McCloud/Sergeant case, where it was claimed that the transitional protections of the 2015 Firefighters Pension Scheme were discriminatory on the grounds of age. She advised that this would have implications for all public sector pension schemes.

It was reported that the Schedule 22 Appeal Hearing took place on 16<sup>th</sup> December 2020 however no decision had been made to date. The Remedy Hearing will not take place until a decision on the Section 22 Appeal had been made.

The HM Treasury undertook a consultation which ended on 11<sup>th</sup> October 2020 by which looked at the remedy issue. The main focus of the consultation was about when the decision would need to be made by members in relation to moving schemes. The Treasury were currently considering consultation responses and expect to publish their response to the consultation shortly. This would outline the policy intent of the remedy, including whether immediate or deferred choice would be adopted.

Once the remedy hearings had been dealt with than changes to both primary and secondary legislation would be required to remove the discrimination. The Home Office would need to work with the Treasury to understand the policy and proposed legislation and to draft regulations to make the changes required. In order to deliver the remedy to the timeline set out by the Treasury, the Home Office and the LGA Bluelight pensions team were committed to ensuring that all FRS were kept up to speed with all policy and regulation developments so that work could progress at pace.

For CFRS it was important that the process of considering what technology/administration processes will be required to implement the remedy was started. An initial meeting has been set up with Cheshire Constabulary to consider the implications and contact has also been made with other FRS pension scheme managers to make tentative enquiries regarding a potential regional approach.

The Solicitor also provided an update on the Public Sector Exit Pay Gap. Board Members were informed that the new Restriction of Public Sector Exit Payments Regulations 2020 took effect on 4<sup>th</sup> November 2020, capping exit packages for all public sector employees and office holders at £95,000. The cap applied to the total amount payable when someone exits, including severance payments, any pension strain cost and notice payments in excess of three months. The enactment of the exit pay cap had resulted in judicial reviews and the need for further legislative reforms. This was due to the apparent discrepancy between the obligations on scheme employers under the Cap Regulations to limit strain cost payments, and the requirement for administering authorities to pay unreduced pensions to qualifying scheme members under existing LGPS regulations.

On 22<sup>nd</sup> December 2020 three applications for Judicial Review (JR) of the Restriction of Public Sector Exit Payment Regulations 2020 were granted permission to be heard. These applications, which would be heard together in the latter half of March 2021, were made by ALACE/LLG, UNISON and GMB/Unite and contest the regulations on a number of grounds including their effect on the existing LGPS

Regulations. The outcome of these applications could impact on the Pension Cap Regulations.

The Ministry Housing, Communities and Local Government (MHCLG) opened a consultation in September 2020 in relation to reforms to exit payment terms for all local government pension schemes. Consultation responses were due by 18<sup>th</sup> December 2020. The outcome of this consultation was likely to lead to amendments to the LGPS Regulations.

In October 2020, the MHCLG sent a letter to all LGPS Administering Authorities detailing their recommendations. It noted the conflict between the Pension Cap Regulations and LGPS Regulations and gives some guidance as to have to deal with any affected cases during the interim period. This would impact on very few individuals. At present there was only one individual within CFRS affected by the Exit Cap Regulations and the organisation were working with the individual in line with the published guidance.

**RESOLVED: That**

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

## **8 PENSION BOARD - TRAINING UPDATE**

The Pension Scheme Manager advised that all LGA 'in person' events were on hold due to the Covid-19 pandemic. However, some on line courses and assistance remained available and would continue to be so into 2021. The LGA held the Fire Pension Annual Conference virtually on 22<sup>nd</sup> and 23<sup>rd</sup> September 2020. Also, Claire Hey, LGA Firefighter Pensions Advisor gave a virtual Pension Board Training Session held on 11<sup>th</sup> November 2020 which all Board Members and Officers were invited to attend.

The Pension Scheme Manager sought comments on the training received and was this useful to your needs. In response, both Board Members and Officers commented that they felt the training was very good however in part it went over areas already covered. Next time it may be more beneficial to concentrate on current issues, guidance and risk. It was felt that the fact sheet circulated following the training was very informative and useful.

The Chair requested that training was provided on the outcome of the McCloud Judgement once available.

The Pension Scheme Manager advised that a meeting would be arranged with Cheshire Constabulary to consider the possibility of working together on pensions and providing joint training.

In conclusion, the Pension Scheme Manager made reference to the 'Firefighter Pension Board – Training Needs Analysis' attached to the agenda and asked that Board Members and Officers complete and return the forms to Donna Linton, Governance and Corporate Planning Manager so that finding could be assessed

and discussed in further detail at the next meeting.

George Peers raised an issue in relation to the Annual Contribution Certificates stating that these had not been issued for the last 7 years. In response, the Pension Scheme Manager advised that this issue had been raised by Andy Fox-Hewitt at the JCNP. This had been followed up with the Finance Team and certificates would be issued from this year.

**RESOLVED: That:**

- [1] the update be noted.**
- [2] Board Members to provide any comments and/or feedback on potential training needs direct to the Governance and Corporate Planning Manager.**
- [3] Board Members and Officers complete the Firefighter Pension Board – Training Needs Analysis’ and return the form to the Governance and Corporate Planning Manager.**

## CHESHIRE FIRE AUTHORITY

**MEETING OF:** CHESHIRE FIRE AUTHORITY  
**DATE:** 10<sup>TH</sup> FEBRUARY 2021  
**REPORT OF:** DIRECTOR OF TRANSFORMATION  
**AUTHOR:** ANDREA HARVEY

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**SUBJECT:** PAY POLICY STATEMENT 2021-22

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### Purpose of Report

1. This report seeks approval to publish the Pay Policy Statement for 2021-22. The publishing of a Pay Policy Statement is an annual requirement which must take place by 31<sup>st</sup> March immediately preceding the financial year to which it relates.

### Recommended: That Members

- [1] Approve the Pay Policy Statement; and
- [2] Authorise the Director of Transformation in conjunction with the Director of Governance and Commissioning, to make any in-year changes to the Pay Policy Statement necessitated by new legislation or guidance.

### Background

2. As a result of the Localism Act 2011 all local authorities are required to publish a pay policy statement on an annual basis. This sets 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.
3. This requirement was introduced in order to:
  - Increase the accountability, transparency and fairness of the setting of local pay;
  - To give local people access to information to allow them to determine whether pay is appropriate;
  - To ensure the pay of senior staff is fair in the context of the pay of the rest of the workforce;
4. The information within a pay policy statement must include the policies relating to the level and elements of remuneration for each Chief Officer, including salary, bonuses and any benefits in kind.

5. The definition of “Chief Officer” for purposes of this Authority and the pay policy statement means Chief Fire Officer and Chief Executive, Deputy Chief Fire Officer, Assistant Chief Fire Officer and the two Statutory Officers, i.e. the Monitoring Officer and the Section 151 Officer (Treasurer).
6. In terms of transparency, this Authority already publishes information on its website relating to the pay of senior officers including the salaries, allowances and benefits in kind paid to the Chief Fire Officer and Chief Executive, Deputy Chief Fire Officer, Assistant Chief Fire Officer, and Statutory Officers.
7. In addition to this, the Authority also publishes the number of other employees whose salaries exceed £50,000 within certain pay bands which is in compliance with the guidance in the Local Government Transparency Code 2015 which recommends that all salaries of senior post holders over £50,000 are published. The Minutes of the Brigade Managers’ Pay and Performance Committee are also accessible via the Service’s website.
8. As the Pay Policy Statement has a number of prerequisites in relation to content and information, there have not been significant changes to the version that was approved last year.

## **Information**

9. The Pay Policy Statement 2021-22 is attached to this report as Appendix 1. The paragraphs below describe the changes that are referenced in the document.
10. In December 2020, following an independent review of the Senior Management Team structure, a new brigade manager structure was recommended and approved by the Fire Authority. This structure created a new Deputy Chief Fire Officer post in place of one of the Assistant Chief Fire Officer posts. The Pay Policy Statement has been amended to reflect this.
11. During 2020 the Service received confirmation of an increase in the employer contribution rates for the Firefighter Pension Schemes. The Pay Policy Statement has been updated accordingly.
12. A decision was made by Members during the 2018-19 financial year to make the minimum rate of pay for all Service employees no less than the Living Wage (LW). The LW is reviewed and adjusted every October. The current rate is £9.50 per hour and is intended to be payable to all those over 18. The Pay Policy Statement has been updated with the new rate.
13. On 30 March 2021 the Authority will publish its third Gender Pay Gap Report in compliance with the Government’s requirement for public sector employers with 250 or more employees to calculate and publish a gender pay gap figure. The pay used in the calculation includes basic pay,

recurring allowances and bonus payments based on a snapshot of data from the March payroll each year.

14. In November 2020 the Public Sector Exit Payments Regulations came into force. A reference to the Regulations has been added to the Pay Policy Statement to reflect the requirement for the total cost of exit payments to individuals leaving the Authority to be capped at £95,000. This applies to compulsory and voluntary redundancies, including early retirements and redundancies made under the pension regulations on the grounds of efficiency. The cap also applies to compensation payments linked to settlement agreements and the employer costs of providing early unreduced access to pensions for those aged 55 and over.
15. The issue of the national firefighter pay negotiations remains outstanding and is an ongoing source of frustration for staff and the Fire Authority. This frustration has been compounded by the publication of the Government's Spending Review on 25 November 2020 where the Chancellor announced that there would be a public sector pay freeze for 2021/22 as part of the response to the economic impact of the COVID-19 pandemic. The only exemptions mentioned within the publication were NHS workers and workers earning below £24,000.
16. The pay freeze is only directly binding on the Civil Service and parts of the public sector that are covered by the pay review bodies. The Local Government Association, which represents the employer side in the National Joint Council, has said that it is not bound by this pay policy freeze but that pay awards will depend on the funding that local government receives through the financial settlement.
17. The Fire Authority have recently written to the Government to reiterate the fact that the national firefighter pay negotiations are outstanding and to express the view that this should sit outside of the public sector pay freeze. A response is still awaited.
18. At the point where the negotiations do reach a conclusion some of the calculations in the Pay Policy Statement will need to be revisited in-year to reflect the increases applied.

## **Financial Implications**

19. The Pay Policy Statement is intended to provide transparency and a clear rationale to explain the Authority's approach to pay.

## **Legal Implications**

20. The requirements under the Localism Act to produce and publish the Pay Policy Statement supplement all the existing duties and responsibilities of the Authority as an employer, particularly its responsibilities under the Equality Act 2010 to avoid discrimination and provide equal pay. Since the Statement contains policies concerned with remuneration rather than information relating to individuals, the provisions of the Data Protection

Act are not engaged. Where the salary of senior post holders is published, outside the Pay Policy Statement, it is done so in order to comply with the Code of Recommended Practice for Local Authorities on Data Transparency.

### **Equality and Diversity Implications**

21. The Pay Policy Statement will assist the Authority to: monitor remuneration across the Service; and provide a fair system of remuneration which avoids discrimination.
22. The Service seeks to ensure compliance with the requirements of the Pay Gender Gap reporting by publishing its annual Gender Pay Gap Report.

### **Environmental Implications**

23. There are no environmental implications.

**CONTACT: DONNA LINTON, CLEMONDS HEY, WINSFORD  
TEL [01606] 868804**

**BACKGROUND PAPERS: PAY POLICY STATEMENT 2020-21 APPROVED  
BY THE FIRE AUTHORITY ON 12<sup>TH</sup> FEBRUARY 2020**

## **Cheshire Fire Authority**

### **Annual Pay Policy Statement 2021-2022**

#### **Introduction**

This statement has been prepared in accordance with Chapter 8 of the Localism Act 2011 and guidance issued by the Government and has been approved by the Fire Authority.

Cheshire Fire Authority is committed to:-

- Seeking to ensure that all staff are valued and receive proper recognition for their work and contribution to the Service.
- Working within available resources and financial constraints.
- Recognising the importance of pay in recruiting, retaining, motivating and rewarding staff.
- Ensuring the application of open, objective, fair and consistent criteria in all decisions on staff pay.
- Ensuring that pay and staffing decisions are in line with the Service's duties and legal obligations under all relevant employment legislation including the Equality Act 2010.

All staff employed by the Authority are paid in accordance with nationally agreed pay scale and terms and conditions. Full details of all matters relating to pay for all staff is contained within the Pay and Recognition Policy, which is reviewed formally every three years, although annual interim reviews are undertaken to update pay scales and other national changes that impact pay.

#### **Highest Paid Employees**

##### **Brigade Managers**

The terms and conditions of service of Brigade Managers e.g. the Chief Fire Officer and two Assistant Chief Fire Officers are in accordance with the NJC for Brigade Managers of the Fire and Rescue Services Scheme of Conditions of Service ("the Gold Book") as varied locally under the 'twin track approach'.

Under the twin track approach the NJC publishes, annually, recommended minimum levels of salary applicable to chief fire officers. The NJC reviews the level of pay increase, having given consideration to affordability and the rate of inflation. This increase is communicated to fire authorities by circular and fire

authorities are able to determine locally all other decisions about the level of pay and remuneration.

The Pay and Performance Committee meets annually in January to review that pay. This Committee determines salary levels and salary reviews for the three Brigade Manager posts.

In addition to basic salary, each Brigade Manager receives:

1. A non-consolidated uniform allowance, paid on an annual basis in April.
2. Removal assistance if required to move home, at the discretion of the Authority.

The Chief Fire Officer also receives an appropriate car in order to provide emergency cover.

In setting the salary of the Chief Fire Officer, both on appointment and when in post, the Committee considers the national picture and the salary of Chief Fire Officers (mean, median, upper and lower quartile) in comparable Fire Authorities.

When reviewing pay the Committee will also consider whether any additional payments should be made. When agreeing additional payments, such as recognition awards, the Committee will take into consideration:

- Excellent performance both individually and as an organisation
- Additional regional and national roles.

The maximum amount payable as a recognition award should not exceed 7.5% of salary and the payment of anything in excess of 5% should be exceptional.

Brigade Managers are eligible to join the Firefighters' Pension Scheme. The employee contribution rates are between 11% and 17% of pensionable pay and the employer contribution rate is 37.3% of pensionable pay in the 1992 scheme or 28.8% in the 2015 scheme.

The salaries of the Deputy Chief Fire Officer and the Assistant Chief Fire Officer are calculated as a percentage of the Chief Fire Officers salary (known as the 'gearing'). A gearing of 80% applies to the post of Deputy Chief Fire Officer and a gearing of 75% applies to the post of Assistant Chief Fire Officer.

Any new post at Brigade Manager level, with a salary package in excess of £100,000, will be subject to the approval of the Fire Authority prior to advertisement.

The details of the salaries, allowances and benefits in kind of Brigade Managers, Directors, Statutory Officers and Heads of Department are published each year on the Authority's website, within the Notes to the Financial Statements within the Annual Accounts. The Authority also publishes the pay of the three Brigade Managers within its Publication Scheme.

## **Directors, Statutory Officers, and Heads of Department**

In addition to the Chief Fire Officer and Chief Executive, there are two additional Statutory Officers within Cheshire Fire and Rescue Service. These are the Director of Governance and Commissioning, who acts as Monitoring Officer to the Authority, and the Section 151 Officer (Treasurer). There is also one non-statutory director who occupies the role of Director of Transformation. All three posts report directly to the Chief Fire Officer and Chief Executive.

The terms and conditions of service of these three posts are in accordance with the National Joint Council for Local Government Services Officers ("Green Book").

There are also a number of Heads of Department within the structure, some of whom are uniformed officers, who are paid in accordance with the NJC for Local Authorities Fire Brigades (the "Grey Book") and some of whom are paid in accordance with the National Joint Council for Local Government Services Officers ("Green Book").

The Localism Act requires the Authority to provide details of the policies relating to the remuneration of all of the Directors, Statutory Officers and Heads of Department.

The grading of these posts is determined following the application of the Hay Job Evaluation scheme. New employees are normally appointed to the minimum pay level for the relevant grade and progression within the grade is by way of annual increment. The normal increment date is 1<sup>st</sup> April.

The annual pay award is normally from 1<sup>st</sup> April each year and is negotiated nationally, not locally.

In addition to their basic salary, a recognition payment can be made to individuals who are required to undertake duties outside the scope of their normal duties over an extended period. Such payments are made in accordance with the criteria contained in Section 5 of the Pay and Recognition Policy, "Recognition Award Scheme".

"Grey Book" Heads of Department are eligible to join the Firefighters' Pension Scheme. The employee contribution rates for the 2015 scheme are between 11% and 14.5% of pensionable pay and the employer contribution rate is 28.8%. Some employees may be protected members of the 1992 scheme where contribution rates are between 11% and 17% and the employer contribution rate is 37.3%.

"Green Book" Directors and Heads of Department are eligible to join the Local Government Pension Scheme ("LGPS"). Under the LGPS the employee contribution rates are between 5.5% and 12.5 % and the employer's contribution rate is 18.3%.

The Authority's annual statement of accounts includes details of the pay of Heads of Department with an annual salary of over £50,000.

### **Lowest paid employees**

Support staff below the level of Head of Department are paid in accordance with the National Joint Council for Local Government Services Officers ("Green Book").

The basic pay for each Green Book employee consists of a salary scale containing a number of spinal column points on the NJC pay spine.

An increment within the spinal column range is awarded on an annual basis and recognises satisfactory performance up to the maximum salary scale. The normal increment date is the 1<sup>st</sup> April. The annual pay award is applicable from 1<sup>st</sup> April each year and is negotiated nationally.

As with all other staff, support staff are eligible for recognition awards, in accordance with the criteria contained in Section 5 of the Pay and Recognition Policy.

The lowest level of pay for employees of Cheshire Fire and Rescue is aligned to the Living Wage (LW). The LW is an hourly rate of pay set independently and updated annually by the Living Wage Foundation. The Foundation says that the LW is calculated to reflect the basic cost of living and is based on the principle that work should pay enough to provide for the essentials of life. The Foundation also states that the LW is intended to recognise the dignity of work and the importance of individuals and families being able to earn a living and spend time together, bringing wider social benefits.

The LW is adjusted every November and the current rate is £9.50 per hour. It is payable to all those over 18. Currently all staff within Cheshire Fire and Rescue Service are paid above the LW.

The Service continues to employ Apprentices and as Cheshire Fire and Rescue Service has a total employee salary bill of above £3m a year, there is a requirement to pay a Government levy. This is charged at a rate of 0.5% of the total annual pay bill but the Service incurs a levy allowance of approximately £15,000 per year to offset the levy payment. This levy is paid to HM Revenue and Customs (HMRC) through the Pay as You Earn (PAYE) process.

### **Payments on Termination of Employment**

There are a number of circumstances where early retirement or voluntary redundancy payments may be paid to employees on ceasing to hold office. This can relate to individual circumstances, for example ill health, or can be the result of organisational change or in the interests of the efficiency of the Service. In making such payments the Service will exercise its' discretion reasonably and objectively and in accordance with its' Reorganisation and Redeployment Policy and the Redundancy Policy.

For employees in the Local Government Pension Scheme with at least 104 weeks service the redundancy payment is enhanced and is based upon the statutory redundancy payments scale, multiplied by a factor of 2.2 and based upon actual weeks pay rather than the statutory maximum.

For all other staff redundancy payments are not enhanced and payments are calculated in accordance with the statutory redundancy provisions.

The payment of any early pension benefits where redundancy occurs will be made in accordance with the regulations as detailed within the relevant pension scheme and the Service's Statement of policy on making discretionary payments on early termination of employment.

All severance payments made to staff on termination of employment are calculated in accordance with our policies and any statutory guidance issued by the Audit Commission that remains relevant. Any severance payments in excess of £100,000 will need to be approved by the full Authority (and it will receive full details as required by guidance issued under the Localism Act 2011).

The Authority complies with the regulations relating to the public sector exit pay cap which imposes a £95,000 cap on the aggregate value (before tax) of exit payments which include redundancy and voluntary exit payments. The scope of the cap also incorporates actuarial strain costs paid to a pension scheme to facilitate early retirement pensions on an unreduced basis on redundancy for employees on and above age 55. The Authority has a discretionary power to relax the cap subject to various approvals by the Home Office and Treasury but this discretion would only be exercised in exceptional circumstances.

### **Re-engagement**

The Fire and Rescue National Framework for England, published in May 2018, stated that fire and rescue authorities must not re-appoint principal fire officers (at Brigade or Area Manager level or those with comparable responsibilities to those roles) after their retirement to their previous, or similar, post save for in exceptional circumstances when such a decision is necessary in the interests of public safety. Any such appointment must be transparent, justifiable and time limited. Such a decision should be subject to agreement by public vote of the elected members of the fire authority. The reason for the decision must be published and their pension abated until the new employment ends.

It is not the Authority's policy to re-employ or to enter into a contract for services with employees who have been made redundant or who have resigned/retired from the Service, unless there are exceptional circumstances where their specialist knowledge and expertise is required.

## **The relationship between the remuneration of Chief Officers and other employees**

The ratio between the highest paid employee and the mean (average) earnings across the Authority is recommended as the best way of illustrating the relationship between the two. This is called the pay multiple, and for this Authority the pay multiple for these purposes is 1:7.09

The Hutton Review conducted in 2012 asked for a pay multiple between the highest paid and the lowest paid not to exceed 1:20. The current calculation for this is a multiple of 1:8.13

## **Publishing of Gender Pay Gap Information**

As an organisation that is fully committed to the principles of equal pay, Cheshire Fire and Rescue Service publishes an annual Gender Pay Gap Report containing information relating to pay inequalities in line with gender pay gap reporting requirements. The data published includes the pay and bonus figures between men and women and provides an annual snapshot based on a set date in March each year which will highlight any equal pay risks.

Where required an action plan is also be published to address any gender pay discrepancies and equal pay risks. All of this information is accessible via the Service's internet.

## **Annual Review**

This pay policy statement will be reviewed on an annual basis prior to the start of the financial year, and will next be reviewed and approved by the Fire Authority in February 2022.

[NB: Some of the documents that are underlined will be hyperlinked when the policy is published on the internet]

## CHESHIRE FIRE AUTHORITY

**MEETING OF:** CHESHIRE FIRE AUTHORITY  
**DATE:** 10<sup>TH</sup> FEBRUARY 2021  
**REPORT OF:** DIRECTOR OF GOVERNANCE AND COMMISSIONING  
**AUTHOR:** ANDREW LEADBETTER

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**SUBJECT:** MEMBERS' ALLOWANCES SCHEME 2021-22

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### Purpose of Report

1. To allow Members to approve the Members' Allowances Scheme for 2021-22.

### Recommended: That Members

- [1] Approve the Members' Allowances Scheme for 2021-22 (Appendix 1);  
and
- [2] Confirm that a review of Member Champion roles should be concluded within the next 12 months.

### Background

2. A review of the Members' Allowances Scheme has recently been concluded. It was overseen by the Governance and Constitution Committee. A copy of the report considered by the Committee at its meeting on 27<sup>th</sup> January 2021 is attached to this report as Appendix 2. This includes a report from the independent reviewer (a member of a local independent remuneration panel). The minutes of the Committee appear elsewhere on the Agenda.

### Information

3. The Members' Allowances Scheme 2021-22, as recommended by Governance and Constitution Committee, is attached to this report as Appendix 1. Members will see that the Scheme is substantially the same as the scheme that it replaces.
4. The independent reviewer commented in her report upon the number of Member Champions and recommended that a review should take place within 12 months so that the Fire Authority can 'consider whether each of the Member Champion roles is necessary and satisfy itself that each provides a meaningful benefit'. This was accepted by Governance and Constitution Committee which plans to oversee the review. The rationale is explained in section 5.3 of the independent reviewer's report (see page 51 of the agenda pack).

## **Financial Implications**

5. The Members' Allowances Scheme 2021-22 is substantially the same as the existing scheme. The small changes included within the Scheme can be funded from the Authority's existing budget for Members' allowances. Currently, it appears unlikely that Members' allowances will be uplifted during 2021-22.

## **Legal Implications**

6. The provisions governing members' allowances are contained in the Local Authorities (Members' Allowances) (England) Regulations 2003. Regulation 10 requires a members' allowances scheme to be made before the beginning of each year.
7. Part 2 of the Regulations prescribes the allowances that may be paid and rules relating to such allowances. Part 3 of the Regulations sets out the requirements for members' allowances schemes, e.g. the application of indexation for annual adjustments to schemes. Part 4 of the Regulations is concerned with the role of the independent remuneration panel [IRP]. Local authorities (e.g. district, county and London boroughs) must have regard to recommendations of an IRP before they make or amend their scheme. A combined fire authority has a different obligation: it must have regard to the recommendations made by the IRPs of local authorities that appoint its Members (i.e. the constituent authorities). The Fire Authority is not required to have its own IRP.

## **Equality and Diversity Implications**

8. There are no equality and diversity implications.

## **Environmental Implications**

9. There are no environmental implications.

**CONTACT: DONNA LINTON, GOVERNANCE AND CORPORATE PLANNING  
MANAGER: TEL [01606] 868804**

**BACKGROUND PAPERS: NONE**

## **Introduction**

- 9.1 In making a Members' Allowances Scheme the Fire Authority is required to comply with certain parts of and regulations within the Local Authorities (Members Allowances) (England) Regulations 2003 (as amended).
- 9.2 A Members' Allowances Scheme must make provision for the payment of a Basic Allowance which is a sum payable to every Member. It may make provision for various other payments, e.g. Special Responsibility Allowance, Dependants' Carers' Allowance and Travelling and Subsistence Allowance
- 9.3 A Members' Allowances Scheme must be made before the beginning of each year that it applies to. It can contain a provision for an annual adjustment of Members' Allowances by reference to an index. Such an index can be relied upon for a period of four years.
- 9.4 When making its Members' Allowances Scheme the Fire Authority is required to have regard to the recommendations of the independent remuneration panels of the local authorities that appoint its Members.
- 9.5 The Fire Authority undertakes a review of the Members' Allowances Scheme every four years. The review is supported by an individual that provides an independent view.
- 9.6 Each Member of the Fire Authority is paid a Basic Allowance which is the same amount for each Member. Special Responsibility Allowances are also payable for certain roles, e.g. Chair and Deputy Chair of the Fire Authority.
- 9.7 The Authority has made provision in its Members' Allowances Scheme for reimbursing Members for the cost of travel and subsistence in performing their duties. Such claims must relate to meetings and duties that are considered to be 'Approved Duties'. These are prescribed in the Members' Allowances Scheme.
- 9.8 Further information about the Scheme can be obtained from the Governance and Corporate Planning Manager, Fire Service HQ, Winsford, Cheshire.

## **Members' Allowances Scheme 2021-22**

Note:

A Member cannot receive an allowance from the Fire Authority if another authority is paying that Member for the same duties.

### **Basic Allowance**

- 1 Each Member of the Fire Authority shall receive a sum of **£4,274.68** per annum in the form of a Basic Allowance from 1<sup>st</sup> April 2021. Payment of this Allowance shall be monthly in arrears.

### **Special Responsibility Allowances**

- 2 The following roles shall attract a Special Responsibility Allowance (SRA) in the sums specified:

Office	2021/22 Entitlement £
Chair of the CFA	14,062.86
Deputy Chair of the CFA	7,032.51
Chair of Performance and Overview Committee	2,813.01
Chair of Governance and Constitution Committee	1,622.88
Chair of Estates and Property Committee	1,622.88
Business Continuity Leads (Group Spokespersons and Lead Members of Constituent Authorities)	1,081.93
Member Champions Note: The following roles also attract the same Special Responsibility Allowance as Member Champions: Chair of Member Training and Development Group; and members of Risk Management Board	540.96

- 3 Only one SRA shall be paid to an individual Member. Where a Member holds two, or more positions which attract an SRA only the higher, or highest amount will be paid. This excludes regional appointments.

### **Regional Appointments**

- 4 Members appointed to the North West Fire Forum will receive a payment of £36.50 per meeting attended.

### **Independent (non-elected) members**

- 5 Independent (non-elected) members will receive an annual allowance of **£1252.25**.

## **Independent Persons**

- 6 Independent Persons will receive a payment of £36.50 per meeting attended and re-imbursment of expenses incurred (travel/subsistence).

## **Travel, Subsistence and Other Allowances**

### **Travel**

- 7 Members may claim travel expenses for mileage to and from meetings/ events associated with the Fire Authority at the prevailing HMRC rate (currently 45p per mile).

### **Subsistence**

- 8 As a general rule lunch and other refreshments for meetings held at Fire Service HQ and other Service establishments are provided free of charge and, therefore, no claim for any allowance or reimbursement can be made. This may also include meals/refreshments provided at conferences/ seminars/meetings free of charge at other non Service venues.

- 9 For meetings where refreshments are not provided and Members are required to pay for meals, the actual expenditure will be reimbursed up to a maximum rate. At present these rates are as follows:-

Breakfast	£7
Lunch	£9
Dinner	£15
Dinner (London)	£20

If it is unavoidable and Members need to book their own accommodation the following rates are the maximum that will be paid:

Hotel	£100
Hotel (London)	£120

### **Dependents' Carers' Allowance**

- 10 A Dependents' Carers' allowance is payable to Members where actual costs are incurred for the care of dependent relatives whilst discharging their approved duties for the Fire Authority.

The Dependents' Carers' Allowance will be paid up to a maximum of [£3000] per annum and in reimbursement of incurred expenditure upon submission of receipts.

## **Annual Increase - Index**

- 11 The Basic and Special Responsibility Allowances and allowance payable to the independent non-elected members shall be increased by the same percentage increase as the NJC pay award for Local Government employees (Green Book staff).

The increases shall apply from the same date as the pay increases take effect and will be backdated, if necessary.

This index shall apply for four years (up to 31<sup>st</sup> March 2025) unless the Scheme is amended.

### **CHESHIRE FIRE AUTHORITY: LIST OF APPROVED DUTIES**

Attendance at:

- Meetings of the Fire Authority, Committees, Sub-Committees, Special Committees, Panels, Boards, Forums and Working/Task Groups
- Authorised briefings for Committees/Sub-Committees including all meetings which are called by officers e.g. Members Planning Days and pre-meeting briefings
- All approved conferences and seminars
- Regional Bodies - North West Fire Forum, NW Fire Control Ltd Board of Directors and associated working groups
- National Bodies – LGA Fire Commission and associated working groups
- Member Learning and Development Events (including e.g. induction and cluster exercises)

In addition to the above, Members attend other functions to represent the Fire Authority and in these circumstances these will normally be regarded as approved duties for the purpose of the Members' Allowances Scheme. If there is any doubt about this the Monitoring Officer will provide a ruling.

## CHESHIRE FIRE AUTHORITY

**MEETING OF:** GOVERNANCE AND CONSTITUTION COMMITTEE  
**DATE:** 27<sup>TH</sup> JANUARY 2021  
**REPORT OF:** DIRECTOR OF GOVERNANCE AND COMMISSIONING  
**AUTHOR:** ANDREW LEADBETTER

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**SUBJECT:** MEMBERS' ALLOWANCES SCHEME 2021-22

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### Purpose of Report

1. To provide Members with information about the outcome of the review of the Members' Allowances Scheme. To allow Members to consider the report prepared by the Independent Reviewer and finalise the draft Members' Allowances Scheme 2021-22. To enable Members to make a recommendation to the Fire Authority about the Members' Allowances Scheme for 2021-22.

### Recommended: That Members

- [1] Consider the report of the Independent Reviewer; and
- [2] Finalise the draft Members' Allowances Scheme for 2021-22; and
- [3] Make a recommendation to the Fire Authority about the Members' Allowances Scheme for 2021-22.

### Background

2. This Committee approved the process for the review of the Members' Allowances Scheme at its meeting on 29<sup>th</sup> January 2020. The following paragraphs describe the process:

#### Personnel

- A member of one of the Independent Remuneration Panels of the constituent authorities to be engaged (referred to as the Independent Reviewer).

#### Information Gathering

- The Members' Allowances Schemes of the constituent authorities to be checked and all relevant information summarised.
- The Members' Allowances Schemes of a range of fire and rescue authorities to be checked and all relevant information summarised.

- All Members (and independent members) to be asked what their expectations are for the review, e.g. are there specific matters that they believe need to be covered and do they wish to speak directly to the Independent Reviewer.

#### Meetings

- Officers to present information to the Independent Reviewer.
- Independent Reviewer to meet with Members (and independent members), if necessary, or required.
- Officers and Independent Reviewer agree to draft of new Members' Allowances Scheme.

### Information

3. Mrs Mandy Ramsden was engaged to fulfil the role of Independent Reviewer. She facilitated the last review and continues to act as a member of the Independent Remuneration Panel of Cheshire East Borough Council.
4. The following information was considered by the Independent Reviewer:
  - a) The Members' Allowances Schemes of the constituent authorities and recommendations of the respective Independent Remuneration Panels;
  - b) Comparative data relating to the Fire Authority's Audit Family Group and some other fire and rescue authorities;
  - c) Any responses received from Members (and independent members) stating their expectations about the review;
  - d) Information compiled relating to some of the issues raised by Members, e.g. the approach to the payment of special responsibility allowances and the index applied to schemes; and
  - e) Details about the Fire Authority's Member Champions.
5. The Independent Reviewer has prepared a report which summarises her findings. The Independent Reviewer's report is attached as Appendix 1 to this report. Members will see that there will be limited change from the current Members' Allowances Scheme if the conclusions in the Independent Reviewer's report are accepted. However, there is one issue that requires particular attention. At section 5.2 of the Independent Reviewer's report she provides context about the question of whether to allow the payment of more than one Special Responsibility Allowance to an individual Member. At paragraph 5.2.4 she encourages the Fire Authority to determine whether to allow this.
6. There is one other issue that could ultimately impact upon the Members' Allowance Scheme, but this will not have an immediate effect. At paragraph

5.3.3 of the Independent Reviewer's report she states that the Fire Authority should carry out a further review of the Member Champions to satisfy itself that each is necessary and provides a meaningful benefit. Her rationale is explained in section 5.3.

7. In light of the Independent Reviewer's report and in anticipation of the discussion at this Committee a draft of the new Members' Allowances Scheme for 2021-22 has been prepared by officers and is attached as Appendix 2 to this report. The introduction has been updated and a note has been added. The draft reflects the conclusions contained in the Independent Reviewer's report.

## **Financial Implications**

8. Annual increases based on an index like the NJC can be funded from the Authority's existing budget for Members' allowances.

## **Legal Implications**

9. The provisions governing members' allowances are contained in the Local Authorities (Members' Allowances) (England) Regulations 2003 [the Regulations]. The Regulations do apply to the Fire Authority, but not all elements.
10. Part 2 of the Regulations prescribes the allowances that may be paid and rules relating to such allowances. Part 3 of the Regulations sets out the requirements for members' allowances schemes, e.g. the application of indexation for annual adjustments to schemes. Part 4 of the Regulations is concerned with the role of the independent remuneration panel [IRP]. Local authorities (e.g. district, county and London boroughs) must have regards to recommendations of an IRP before they make or amend their scheme. A combined fire authority has a different obligation: it must have regard to the recommendations made by the IRPs of local authorities that appoint its Members (i.e. the constituent authorities). The Fire Authority is not required to have its own IRP.

## **Equality and Diversity Implications**

11. There are no equality and diversity implications.

## **Environmental Implications**

12. There are no environmental implications.

**CONTACT: DONNA LINTON, GOVERNANCE AND CORPORATE PLANNING  
MANAGER: TEL [01606] 868804**

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**REPORT SUMMARISING THE FINDINGS OF THE INDEPENDENT REVIEW OF THE MEMBERS' ALLOWANCES SCHEME OF CHESHIRE FIRE AUTHORITY**

**REPORT CONTENTS**

- 1 Introduction
- 2 Members' Allowances Schemes of the Constituent Authorities
- 3 Structure of Cheshire Fire Authority's Members' Allowances Scheme
- 4 Level of Basic Allowance - including Comparison with Family Group, but not with local authorities
- 5 Special Responsibility Allowances - including Level, Payment of More than One SRA, Member Champions
- 6 Other Payments - including Regional Appointments, independent (non-elected) members, Independent Persons)
- 7 Travel, Subsistence and Other Allowances - Including Dependants' Carers' Allowance
- 8 Annual Increase - Index

**1 INTRODUCTION**

- 1.1 I was engaged by the Monitoring Officer to carry out a review of the Members' Allowances Scheme of Cheshire Fire Authority. I have previously carried out a similar review for the Fire Authority. I sit on the Independent Remuneration Panel of Cheshire East Borough Council.
- 1.2 I have reviewed a number of documents and been provided with a range of comparative information by the Governance Officer and wish to thank her for the excellent support that she has provided to me.

**2 MEMBERS' ALLOWANCES SCHEMES OF THE CONSTITUENT AUTHORITIES**

- 2.1 I have checked the Members' Allowances Schemes of Cheshire East, Cheshire West and Chester, Halton and Warrington Borough Councils. I have also considered the recommendations of the Independent Remuneration Panels of these Councils. I did not find anything that directly impacts upon the outcome of the review. However, I did note certain aspects of the schemes operated by the Councils, e.g. the number of Special Responsibility Allowances payable and the Index used.

### **3 STRUCTURE OF CHESHIRE FIRE AUTHORITY'S MEMBERS' ALLOWANCES SCHEME**

3.1 The existing Members' Allowances Scheme of Cheshire Fire Authority is largely unremarkable, being typical of the schemes operated by other fire and rescue authorities and local authorities generally. Therefore, it appears to be an appropriate basis for the replacement scheme, with no requirement for significant change. Accordingly, the commentary below follows the format of the existing Scheme.

### **4 LEVEL OF BASIC ALLOWANCE**

4.1 I have considered various pieces of information. An example is attached as Annex 1 to this report. It shows the most relevant data relating to the Family Group fire and rescue authorities that have similar governance arrangements to those of Cheshire Fire Authority. This data shows that the existing basic allowance is within the range of basic allowances paid by the Family Group. There seems to be a loose correlation between the level of the basic allowance and the number of members of the fire and rescue authority, i.e. the smaller the number of members the higher the basic allowance. However, this is not a consistent situation.

4.2 I was encouraged to consider whether the allowances should be compared to those of local authorities. However, I felt that the roles of a fire authority Member and of a local authority councillor are sufficiently different to make such a comparison unproductive.

**4.3 *I concluded that the level of basic allowance was appropriate and need not change.***

### **5 SPECIAL RESPONSIBILITY ALLOWANCES**

#### **5.1 Level**

5.1.1 Again, I have considered various pieces of information, the most relevant being the data on the Family Group. I found it difficult to find a clear correlation, or relationship between the various common Special Responsibility Allowances paid by the fire and rescue authorities. Of course, roles within different fire and rescue authorities may sound the same, but involve quite different levels of work. Hopefully, the following comments set the scene and help to illustrate the challenge of finding a meaningful comparison:

- The Chair's allowance is higher than the average paid across the Family Group.
- The Deputy Chair's allowance is 50% of the Chair's allowance when some Family Group fire and rescue authorities pay a higher percentage, with some paying as low as 25% of the Chair's allowance.

- The Group Leader's allowance varies significantly across the Family Group, with some not paying the allowance at all. Cheshire's is the lowest payable.
- Committee Chair's allowances vary significantly, with Cheshire's being fairly generous.

**5.1.2 *In relation to the above-mentioned Special Responsibility Allowances I concluded that they were appropriate and need not change.***

5.2 Payment of More than One SRA

5.2.1 I was also encouraged to consider whether it was appropriate to pay a Member for more than one special responsibility: the current Scheme only allows for one Special Responsibility Allowance to be paid, i.e. the higher, or highest. I know that this was raised by some Members in response to an initial questionnaire circulated by the Governance Officer. However, I am aware that a number of Members have said that they do not support the payment of more than one Special Responsibility Allowance.

5.2.2 I did comment on this when I was involved in the last review. I personally cannot see a problem in paying two Special Responsibility Allowances, when it can safely be argued that this reflects the work being undertaken. Unfortunately, this can be difficult to explain/justify and most public bodies only allow the payment of one Special Responsibility Allowance. This is, in fact, the case for all of the Family Group fire and rescue authorities and the constituent authorities. The payment of more than one Special Responsibility Allowance appears to be the exception.

5.2.3 I understand that the financial impact of paying more than one Special Responsibility Allowance is relatively small.

**5.2.4 *In the circumstances I will leave the Fire Authority to determine whether a Member is able to receive more than one Special Responsibility Allowance.***

5.3 Member Champions

5.3.1 This is probably the only aspect of the Scheme that is remarkable. Cheshire is one of only two fire and rescue authorities in the Family Group that have clearly defined Member Champion roles that attract an allowance. Lancashire is the other. Cheshire has 18 Member Champions, with Lancashire having 4. Lancashire pays nearly double that of Cheshire by way of a Special Responsibility Allowance. However, Lancashire's Member Champions are subject to formalities that do not exist in Cheshire, e.g. they are required to submit a quarterly report to the fire and rescue authority upon the activities associated with their roles.

5.3.2 I did question why Cheshire had so many Member Champions when I carried out the last review. I understand that a review has taken place since then, but note that there are now more Member Champions than before.

**5.3.3 *I believe that the Fire Authority should carry out a further review of the Member Champion roles. It should consider whether each of the Member***

***Champion roles is necessary and satisfy itself that each provides a meaningful benefit. This should be concluded within the first 12 months of the introduction of the new scheme.***

## **6 OTHER PAYMENTS**

6.1 I note that the payments for attending the North West Fire Forum (£35 per meeting) and to Independent Persons for dealing with complaints about Member conduct (£35 per meeting) have not changed since the last review.

**6.2 *I recommend that these figures are increased so that they reflect the level of NJC pay increases during the period of the current scheme. The figures should be rounded up, or down.***

6.3 I note that the payments to the independent (non-elected) members have been increased in the same way as payments to the other Members, i.e. in line with the NJC pay increases and need not consider these further.

## **7 TRAVEL, SUBSISTENCE AND OTHER ALLOWANCES**

7.1 Travel (the mileage rate) continues to be aligned to the nationally set figure. Subsistence rates are aligned to officer rates. This approach remains appropriate and is consistent with the way other public bodies deal with such payments. Whilst the rates have not increased for some time I do not recommend an increase.

7.2 I note that the maximum amount of Dependants' Carers' Allowance that can be claimed has not changed since the last review. However, other public bodies have not increased their figures.

**7.3 *I recommend that these figures remain the same.***

## **8 ANNUAL INCREASE - INDEX**

8.1 I have not spent much time considering this. It is clear that the majority of public bodies have adopted an index that aligns increases with the NJC pay awards – so that increases for members' allowances mirror the increases in pay of the majority of staff. However, some bodies do use other indices, e.g. CPI. Three of the constituent authorities use the NJC and one uses CPI.

**8.2 *I recommend that the index should continue to refer to increases that are aligned to NJC pay awards. It should apply for the duration of the new scheme, i.e. four years.***

Mandy Ramsden  
Independent Remuneration Panel Member, Cheshire East Borough Council  
6<sup>th</sup> January 2021

Fire Authority	Year of Scheme	Total Number of Members	Basic Allowance	Chair	Deputy/Vice Chair	Group Lead Members (or equivalent)	Committee Chair	Member Champions
Hampshire	2019-20	10	£6,243.00	£12,486.00	£3,122.00	£3,122 - £781	£1,530 - £781	N/A
Humberside	2020-21	22	£4,457.00	£11,137.00	£8,356.00	N/A	£561.00	N/A
Cheshire	2020-21	23	£4,274.68	£14,062.86	£7,032.51	£1,081.93	£2,813.01 - £1,622.88	£540.96
Nottinghamshire	2020-21	18	£3,895.60	£23,231.32	£16,592.93	£2,597.31	£2,597.31	N/A
Leicestershire	2020-21	17	£3,309.00	£9,965.00	£3,350.00	£1,919.00	£1,919.00	N/A
Derbyshire	2019-20	16	£3,187.50	£14,000.00	£8,400.00	£3,000.00	£3,000 - £800	N/A
Lancashire	2020-21	25	£2,918.77	£16,949.80	£8,476.03	£4,238.01 - £3,390.41	£2,118.45 - £1,059.22	£1,059.22
Cleveland	2020-21	16	£2,238.00	£8,952.00	£4,476.00	N/A	£2,797.00	N/A
Avon	2019-20	20	£1,542.00	£9,127.00	£2,107.00	£2,107.00	£1,054.00	N/A
Kent	2020-21	25	£1,511.66	£19,823.93	£7,929.57	£5,947.17	N/A	N/A
Hereford and Worcester	2020-21	25	£1,165.00	£9,049.68	£5,429.76	£1,357.44	£1,357.44	N/A
Hertfordshire	2020-21	25	£1,165.00	£9,049.68	£5,429.76	£1,357.44	£1,357.44	N/A
Above data sorted by level of Basic Allowance								
South Wales*	2020-21	24	£2,005.00	£10,705.00	£5,705.00	N/A	£5,705.00	N/A

\* Allowances for Chair, Deputy Chair and Committee Chairs are inclusive of the basic allowance

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## **Introduction**

- 9.1 In making a Members' Allowances Scheme the Fire Authority is required to comply with certain parts of and regulations within the Local Authorities (Members Allowances) (England) Regulations 2003 (as amended).
- 9.2 A Members' Allowances Scheme must make provision for the payment of a Basic Allowance which is a sum payable to every Member. It may make provision for various other payments, e.g. Special Responsibility Allowance, Dependants' Carers' Allowance and Travelling and Subsistence Allowance
- 9.3 A Members' Allowances Scheme must be made before the beginning of each year that it applies to. It can contain a provision for an annual adjustment of Members' Allowances by reference to an index. Such an index can be relied upon for a period of four years.
- 9.4 When making its Members' Allowances Scheme the Fire Authority is required to have regard to the recommendations of the independent remuneration panels of the local authorities that appoint its Members.
- 9.5 The Fire Authority undertakes a review of the Members' Allowances Scheme every four years. The review is supported by an individual that provides an independent view.
- 9.6 Each Member of the Fire Authority is paid a Basic Allowance which is the same amount for each Member. Special Responsibility Allowances are also payable for certain roles, e.g. Chair and Deputy Chair of the Fire Authority.
- 9.7 The Authority has made provision in its Members' Allowances Scheme for reimbursing Members for the cost of travel and subsistence in performing their duties. Such claims must relate to meetings and duties that are considered to be 'Approved Duties'. These are prescribed in the Members' Allowances Scheme.
- 9.8 Further information about the Scheme can be obtained from the Governance and Corporate Planning Manager, Fire Service HQ, Winsford, Cheshire.

## **Members' Allowances Scheme 2021-22**

Note:

A Member cannot receive an allowance from the Fire Authority if another authority is paying that Member for the same duties.

### **Basic Allowance**

- 1 Each Member of the Fire Authority shall receive a sum of **£4,274.68** per annum in the form of a Basic Allowance from 1<sup>st</sup> April 2021. Payment of this Allowance shall be monthly in arrears.

### **Special Responsibility Allowances**

- 2 The following roles shall attract a Special Responsibility Allowance (SRA) in the sums specified:

Office	2021/22 Entitlement £
Chair of the CFA	14,062.86
Deputy Chair of the CFA	7,032.51
Chair of Performance and Overview Committee	2,813.01
Chair of Governance and Constitution Committee	1,622.88
Chair of Estates and Property Committee	1,622.88
Business Continuity Leads (Group Spokespersons and Lead Members of Constituent Authorities)	1,081.93
Member Champions (includes Chair of Member Training & Development Group; and Risk Management Board Members)	540.96

- 3 [Only one SRA shall be paid to an individual Member. Where a Member holds two, or more positions which attract an SRA only the higher, or highest amount will be paid. This excludes regional appointments.]

### **Regional Appointments**

- 4 Members appointed to the North West Fire Forum will receive a payment of £36.50 per meeting attended.

### **Independent (non-elected) members**

- 5 Independent (non-elected) members will receive an annual allowance of **£1252.25**.

### **Independent Persons**

- 6 Independent Persons will receive a payment of £36.50 per meeting attended and re-imbursment of expenses incurred (travel/subsistence).

## **Travel, Subsistence and Other Allowances**

### **Travel**

- 7 Members may claim travel expenses for mileage to and from meetings/ events associated with the Fire Authority at the prevailing HMRC rate (currently 45p per mile).

### **Subsistence**

- 8 As a general rule lunch and other refreshments for meetings held at Fire Service HQ and other Service establishments are provided free of charge and, therefore, no claim for any allowance or reimbursement can be made. This may also include meals/refreshments provided at conferences/ seminars/meetings free of charge at other non Service venues.

- 9 For meetings where refreshments are not provided and Members are required to pay for meals, the actual expenditure will be reimbursed up to a maximum rate. At present these rates are as follows:-

Breakfast	£7
Lunch	£9
Dinner	£15
Dinner (London)	£20

If it is unavoidable and Members need to book their own accommodation the following rates are the maximum that will be paid:

Hotel	£100
Hotel (London)	£120

### **Dependents' Carers' Allowance**

- 10 A Dependents' Carers' allowance is payable to Members where actual costs are incurred for the care of dependent relatives whilst discharging their approved duties for the Fire Authority.

The Dependents' Carers' Allowance will be paid up to a maximum of [£3000] per annum and in reimbursement of incurred expenditure upon submission of receipts.

### **Annual Increase - Index**

- 11 The Basic and Special Responsibility Allowances and allowance payable to the independent non-elected members shall be increased by the same percentage increase as the NJC pay award for Local Government employees (Green Book staff).

The increases shall apply from the same date as the pay increases take effect and will be backdated, if necessary.

This index shall apply for four years (up to 31<sup>st</sup> March 2025) unless the Scheme is amended.

## **CHESHIRE FIRE AUTHORITY: LIST OF APPROVED DUTIES**

Attendance at:

- Meetings of the Fire Authority, Committees, Sub-Committees, Special Committees, Panels, Boards, Forums and Working/Task Groups
- Authorised briefings for Committees/Sub-Committees including all meetings which are called by officers e.g. Members Planning Days and pre-meeting briefings
- All approved conferences and seminars
- Regional Bodies - North West Fire Forum, NW Fire Control Ltd Board of Directors and associated working groups
- National Bodies – LGA Fire Commission and associated working groups
- Member Learning and Development Events (including e.g. induction and cluster exercises)

In addition to the above, Members attend other functions to represent the Fire Authority and in these circumstances these will normally be regarded as approved duties for the purpose of the Members' Allowances Scheme. If there is any doubt about this the Monitoring Officer will provide a ruling.

## CHESHIRE FIRE AUTHORITY

**MEETING OF:** CHESHIRE FIRE AUTHORITY  
**DATE:** 10 FEBRUARY 2021  
**REPORT OF:** CHIEF FIRE OFFICER AND CHIEF EXECUTIVE  
**AUTHOR:** GRAEME WORRALL

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**SUBJECT:** 2021-2022 PRECEPT SURVEY

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### Purpose of Report

1. To provide Members with feedback from the survey regarding the proposed increase in the Authority's precept for the 2021/2022 financial year.

### Recommended: That Members

- [1] Note the contents of the report in determining the Council Tax precept during consideration of Item 6 on the Agenda.

### Background

2. The Authority is required to consult on its precept for the forthcoming financial year. Traditionally this activity has been undertaken in conjunction with a consultation on the draft Integrated Risk Management Plan (IRMP).
3. Given the recent approval and publication of the latest IRMP, covering the period to 2024, there was no requirement to consult on the IRMP this year. As a result of this it was decided to undertake a survey that focused exclusively on a proposal to increase the Council Tax precept for 2021/2022.

### Information

4. The survey was launched on Monday 21 December 2020 and ran for just under five weeks until Thursday 28 January 2021. This was the period between the announcement of the Local Government Finance Settlement and preparation of the budget papers.
5. Given the restrictions in place regarding the Covid-19 pandemic, engagement around the 2021/2022 precept was undertaken using online methods only. Information on the precept, an explanation of the proposal and an overview of the way the Authority is funded were provided on the homepage of the Service's website and the intranet throughout the duration of the survey.

6. To raise awareness of the survey, a press release was issued to mark the launch and there were regular posts on the Service's social media platforms. In addition, a paid-for advertisement ran on the Service's Facebook account for the duration of the survey. The survey was also promoted on the Service's electronic Firelink newsletter, which is circulated to 18,478 readers across Cheshire.

## **Survey Results**

7. The survey received a total of 484 responses. Of these, 475 were from residents of Cheshire.
8. The survey asked respondents to what extent they would support the Authority's proposed increase in its precept of 1.99% for 2021/2022. A total of 63.6% of respondents stated that they supported or strongly supported this, compared to 28.7% who opposed or strongly opposed an increase. A further 7.6% of respondents stated they neither supported nor opposed this increase.
9. The survey also asked for any additional comments, where respondents were able to provide free text responses. A total of 230 comments were received. Of these, 80 comments expressed support for an increase in the precept. Common themes within these responses were that the Service is a vital service that should be properly funded and that the increase of 1.99% is a small increase in monetary terms.
10. There were 92 comments which expressed opposition to increasing the precept. Common themes within these responses included the desire to increase the efficiency of the Service before considering an increase to the precept; the cumulative effect on bill payers of precept increases by several local authorities and the financial impact of Covid-19 on households.
11. The feedback report is attached to this report as Appendix 1 and gives a demographic profile of respondents and lists all the comments received via the survey.

## **Financial Implications**

12. The survey concerns the precept, which is financial in nature. There was a small cost of £100 to deliver paid-for advertising on social media to raise awareness of the survey and encourage responses.

## **Legal Implications**

13. Consulting on the proposed precept for the forthcoming financial year fulfils the Authority's legal requirements.

## **Equality and Diversity Implications**

14. Officers aimed to encourage as diverse a response as possible. While the survey was held online, other methods of responding were available to use if required. Officers provided details of the survey to a wide range of community groups and encouraged them and their members to respond.

## **Environmental Implications**

15. None.

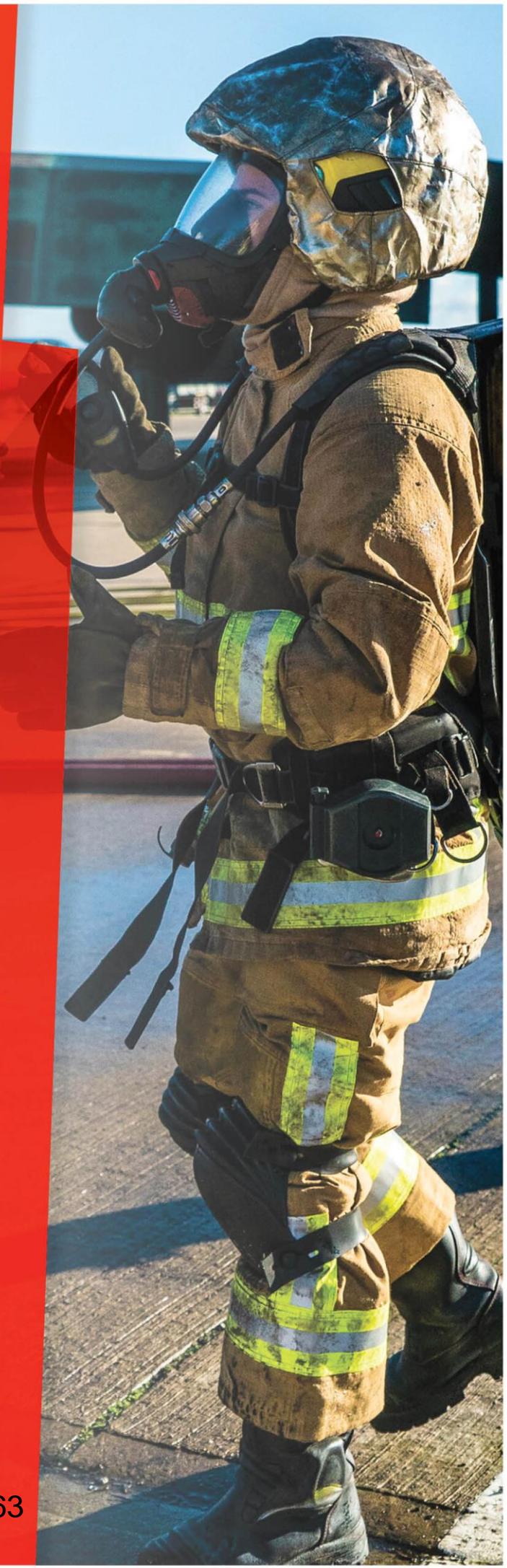
**CONTACT: DONNA LINTON, DEMOCRATIC SERVICES, CLEMONDS HEY,  
WINSFORD  
TEL [01606] 868804**

**BACKGROUND PAPERS: NONE**

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**Cheshire**  
Fire Authority



# 2021-2022 Precept Survey

Results Information Pack

.....  
[www.cheshirefire.gov.uk](http://www.cheshirefire.gov.uk)

# Contents

<b>Introduction</b> .....	<b>3</b>
<b>Survey Results</b> .....	<b>4</b>
Q.1 Do you live in Cheshire? .....	4
Q.2 Are you a council tax payer within Cheshire?.....	4
Q.3 Are you an employee of Cheshire Fire and Rescue Service? .....	5
Q.4 To what extent would you support Cheshire Fire Authority increasing its share of council tax (its precept) by 1.99% for the 2021/2022 financial year?.....	5
Q.5 Are there any comments that you wish to provide? .....	6
Summary of comments .....	6
List of comments.....	6
Comments from Cheshire East residents .....	6
Comments from Cheshire West and Chester residents.....	14
Comments from Halton residents .....	21
Comments from Warrington residents.....	24
<b>Email Responses</b> .....	<b>26</b>
<b>Profile of Respondents</b> .....	<b>27</b>
Which area do you live in?.....	27
What is your postcode? .....	27
Where is your nearest fire station? .....	28
Gender .....	28
Is your gender the same as that assigned to you at birth? .....	29
Age Range .....	29
Ethnic Origin.....	30
Religion .....	30
Do you consider yourself to have a disability? .....	31
Sexual Orientation .....	31

## Introduction

The following information pack provides details on the survey results for the Authority's proposed precept increase of 1.99% for 2021/2022. The information provided includes the following:

- Results of the survey questions.
- A summary and full list of the free text comments provided by respondents.
- Contents of additional responses received in writing or via email.
- Demographic profile of survey respondents.

The engagement on the proposed 2021/2022 precept ran from Monday 21 December 2020 to Thursday 28 January 2021. It was conducted as an online survey and awareness was raised through a prominent feature on the homepage of the Service's website and intranet, as well as regular advertising on the Service's Facebook and Twitter social media platforms. This was complemented by a press release to mark the launch of the survey, a paid-for Facebook advertisement that ran for the duration of the survey, and an article in the January 2021 edition of the Service's online newsletter Firelink, which has over 18,000 subscribers. In addition, the Service made use of its own equality, diversity and inclusion contacts to raise awareness of the consultation amongst community and inclusion groups within Cheshire.

Report prepared by:

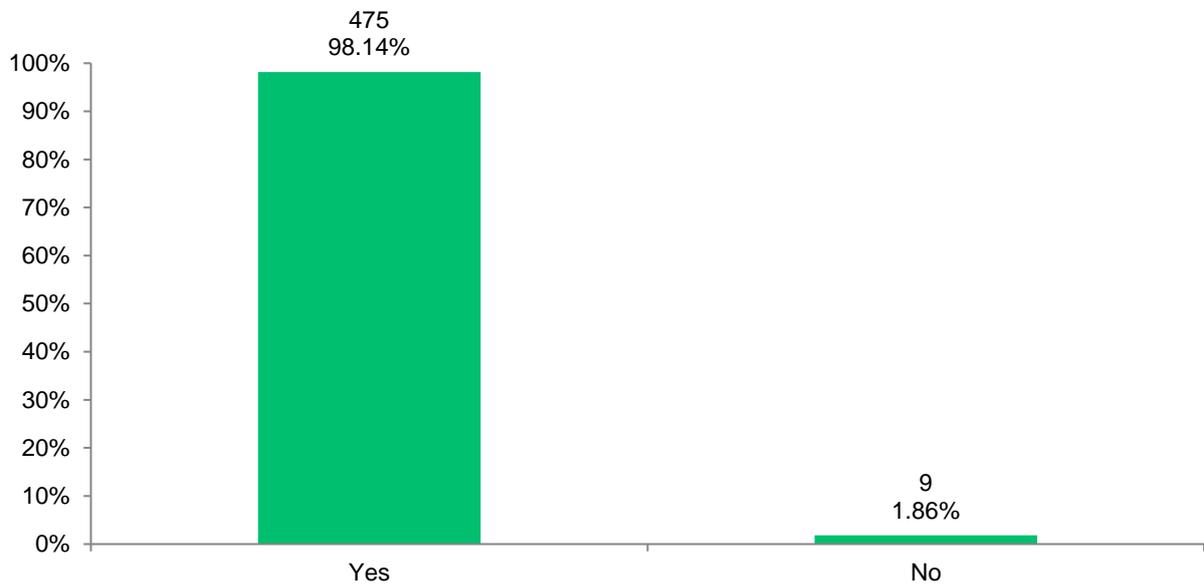
Graeme Worrall

Policy and Transformation Officer

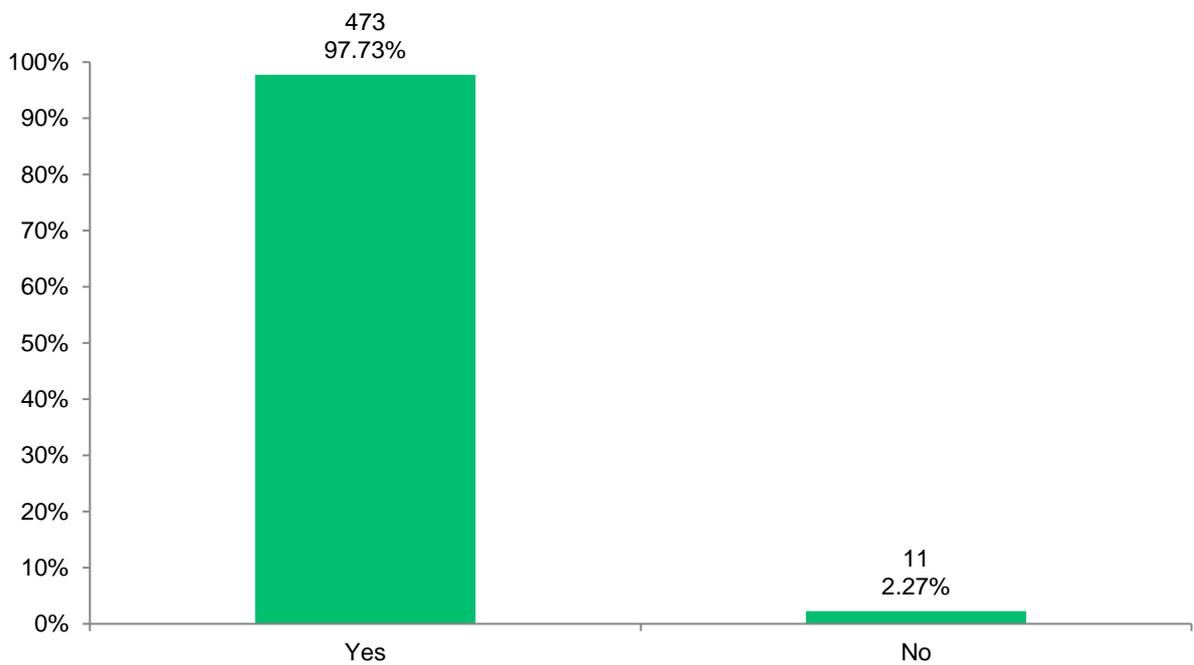
1 February 2021

## Survey Results

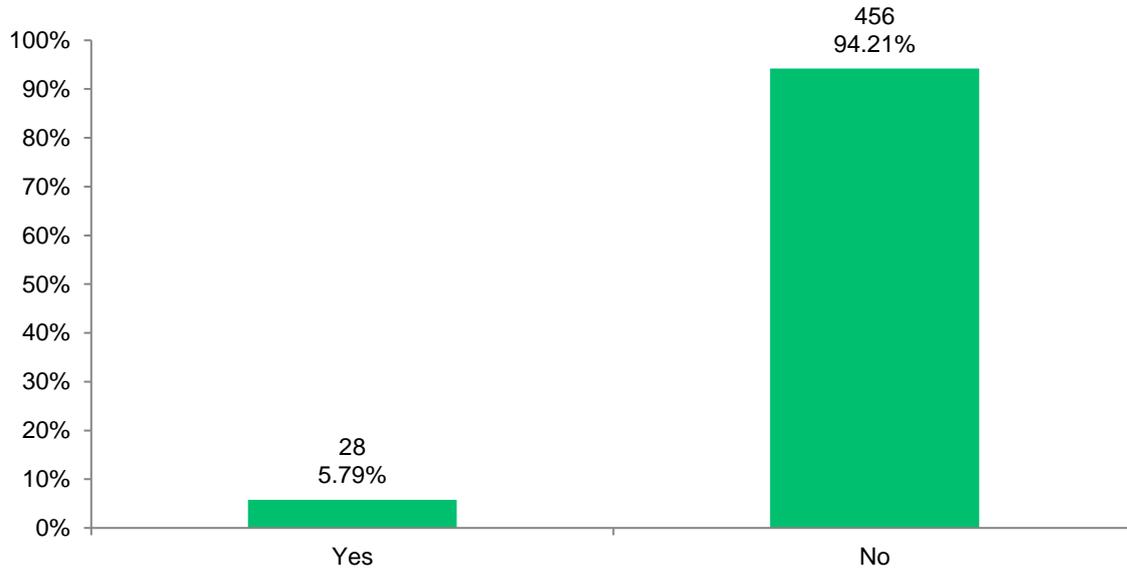
### Q.1 Do you live in Cheshire? (484 responses)



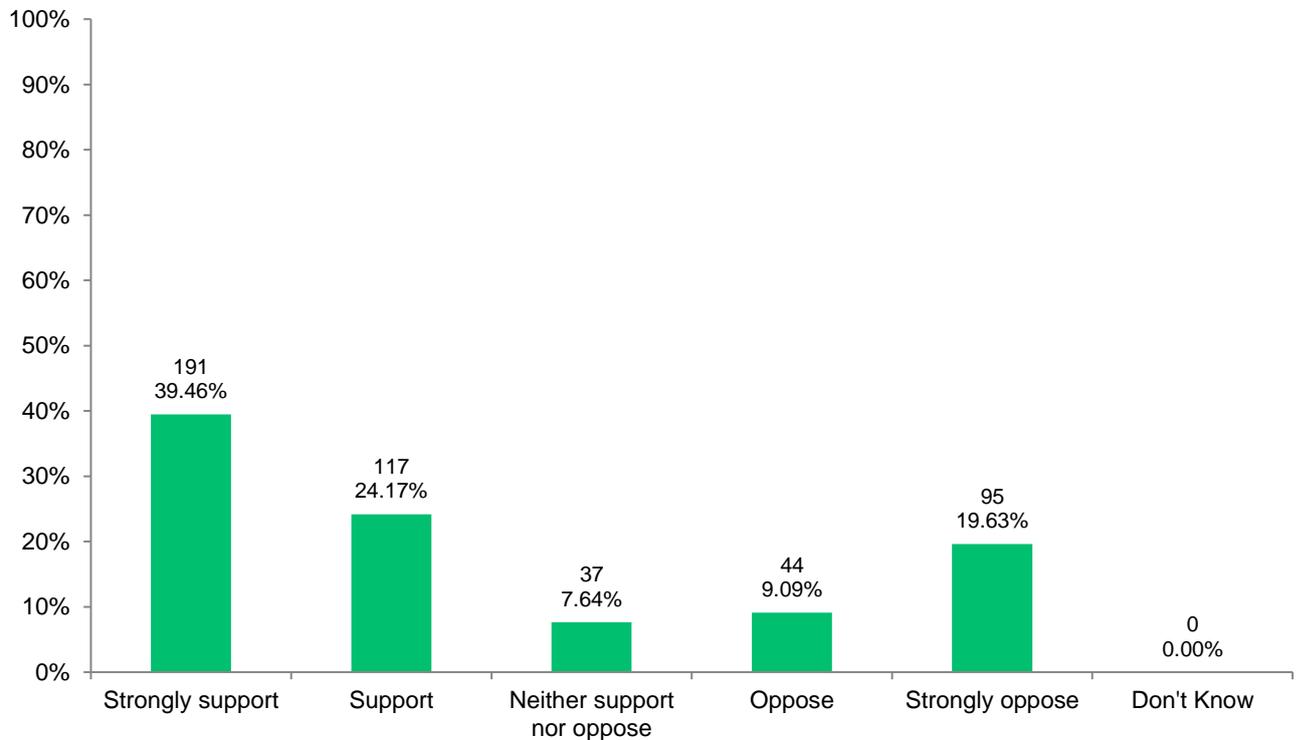
### Q.2 Are you a council tax payer within Cheshire? (484 responses)



**Q.3 Are you an employee of Cheshire Fire and Rescue Service?  
(484 responses)**

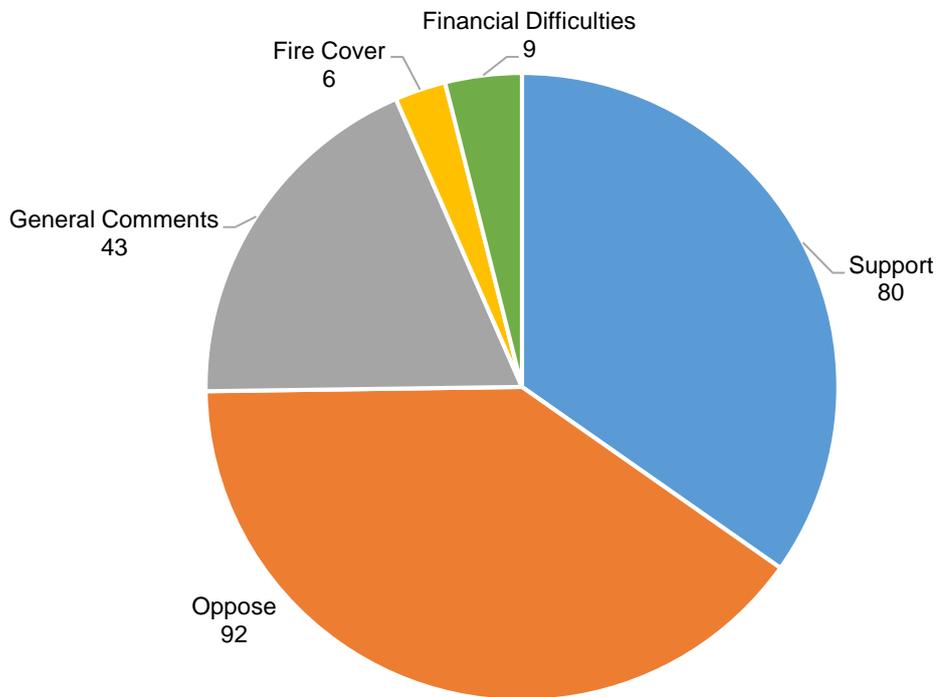


**Q.4 To what extent would you support Cheshire Fire Authority increasing its share of council tax (its precept) by 1.99% for the 2021/2022 financial year?  
(484 responses)**



**Q.5 Are there any comments that you wish to provide?  
(230 comments)**

**Summary of comments**



**List of comments**

Please note that the comments have been listed below according to the unitary authority area in which the respondent resides (where this information has been provided by the respondent)

**Comments from Cheshire East residents**

- Critical service and needs to be funded. Amount is nominal
- I believe in community services, and funding them according to contributors' means. I am concerned about government cut-backs generally, and am prepared to pay more tax for the benefit of us all if it means fairer distribution of wealth
- This service is amazing and should be well funded.

- You provide such a wonderful and irreplaceable service we need you. The cost is insignificant
- Deserve every penny!
- We can't have strong public services without taxes. By lowering tax revenues we are becoming a 3rd world country. And no i am not a political animal.
- Just thanks for all you do and I hope you get the rise.
- I would be happy to pay more if that enabled employees to receive pay increases in line with inflation.
- The Fire Service must be funded properly.
- As long as the monies from the increase go directly to the Fire Service for training, equipment, and such, we have no issue with paying for this indispensable service.
- If this increase can be guaranteed to maintain Frontline firefighters rather than backroom staff and managers I 100-percent support it
- The cuts to this service have been concerning and they are an integral part of keeping our community safe. We need to ensure the finances are there to retain staff and equipment particularly now when the service are supporting other public services
- Providing the increase can be justified I would be happy to pay the increase
- A rise of 1.99% is acceptable to secure the safety and well-being of the Cheshire people, however, the proposed modernising of the service I hope will not reduce the numbers of frontline firefighters to accommodate other expenditures
- I'm all for your capital investment but when I see money being spent on rainbow flags and machines being used for this message I honestly think it's a waste of resources and a political statement and one to make the fire service look better. I would like to see more full time firefighters as opposed to retained ones. I think last year you proposed to reduce the amount of aerial platforms crazy yes they may not be used much but when there needed you want them there quickly. The community fire stations look a much better idea and shared facilities to reduce costs
- Cheshire Fire & rescue Service offer an invaluable service to the local community which at times can be extremely hazardous. I fell they should therefore be fully equipped with up to date, fully functioning top of the range equipment and

vehicles which will assist in their reaction time and keep not only themselves but the community as a whole safe.

- The increase in council tax collection must be used to fund the front line and not the expansion of SMT structures or green book roles. It is unacceptable that our welfare response structures, specialist appliances are single crewed and the establishment reliant on overtime when we are still reporting budget underspends.
- I would support any affordable increase for key services such as fire and police, providing it doesn't get squirrelled away to pay councillor's expenses.
- You do a great and vital job. I absolutely agree that you should receive more funding.
- Our emergency services are or should be valued by all
- Our Firefighters put their lives on the line for us all daily. If we have to have our council tax increased to ensure that they can do their job properly then I agree!
- I support the need for our Fire Service to be properly trained, equipped and rewarded; a vital service to our community.
- This absolutely needs to happen....they need the money for the future maintenance and development of the service.
- I think Cheshire Fire Brigade do a fantastic job and would fully support an increase in tax for revenue!
- For this small increase per house is good value for money
- Out of the 3 main services the fire service have to respond the quickest and we need to keep this service tip top
- This is a very small increase in a critical service that has been cut and cut in real terms over the years. We would support this wholeheartedly.
- seems perfectly reasonable
- I support this measure if the additional funding is spent on better facilities and equipment for front line staff. Cheshire currently sit on substantial reserves which should be spent according on the service it provides, such as better vehicles, station upgrades, better uniform/ppe
- Although the Fire Service has been amazing throughout the challenges for 2020 and I personally have no objection to the rise in council tax, I am not sure it is

appropriate with so many residents losing jobs and currently struggling to feed families

- I would personally not mind this small increase to meet the ever increasing demands put on these services.
- Would happily support a larger increase to allow Cheshire Fire & Rescue to provide an even better service. Thank you for everything.
- Worth every penny , very underrated service
- It's good value for money the service the Cheshire fire and rescue provide for us.. I strongly agree to the rise..
- You provide an excellent service.. much needed. However we can continue to support all ready funded services! Year on my council tax increases. For the police it increased last year / got our local PCO with a speed gun .. not detecting crime!!!
- If it is ensured that Principal Officers are not awarded a bonus or pay rise in line with Firefighters pay freeze then I support this.
- We must provide the best equipment to the fire service to enable the best protection for us
- Cheshire Fire Authority is a vital part of our community & must be fully funded. The Fire Service performs a very important role in protecting lives & property. I fully support this proposal.
- Yes the fire service is one of the most underrated services but such a very important service and they need our support to carry on the great work.
- Not the right time this year. All govt taxes are likely to increase while as a nation and at community level income has drastically decreased or in some cases stopped altogether. Many people are now living below the poverty line. I do not support any increase this year.
- Council tax is so expensive, people struggle to pay it as it is & some of the things we do pay for we don't get, it goes on other things that we don't really need.
- Fantastic service and would love to support but with no inflation to my wage and rising food and other bills, any precept increase adds financial pressure. Cannot support any rise in current situation

- There are hundreds of thousands people going to be without any income if we ever get out of this pandemic. Neither the Fire nor the Police Authorities should even be considering increasing their budgets at this time.
- Given the current Covid situation with many people loosing jobs and being furloughed this is not the time to be increasing council tax
- People are in a difficult time at present & cannot afford increases in Council Tax. This increaser together with 4.99% for Cheshire East Council plus Police and area increase will put families in a difficult situation.
- Workers furloughed or made redundant, this rise in precept is unacceptable and increasing burden on struggling households.
- There is now very little work for the Fire and Rescue service and there is a need to cut the cloth accordingly.
- I don't think I should have to make up the money the government should be paying you.
- Given the significant economic impact of coronavirus I strongly urge Cheshire Fire & Rescue to consider freezing its share of council tax for the coming year. Furthermore, economic indicators along with surveys of employed suggest many companies are considering pay freezes for 2021, therefore, with many residents already struggling to pay bills as a result of the pandemic, I would urge CF&R to abandon its proposal to increase its share of CT.
- I believe that enough monies are provided not ant that management should be streamlines a lot and resources better directed to providing the core services.
- Community charge is already sky high plus in our case a parish precept just cant afford any more. Funding for improvements should come from central government
- I have had enough of increases year in and year out and especially when we see nothing for that increase.
- How about focussing on driving costs down rather than looking for handouts? Lazy approach...
- People lost jobs, furloughed, people struggling feed their children. Extra paying out on gas and electric bills which is astronomical for people at home all the time and told to stay there.
- The cost of this service should be decreasing with better use of new technology...

- CFRS has £21.5 million in reserves. Chiefs are still getting bonuses and earning payrises over and above what Firefighters are getting. CFRS has opened new stations at Penketh, Powey Lane, Lymm, Chester and Alsager. At 4 of these stations staffing is inadequate to be efficient when deploying resources (all riding 4s, single crewing ALPs, 1 extra driver at Powey Lane which is clearly inadequate for the vast range of specials it carries and the rope rescue unit being often unavailable). CFRS has also recently invested money in RRRUs for all retained stations. All of this money could and should be directed to frontline structural appliances and to properly crew specials. In addition to this, the budget for CPD courses for Protection staff has been cut recently which directly opposes the requirements following Grenfell. If the money is properly spent, I support this proposal.
- Why is there a need to increase council tax when over the last ten years you have gradually reduced the number of firefighters and fire engines across the county. I understand a new training centre has been built and also a new station at Chester but surely this comes from a budget secured for that purpose and does not require an increase in council tax to pay for.
- At a time where the country has stopped all public sector pay rises, people are out of work due to the virus or earning less because furlow this would be a mistake to increase your tax
- When I see a pay rise of the same amount I would pay this but as I'm not getting one it is in fact cut in my available spending money for essentials
- The council should be more efficient in its operations to pay for this and not keep hammering the residents every year.
- Currently Middlewich have a part time fire service with a growing population. Should the percentage requested not reflect the type of service the town. Middlewich are fighting for additional facilities such as keeping the local tip open. I appreciate the Fire Service is one of the 3 emergency services but the request for additional funds should be by town and reflective of the existing fire service in the town compared to other towns who say have a permanent full time fire station. These are difficult times where difficult choices have to be made and Middlewich residents should not be funding the fire service for other towns in the county.
- In Cheshire east we have seen a reduction in cover especially at night time reduction in specials and how they have been staffed. No pay rise for firefighters! Struggling to see why I should pay more to get less of a service than other unitary areas.
- Every year council tax elements increase under the comment 'it's only £1.58 per year'. It might only be £1 but apply this over the many hundreds of items a year

and it adds up. If the council think this is vital they should reduce their non essential and wasteful spending. Get rid of police and crime commissioners for one

- Most people struggle to keep pace with inflation. ie through wages and extortionate tax rises from public services. If those that are employed to manage can't do this , then replace them with someone who can. Last year we were told how Cheshire East Fire came third in LGBT (if that's what it is) list of employers and if that's the priority forget any rise in council tax.
- Already pay enough
- Why would you increase the amount paid to cheshire fire authority when the government made it very clear public sector workers including our fire men/women would not be getting a pay increase. I wouldn't mind paying it if this money would increase the pay for our fire men/women but that not being the case I strongly oppose this increase.
- Most are all suffering financial loss due to covid19 and are reducing our operating costs. Cheshire Fire Authority should do the same
- Everyone has taken a financial hit. Please please keep council tax vaguely affordable for your residents. Thank you.
- A pensioner ,limited income , and the cost of living going up , can we carry on with constant rises , there's a limit .
- Substantial saving should have been made over the last twelve months with little of no home visits taking place. You are asking for people to increase your funding at a time when furlough has not covered outgoings and has decimated any savings. Cut your cloth to suit like we all have to and not use fire safety as a quilt trip.
- Money could be found by delivering fire safety training fire marshal courses and writing risk assessments. This would meet the current demand that's out there we are the experts so we should utilise this.
- The Fire Service provides wide ranging cover to the people of Cheshire, attending not only fires but also RTC's, hazardous material spills etc. They also save lives (and money) by providing fire safety advice .It's staff are highly trained emergency responders and with the stress which will be placed on the NHS for the foreseeable future, this expertise should be utilised to the maximum.
- Why do we pay for you to cover the whole of Cheshire? Doesn't some funding come from from Cheshire West and Chester?

- Will this lead to an increase in fire cover in my area
- Emergency services should be funded by government and only topped up by council tax. You provide an emergency service and are woefully underfunded.
- I want to support the Fire Service
- No, apart from saying that I hope they can continue to do their good work.
- Thank you for providing the rationale for the 1.99% proposed increase. Often, an increase in Council Tax is implemented without residents being made aware of background, need and rationale in addition to how the increase will be spent. Your rationale is logical and realistic.
- I believe our Fire Service do a great job. Still disappointed there is no longer a Fire Station in Knutsford
- Key emergency services cannot be run on a shoestring. However, I hope this increase is not just going to be used to increase the already generous salaries of senior management
- Thanks for all your hard work
- I wish to support keeping open the local Poynton Fire station
- We are fortunate in that we have not yet had need to call for your assistance but we appreciate what you do for the community and it is reassuring to know that you will be there if we do need help
- The fire service are amazing
- I do not have a problem for the fire brigade
- Well done
- A difficult decision in uncertain times as a lot of people will be feeling the pinch, but the Authority has few options in the face of no real increase in Government funding.

## **Comments from Cheshire West and Chester residents**

- Fully support the essential services our Fire Department provides.
- Support but with concerns. The system of banding properties needs to be examined to establish whether the bands still fairly reflect the very many changes to properties. The emphasis placed on the Stonewall organization seems to be skewed in favour of its constituents and ignores other groups. This seems to be politically motivated, something that should not occur in public service organizations.
- You provide an amazing service and I would be happy if you wanted to increase this amount even further! Thank you.
- None at all. Worth every penny.
- It's important to have a robust fire and rescue service, so if a bit more cash is needed to fund it I'll willingly pay.
- It seems to me to be a negligible amount of increase to maintain a very necessary service.
- In my opinion the precept should be more than that. it's a very small amount considering the way costs have risen in the last few years. Even though we are pensioners we would be glad to pay a bit more to ensure that the fire department have the ability and resources to get to incidents and deal effectively as quickly as possible. The Fire Service is there to save lives after all
- An essential service, therefore needs to be properly funded. Given the cut backs in funding by central government rises are inevitable, I feel the proposed increase is more than reasonable and a much larger amount could have been justified.
- The fire service is a very important community service. I very much value the work they do. They do a lot more than put out fires. If we allow the service to become so neglected it can no longer provide this wide range of services we risk losing it altogether in the future. This would leave us all at risk but especially the most vulnerable members of our communities. We mustn't neglect and take for granted the services we value or leave it too late and be unable to find large quantities of money to rescue them. A small increase is an investment for our future.
- Essential services must be supported.

- Following a road traffic accident in January 2019, we were supported by Malpas station who stayed with us 2 hours whilst they cut me from the car. They were absolutely brilliant.
- They are lifesavers we should all be doing all we can to help to support them! After all they risk their lives to save ours!
- This seems a reasonable increase to support the emergency service with its plans. I do think any increase in the ability to share resources across public services should be seriously considered.
- Go for it! You are a vital service with high overheads. People lose more money than this down the back of the sofa each year.
- Not really a big increase for families, but such a huge amount for a service that gives it all for the community it serves so selflessly
- I believe it is in the best interest of general public especially if it means a 2nd appliance can be based at Ellesmere Port on whole time crew basis, due the mass manufacturing and oil sites based in the immediate area as fires at these can escalate very quickly if firefighters and foam cannot be on scene within a matter of minutes.
- Use some of your capitol reserve do all of the of the retained stations need to be renovated as some are barely used.
- Like many people, as a family we cannot afford to pay further into all the pots for our Council Tax. Money is tight and every penny counts to a family. Last year our household contribution to Council tax rose by over £23 per month, that is an annual cost of £230 which we have to take from somewhere as our wages have not increased by this much during the same period. stating that it is £1.58 per property is not the ACTUAL cost, truth be told, across the board. I would like to see more transparency on where our increases go.
- I am in favour of this as long as it does not give yet another rise to council tax bills.
- Fire and rescue officers need to do more in the community, especially during COVID. The union is so antiquated that it prevents full utilisation of its members. Why should I pay more for firefighters to sleep and have second jobs?
- People are already at breaking point financially, yet you, the police and the council all want to up the amount we pay. So the same as the public are told, Manage your finances better, maybe sell the snooker tables you have in stations. Perhaps some back room staff should have a reduction from their six figure salaries.

- The fire service where I live is virtually none existent our fire fighters are at Ellesmere port when we have needed the fire service not one engine was available because you have it we had no staff to man it. Why should we pay more when we don't have the benefits.
- No increases, if needed, let the government fund it.....
- My income will not increase in 2021/2022, so why should yours.
- This is not the time to be increasing funding for this service. There are other services more in need of increased funding during the pandemic. The service should be looking at economies of scale by working with other services. They should also be looking at reducing costs by improving efficiency and value for money, looking at different working practices and systems of working.
- In my view, this is not the time to increase funding for this service. There are other services that need further investment to deal with our current crisis, and they should be prioritised. I am of the opinion that there are economies of scale that could be made by combining with other agencies. I also believe that there are savings to be made within the service by reviewing operations, working practices etc
- Always seems to be enough money to waste on new fire stations my house is now within 7 miles of 3 separate fire stations Chester, Ellesmere Port and the new station near Costco. Also recently read your own information about the purchase of very expensive motorcycles, but all we ever hear from the unions is constant cuts doesn't look like a shortage of money to me but I'm just a former business owner so what would I know
- It is very difficult to accept any increase when personal income as a result of recent events has been halved
- We are in a global crisis. This is not the time to be putting financial burdens on people. It is time to economise, like your bill payers are having to do.
- The fire service should provide a better service with what they already have and be more proactive in being visible to be public. They should not be in comfortable seats in their station but out providing a service.
- When you don't get much help from the government due to not working, can't claim universal credit or self employed grant every penny helps. Plus I'm band G
- In the current climate there is no justification for unnecessary increases in expenditure!

- In the current climate increases in all essentials are happening. On limited pension payments these increases are not taken into account so enough is enough.
- It never ever goes down always up. 2020 has been a horrendous year for the public and rising costs should not even be considered. Council tax is getting far too expensive, pay more get less. I want to pay less and get more, but I don't seem to have a choice.
- I respect the work and commitment of our uniformed services. However, at a time when families already face severe financial hardship, they shouldn't now be bearing the brunt of a hike in council tax. The problem is, it doesn't stop at Cheshire fire and rescue. It will then move onto the crime commission attempting to justify an increase. I already pay nearly £200 a month on council tax. I have a newborn and a wife to take care of. Also because of the impacts of Covid-19 I lost my previous job and as a consequence, I am now on a fairly large pay cut. The government should be reaching into their pockets to cover any losses. Not the hard working people of Cheshire who have already had a very challenging year.
- Everyone has to cut back, and so should you
- When everyone else is having to make difficult choices it is unfair to what will inevitably result in larger than inflation increases in council tax. Cut out bureaucracy and waste first. The men and women firefighters do a great job but it's not these that should be penalised
- Demand is not there to support more finance
- Perhaps consider the struggle and financial ruin so many members of the public are currently going through, before demanding more money.
- Many people are furloughed or have lost their jobs. Where do you think they can find the extra money for your precept, as well as Cheshire Constabulary who are also seeking an increase? There is only so much money to live off.
- The threat of council tax increases is too much in light of the COVID-19 financial impact to family incomes, which coincide with price increases from BREXIT, & the very real, but yet unknown, threat of tax hikes to come, following all the financial support afforded the public & businesses during the pandemic. I really don't know how this Gov & local councils can believe they can keep squeezing UK citizens for more, when it simply doesn't exist. Any local council tax increases need to be delayed until the COVID-19, & BREXIT travesties calm down & more info is shared from Rishi Sunak on general tax rises. Thank you.

- Because council tax is rising constantly year on year.
- Due to the pandemic, thousands of people are losing their jobs and therefore this is not the time start increasing things.
- Reminds me of the Police Authority WE ARE NOT CASH COWS. The Fire Authority ought to look at cutting back on what it does and work at its core business of fighting fires/emergency response and REAL emergencies - at that not animal first responders.
- Yes in current climate of this pandemic where people are struggling who have lost their jobs trying to make ends meet could not afford it. Also when this country comes out of this crisis the UK economy is going to be a massive recession. If you increase the council tax, the Council will increase it for others, waste collection, the police. To be truthful in the current climate where many peoples mental health due to worry, loss of job, loss of business you have just added to the strain to peoples mental health by now worrying that the council tax is going to increase. To be blunt who ever made the decision to put this survey on at this time needs their heads banging together. So wrong shame on them. For example I'm out of the army in May, my employment prospects like many others is very bleak due to the current crisis, I have complex ptsd and now with this survey about increasing the tax has added another additional worry and panic to the future. I'm sure many many others are in the same boat. I'm sure if any one had any sort of brain cell the could of waited until firstly this pandemic went away and secondly when the economy is gets back on its feet this is going to happen for a long time. With the cost of damage this virus has cost the UK economy I'm 100% the Government will drastically increase the tax on wages etc.
- Why every year am I being asked to support and increase in precept when my local fire cover has been cut and the wages of the Senior Officers has increased? This money is going straight into the pockets of the 3 members of the Principal Officers team.
- Every one wants to put there cost up, I have not had a pay rise so have to find the money elsewhere. No to an increase
- I don't mind as long as my council tax does not go up to fund this increase in your precept share. Perhaps attend less animal rescues or charge owners. It's not for the general public to fund irresponsible pet owners allowing their animals to get stuck. I do not consider the majority of these incidents life threatening or an emergency to the public. You are not an animal welfare charity.
- 2020 financially crippled so many people, council tax rises of any amount would disproportionately affect those already most in need.

- The fire service needs to document its efficiency savings before asking for an increase in funding. Most people will be facing redundancy this year, and the timing to ask people to contribute more in taxation, is really insensitive. Home office statistics show a 4% decrease in incidents compared to the prior year (up to June 2020) and a 15% reduction in fires. So an increase in funding doesn't seem proportional to the requirements of the service over the past year.
- I am a single person living in a 1 bedroom flat. I pay nearly 100 pound a month in council tax. The roads are disgraceful and are causing damage to my car which I pay all taxes and insurance for. I do not have a garden yet I pay to have an unnecessary green bin collection. No option to opt out of this. Where does my council tax money go? On paying the interest for barons quay? An empty shopping centre which no one wanted, or is it going to Northgate vision, the same design as the already money pit built in Northwich. How about the council take the money for this build and put it towards the essential needs of the community like the fire brigade and police instead of wasting it on things no one wants or will use. The council should represent the community not go against what the community wants.
- Everything is going up, but wages are not and people are losing their jobs. This is a time to look for savings, not increasing costs.
- In a time when people have lost jobs and income and people are having real time pay cuts it is irresponsible of the Authority to propose an increase in the fire precept. Additionally attendance standards and appliance availability have got worse over the years. We should not have to pay more for a reduced service. If attendance times were improved and on call availability increased then an increase could be justified. But not this year
- I don't mind paying for a fire service. But the budget get spent on so much more than fire and rescue service activity. I admire that but in a time where public sector money is tight. Then maybe cfrs should keep within its remit. Stop spending money on gimmicky fire engine paint jobs!
- Relatively speaking Cheshire FRS more financially stable than its counterparts around the UK. This seems to be largely due to sound financial decision making through difficult and challenging economic climates previously. COVID-19 support has been provided by central government so in financial terms there appears to have been no significant impact to date. Many people are having significant difficulty managing their finances at present and things may get even worse in the short term. Funding increase demands by multiple authorities will on add to the community's financial burden and Cheshire Fire Authority should work to find alternative ways to fund their plans, certainly in the short to medium term at least.

- Stop bonuses to POs and spending a fortune on gifts for CFA. You increase the council tax every year regardless of what the tax payer says
- Not a lot more money won't make a difference most people paying it . But think any increase is difficult in these hard times
- I understand that it's essential for fire services to be maintained to an efficient standard and I am aware that central government are not contributing to this. Therefore local people must be prepared to give more financial support and in return I presume will have scrutiny of their local service
- I know it's needed but everyone is struggling at the moment.
- I would like to see in the public domain where the extra money is going to be spent. I'd like to have a Fire Service that is crystal clear where the extra money has been and is going to be spent. I'd also like to see the Fire Service make savings and reinvest that money. Can fire engines life span be extended, can Fire Fighters pay a more realistic and fairer rent on the property that they rent from the Service. I know of one married couple that pay a totally unacceptably low amount of rent for their property, when the general public pay several times that amount.
- Only to say you must always bear in mind that some of us live in rural locations far from centres of population and therefore some distance from fire stations.
- Thank you for your good work.
- Keep 2nd appliance at E/port.
- I believe it is important for services to be up to best standards. Equally, however, I would expect those services to more cost-efficient than they are currently and in which case I would expect that the council tax increase would decrease following the completion of plans.
- I would be strongly opposed to the PCC getting involved in the governance of the Cheshire Fire and Rescue service. That office only adds cost at operational expense.
- Maintain the current standard of our fire service
- Would like to see more support for Ellesmere Port fire station as there is a lot of dangerous industry in the area.
- Thank you

- I do not want to see any more cut backs to our fire service

### **Comments from Halton residents**

- It's a small price to pay for such a service that is provided
- £1.58 extra is a price worth paying for the service you provide.
- Think this is essential to ensure you are able to complete all operational commitments to the area.
- The Fire service does a tremendous job, not just in reacting to a range of emergencies and critical incidents but more importantly in its prevention role. Vitally important to maintain these services.
- I am very grateful for the service provided by the fire service, thankfully I have not needed to utilise the service, but feel reassured if I needed to. I feel this increase is in keeping with inflation.
- The Fire Authority and staff are noted to have supported across areas to support resilience during the current crisis. This proposal for an increase in precept is a small contribution against the services provided.
- I think that this is a request for a modest increase in order to help keep the service supported.
- I'd pay more to keep my family safe and the more we pay the more personnel and appliances can be provided. Same for the Police
- I don't have a problem with any increase towards Cheshire Fire Authority's funding, what I do object strongly to is HBCs ongoing waste of money on silly "schemes"
- You do a great job and need the proper funding
- Times are hard but £1.58 for this vital service is justified
- Although I feel the fire department deserves the increase, people have been hit hard by coronavirus. I do have a suggestion however. Perhaps it could be taken from the police budget as they are wasting money chasing people over masks and sitting on park benches. Further, if they have time to drop to their knees as much as they do for every imported 'cause', then they are hardly busy!

- This move has been warranted for a long time, it is the only viable option when government funding is reduced, it is far better than a reduction in services which has been the previous option.
- I am a 78 year old pensioner living alone where do I find the money from I would love to hear your answer
- As I live in The Decks, and the local Fire Brigade have banned us from using our parking spaces and then seemingly ignored us, I don't see why I should support them in any way whatsoever!
- Due to current covid restrictions feel everyone struggling so why can't you find your increase from another avenue
- At a time when we're all struggling financially, it's difficult to agree to any rise in council tax.
- Wages etc are not going up, the central government and local councils are squandering billions let them pick up the tab. We already pay too much tax as it is for diminishing services.
- The extra added to our council tax to pay to Steve Rotherham should be given to the fire service instead
- Council Tax should be responsibly put to use in the areas, which are best suited, to fulfil the needs and requirements of the people within the community.
- we need to support our fire service or lose it
- A Fair and Reasonable system would be that everybody should pay or receive the ONS CPIH yearly inflation index as measured November 2020. This is the government's ONS of 0.6%. The problems when somebody obtains more than the 0.6% is that it can cause a lot of hardship to the public who may only receive 0.6% less tax. The government with its unfair policy, that effectively creates the fire, police and councils into another tier of tax collectors by forcing tax increases on everybody of increases of 1.99% for the fire, almost 7.2% for the police and over 6.5% from local councils. The local councils have added other precepts charges for social services of 3%, green bin charges. The government have other precepts lined up for 2022 to 2023. It by-passes the person's ability to pay these increased charges. It NOT based on your tax based on your income PAYE codes. Both myself and wife don't receive enough yearly income to pay tax, however we cannot obtain any other relief or benefits from the DWP. So what we have is fully accounted for each and every month. Then with dip into our small amount of saving in case of emergencies to make up the overspend of £700 per year. People on low incomes like me and my wife do not obtain any benefits to top up our income. However our monthly outgoing are were outstripping our

monthly income by over £57 per month over the last year. This year I expect that we will have to turn the heating system completely and just use 1 room with 1 electric heater to keep us warm. I understand that the fire service has managed to keep down the increases over the last five years. They have managed to control its budget, make a lot of saving. So thank you very much for keeping taking the public into consideration with the small increases. it has helped us when it keep small increases. However the Cheshire police precept over the last 5 years has been like a uncontrolled rocket with £60+ worth of increases and the public do not see any increase in performances. It's a pretty bad service and poor VFM the police service. Anybody in Cheshire will have the same view. Thank you.

- Just that we appreciate that all you do for us in the present climate.
- I understand why you would want an increase but timing could be better. In the middle of a pandemic, redundancies, difficulty getting another job. My partner has just been made redundant leaving us in a massive debt as he's struggles to get another job. Then finding out I'm being made redundant in March, the anxiety I have knowing I need to find another job and the worry of going further into debt, an increase is the last thing I need but council tax is going to increase regardless. Funny isn't it, all these bills increase year upon year but I don't get a pay rise each year.
- We all need your services
- Times are tough and I've been severely impacted too. Plus I haven't had a wage increase for over 25 years.
- My daughter recently had a fire in her kitchen at midnight, faulty washing machine circuit board, she could of lost her house if it wasn't for the quick response of the 2 fire crews, as it is she's been living in temporary housing since 1st December while we make her house habitable again. We will be forever grateful to the fire service, without them there will be disasters and more deaths. This is why I'll always support them.
- Following the successful smoke detector campaign, its time to consider targeting premises Fire risk assessments for complete accuracy.
- In these trying times it's hard for everyone concerned. Covid has caused hardship for everyone. Although £1.58 may not seem like a great deal of money, it is for many households that have lost their incomes, due to the governments restrictions! The lockdown, lack of furlough for self employed. I know that our council has taken cuts, but money has been saved by the council in other aspects! So surely they can help out in some way? I can see from both points of view hence my stance on this!

## Comments from Warrington residents

- We need public services to be properly funded. If the government will not do so by taxing big companies effectively then the public has to step up.
- I think you should get even more money because you have had you cope with cuts in the past when you didn't have enough money then . All this increase will do is give you a little bit extra, which won't even bring you up to where you probably were before you had the cuts . In my opinion the NHS ,the Fire Service and the Police force are shamefully underfunded and are vital to the welfare of the public!
- We need this service
- CFRS do a fantastic job and a small increase for us will mean a lot for the service they will be able to provide
- Happy to pay increased council Tax to protect and improve local Services.
- Whilst I wholeheartedly support this application for an increase, this also shouldn't be/come from/to the detriment of residents whom (just like those serving) may and are dealing/suffering with the ongoing consequences of this pandemic. Local Government should be assisted by UK Government to ensure that these active Firefighters/fire Authorities gain what they rightly should. On both sides they need to assess if they get value for the money paid to have high titled positions and decrease some vastly overpaid positions and even consider cutting or amalgamating these to ensure value for money. That includes both Local/Council positions and Fire Authorities too. The cats at the top appear to get fatter on both sides, whilst they those doing the actual work and those paying into the pot just keep giving
- They all deserve a pay rise as they a emergency service.
- People are struggling enough to pay the council tax, you can't increase it again!
- It's difficult times for most residents. We can't afford a rise in our council tax
- I am struggling enough during this pandemic without having this increase
- At a time when unemployment has risen at all levels of the employment scale, increasing taxes will not be well received. I am mindful that costs need to increase over time, but perhaps consider deferring this for a year. I appreciate we are only talking of a small amount, but for a parent struggling to find a new job the stress the word 'increase' may induce could be significant

- Cut members payments also reduce higher ranks
- Covid grants have been provided to CFRS during the pandemic. The council tax payers of Cheshire have had no grants so how can you ask the public to pay more.
- Already receive too much funding which fire service squander. now you want to squander even more taxpayers money on fancy stations, it is not acceptable.
- Make mandatory to buy appliances and ancillaries that are only UK made
- Failure to use voluntary services.
- The work that the fire service carries out is not recognised as much as it should be - the work you do is amazing and is carried out in such a professional way  
Thankyou
- All fire brigade staff should be full time. Imagine having on call police or ambulance personnel. It would not happen in big cities or towns
- Do we really have any choice?? Yes I support both you the Fire authority and Police but being a pensioner on a pension it gets rather tight having to find the increase 9f the council tax, because on top of your increase the council will want to increase for their social care etc.
- These surveys suggest resident's comments can decide if the increase goes ahead or not. It's not like an election where a vote matters as this increase WILL go ahead.....but the survey makes it look as if there's a chance it won't and it ticks a box called customer relations.
- Keep up the great work and stay safe
- Concerned over the times to respond to a house fire at night in Croft, Warrington. If the single appliance at Warrington is already out and the on call team at Birchwood need raising from their beds it could easily be 20mins before you attend which is probably too late! The 2nd appliance at Warrington should be reinstated.

## **Email Responses**

### **Received 18 December 2020 (name and email address supplied)**

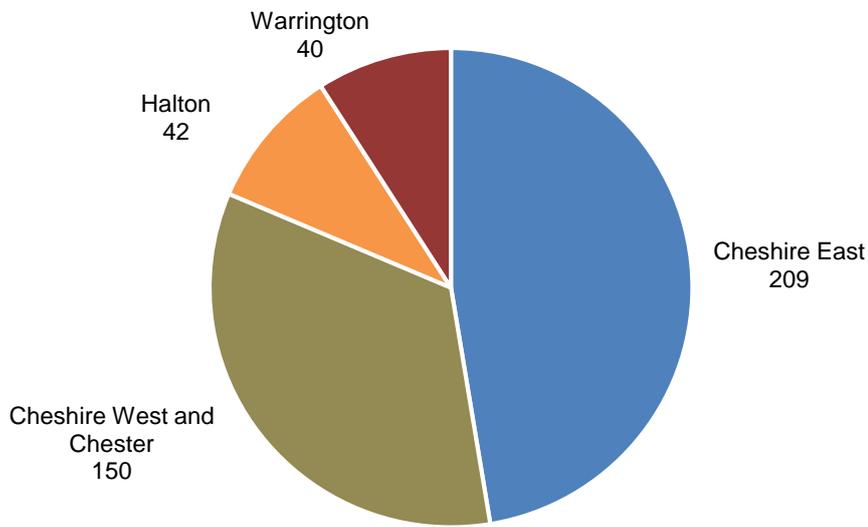
We have no complaints about our fire service increasing their current costs. They provide me and my family with a great service, and I'd like to take this opportunity and THANK every single person involved with our local fire brigade. THANK YOU, THANK YOU, THANK YOU

### **Received 18 December 2020 (name and email address supplied)**

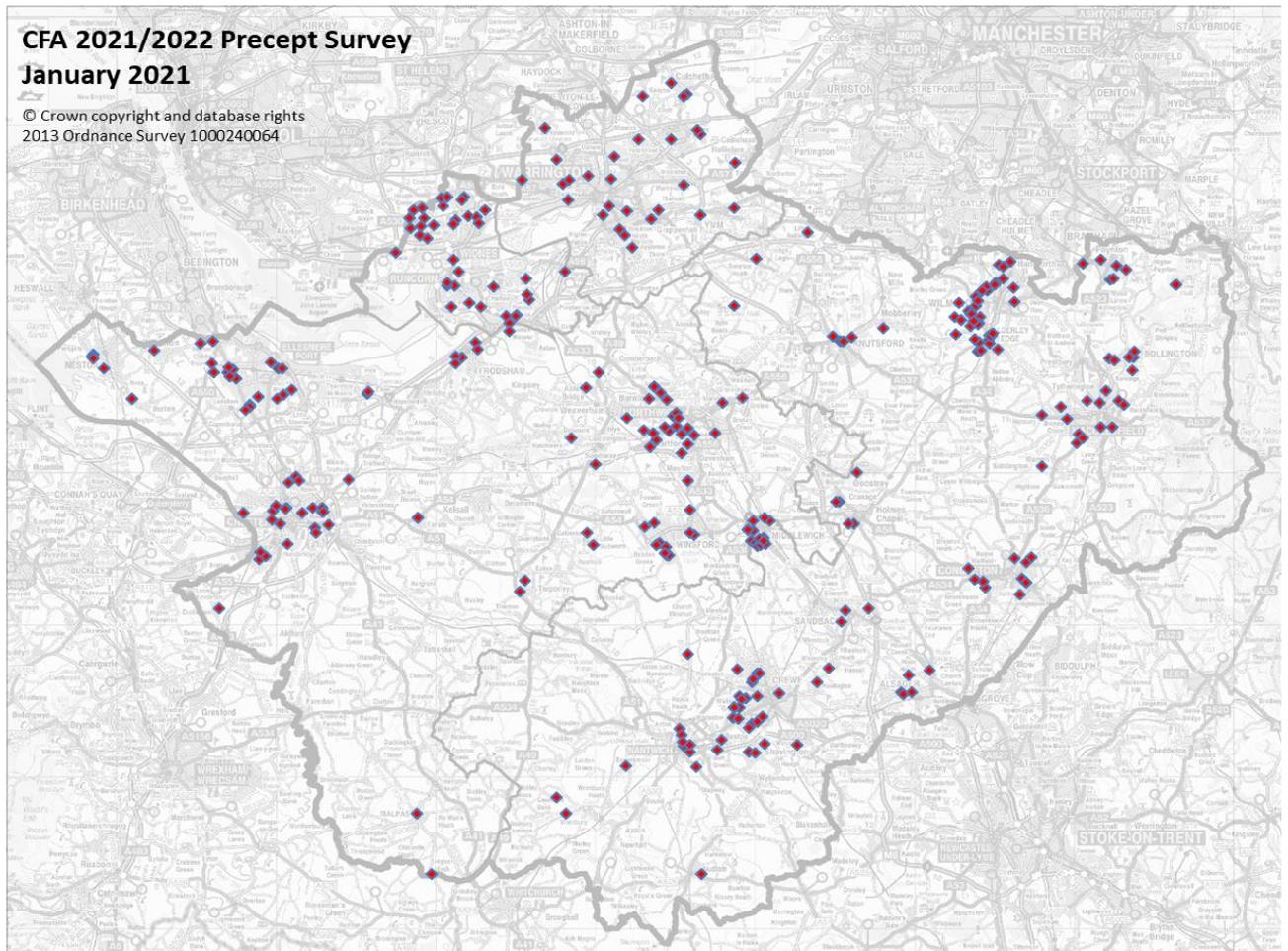
I have just completed your online survey through a Facebook link as a retired community worker I would like to ask why you are more interested in equality diversity sexual orientation than the Frontline reality of firefighting and road traffic incidents I am not questioning the quality for a moment please don't try to portray a different story

# Profile of Respondents

## Which area do you live in? (441 responses)



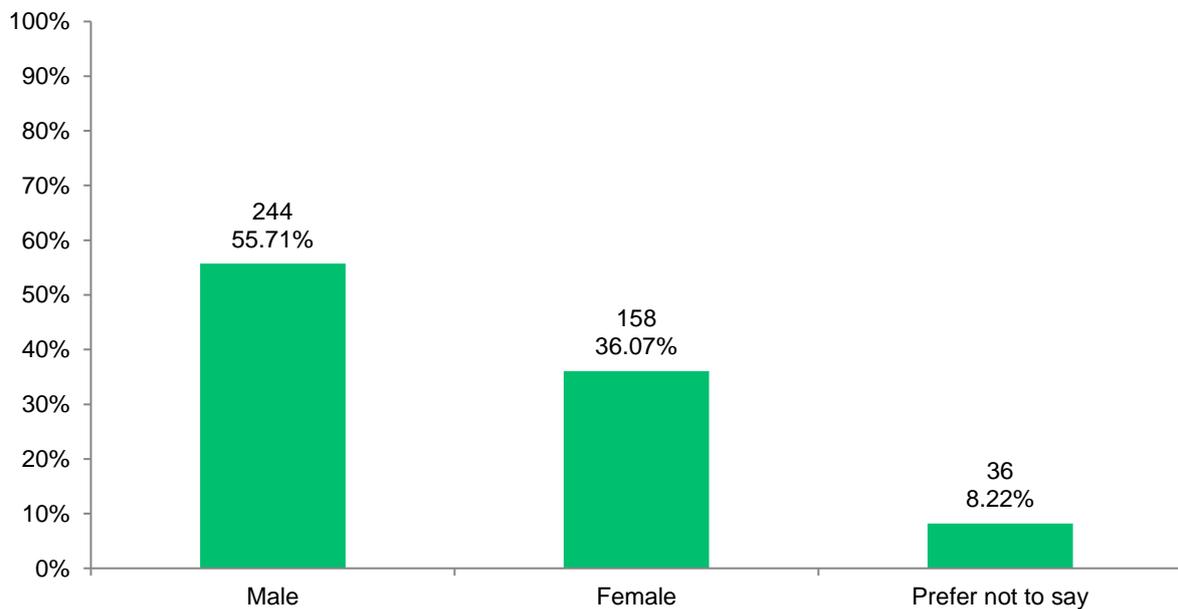
## What is your postcode? (441 responses)



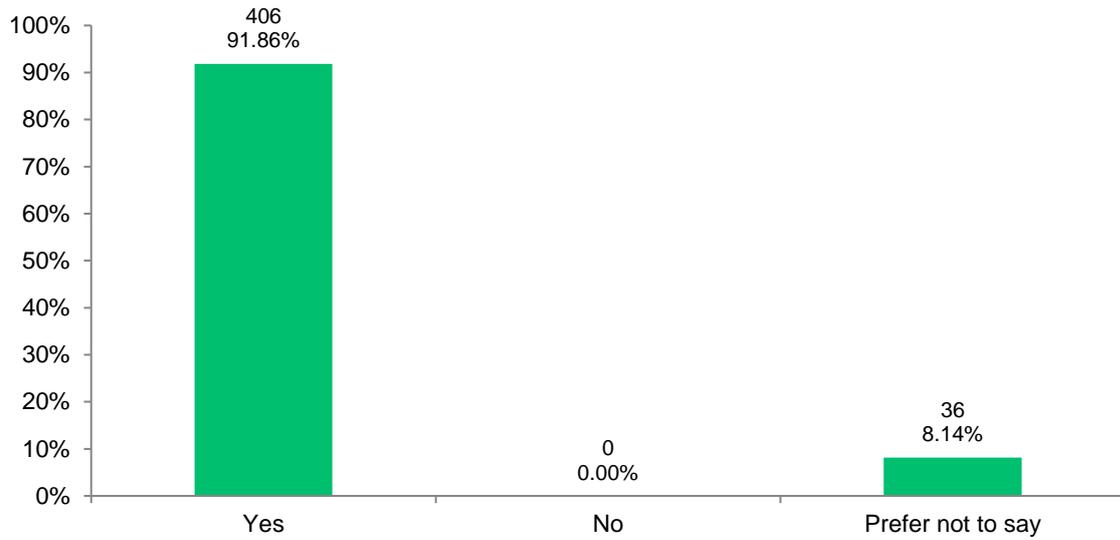
**Where is your nearest fire station? (441 responses)**

Fire Station	Number of Responses	Fire Station	Number of Responses
Alsager	7	Nantwich	21
Audlem	1	Northwich	40
Birchwood	9	Penketh	9
Bollington	6	Powey Lane, Mollington	2
Chester	32	Poynton	7
Congleton	17	Runcorn	17
Crewe	35	Sandbach	8
Ellesmere Port	36	Stockton Heath	8
Frodsham	10	Tarporley	4
Holmes Chapel	7	Warrington	14
Knutsford	5	Widnes	24
Lymm	7	Wilmslow	49
Macclesfield	21	Winsford	25
Malpas	3		
Middlewich	17		

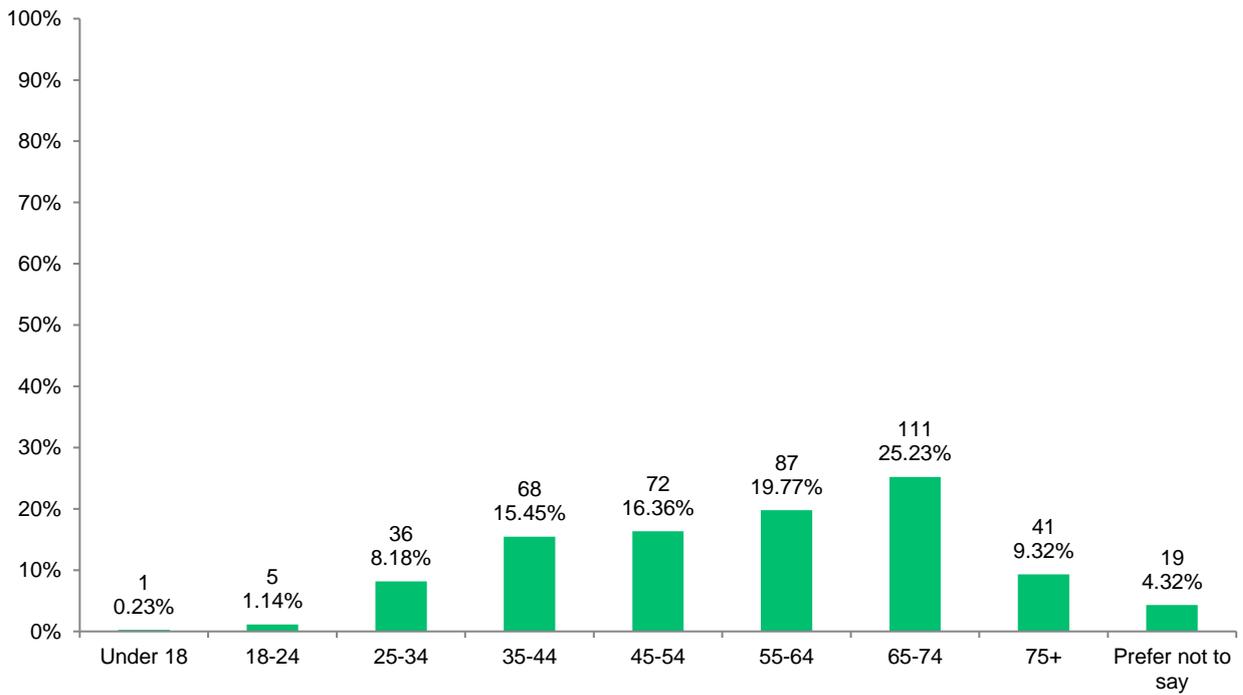
**Gender (438 responses)**



### Is your gender the same as that assigned to you at birth? (442 responses)



### Age Range (440 responses)



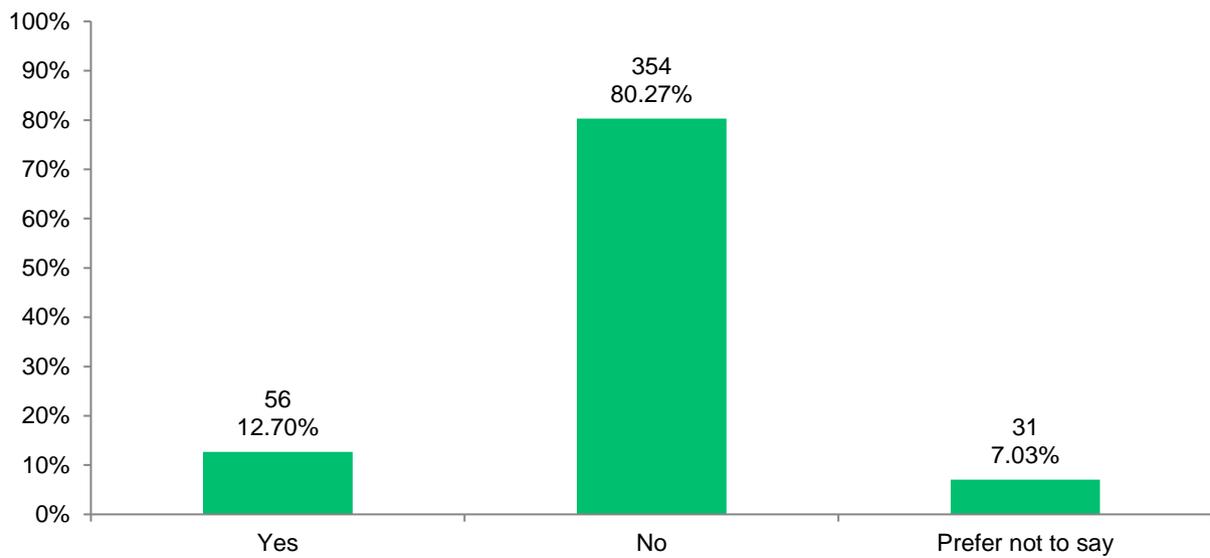
### Ethnic Origin (432 responses)

<b>Ethnicity</b>	<b>Number of Responses</b>
<b>White British</b>	<b>377</b>
<b>White Irish</b>	<b>3</b>
<b>Gypsy or Irish traveller</b>	<b>1</b>
<b>Any other white background</b>	<b>8</b>
<b>White and black Caribbean</b>	<b>2</b>
<b>White and black African</b>	<b>0</b>
<b>White and Asian</b>	<b>0</b>
<b>Indian</b>	<b>0</b>
<b>Pakistani</b>	<b>1</b>
<b>Bangladeshi</b>	<b>0</b>
<b>Chinese</b>	<b>1</b>
<b>Any other Asian background</b>	<b>0</b>
<b>African</b>	<b>0</b>
<b>Caribbean</b>	<b>0</b>
<b>Any other black/African/Caribbean/black British background</b>	<b>0</b>
<b>Arab</b>	<b>0</b>
<b>Any other ethnic background</b>	<b>1</b>
<b>Prefer not to say</b>	<b>38</b>

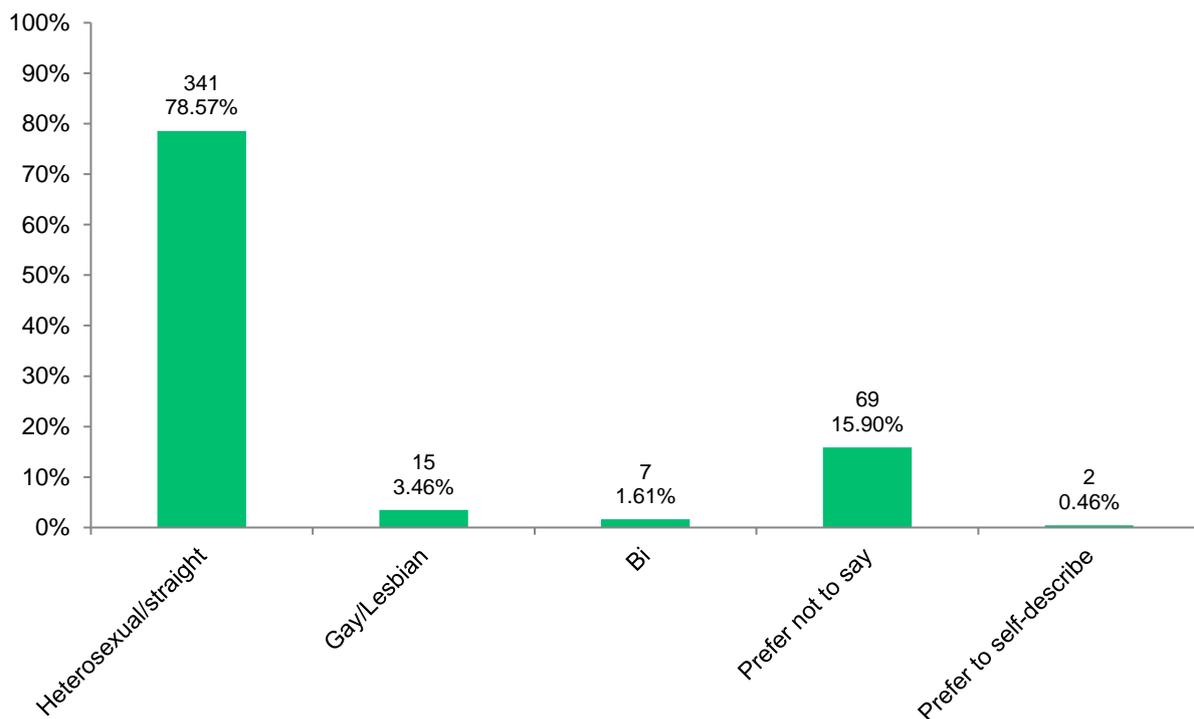
### Religion (414 responses)

<b>Religion</b>	<b>Number of Responses</b>
<b>Buddhist</b>	<b>1</b>
<b>Christian</b>	<b>221</b>
<b>Hindu</b>	<b>0</b>
<b>Jewish</b>	<b>0</b>
<b>Muslim</b>	<b>1</b>
<b>Sikh</b>	<b>0</b>
<b>Other religion</b>	<b>11</b>
<b>No religion</b>	<b>132</b>
<b>Prefer not to say</b>	<b>48</b>

### Do you consider yourself to have a disability? (441 responses)



### Sexual Orientation (434 responses)



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## CHESHIRE FIRE AUTHORITY

**MEETING OF:** CHESHIRE FIRE AUTHORITY  
**DATE:** 10 FEBRUARY 2021  
**REPORT OF:** HEAD OF FINANCE  
**AUTHOR:** WENDY BEBBINGTON

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**SUBJECT:** TREASURY MANAGEMENT STRATEGY  
2021-22

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### Purpose of Report

1. This report seeks approval for the Treasury Management Strategy for the year 2021-22. This is 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 assists the Authority in showing its compliance with requirements contained in the Local Government Act 2003.

**Recommended:** That Members

- [1] approve the Treasury Management Strategy for 2021-22 (in doing so Members are confirming the Authorised Limit at paragraph 5.2.7 of the Strategy).

### Treasury Management Strategy for 2021-22

2. The Treasury Management Strategy ('the Strategy'), which is attached to this report as Appendix 1, is comprised of four main elements, namely:
  - Capital Expenditure Plans and Prudential Indicators
  - Borrowing Strategy and Prudential Limits
  - Annual Investment Strategy
  - Minimum Revenue Provision (MRP) Statement
3. The Strategy is required in order to comply with the Local Government Act 2003, the CIPFA Treasury Management Code of Practice, the CIPFA Prudential Code and the latest guidance from the Government covering investments and MRP.
4. The CIPFA 2017 Prudential and Treasury Management Codes require the preparation of a Capital Strategy providing a longer-term focus to capital plans. This is being considered separately under Item 6.
5. The Strategy also provides context to inform the four individual elements.

## Capital Expenditure Plans and Prudential Indicators

6. Capital expenditure plans are a key driver of treasury management activity. The funding of such plans impacts on cash balances and borrowing requirements in the short and longer terms. The on-going consequences of these decisions have a direct impact on the annual revenue budget. As such, the Prudential Indicators included in this section of the Strategy show the proposed capital expenditure plans, how they are to be funded, the impact on the organisation's finances and their affordability in terms of the impact on revenue budgets.

## Borrowing Strategy

7. The Borrowing Strategy for the Authority reflects the current approach that while interest rates for investments remain low, the Authority will finance its capital programme from cash balances as far as possible. The Authority has, however, approved the use of borrowing to help to fund its planned major build projects in order to preserve reserves for other matters requiring capital expenditure.
8. It is anticipated that £21m of new borrowing will be required over the period to finance the new operational training centre and other planned major build projects.
9. The Authority's current borrowing is almost exclusively with the Public Work Loans Board (PWLB) and this will continue to be the preferred source of future borrowing. Prudential limits to borrowing activities are also included in this section for approval.

## Annual Investment Strategy

10. The Annual Investment Strategy explains that the overarching principle is to ensure that the Authority is prudent in its investment decisions, whilst trying to maximise returns.
11. The Annual Investment Strategy also sets out the investment instruments used by the Authority, and how the Authority uses credit ratings to help determine which institutions to invest in.
12. The Authority will avoid locking into long term investments whilst interest rates remain at their current low levels, and will limit investments over one year to a maximum of £5 million.

## Minimum Revenue Provision (MRP)

13. All authorities have a legal requirement to set money aside to cover the repayment of debt, and this is known as the MRP. The amount of MRP charged needs to be a prudent amount. The broad aim of this is to ensure that debt is repaid over a period that is either reasonably commensurate with that over which capital expenditure provides benefits, or, in the case of borrowing supported by formula grant, reasonably commensurate with the period implicit in the determination of the grant.

14. It is proposed in the Strategy that the Authority continues to set the MRP at 6.7% of the balance of its historic debt liability. This is considered to be a prudent and sustainable approach, however the 6.7% level remains subject to review. Any post 2017-18 new borrowing will be subject to MRP charged over a period which is reasonably commensurate with the estimated useful life applicable to the asset purchased or created.

## **Risk Management**

15. The identification, understanding and management of risk are a significant part of the Authority's treasury management activities. Risk management is, and has been for a number of years, well embedded in the area of treasury management.
16. To avoid the Authority suffering loss as a result of its treasury management activities, a number of risk management procedures are in place. These procedures are based on the principles that security of deposit is paramount, and there is a need to maintain liquidity. Returns should be commensurate with these principles.
17. Key risks are:

- a. Counter-Party Risk

Counter-parties is the term used for another party to an agreement or contract. In the context of this risk, this means a body with whom we have invested surplus funds. The risk is that an amount deposited by the Authority will not be repaid in full when it becomes due.

When selecting counter-parties the avoidance of loss of principal is regarded as paramount. This is achieved by having in place formal policies and procedures that ensure that the risk of a potential loss of principal through the default of a counter-party is reduced to an appropriate level. Those policies include setting minimum requirements on the financial standing of counter-parties and an upper limit on the amount that can be deposited with an individual counter-party or group of related counter-parties.

- b. Liquidity Risk

This risk is that cash will not be available when it is required to meet the Authority's obligations.

To mitigate this risk, the Authority prepares and monitors a cashflow forecast which identifies expected inflows and outflows. The purpose of preparing the forecast is to identify the timing, duration and magnitude of any cash surpluses and shortfalls.

c. Refinancing Risk

This risk is that the Authority will be unable to renew its maturing loans or reinvest deposits on reasonable terms.

This risk is managed to an acceptable level by ensuring that the maturity profile of the Authority's long term loans portfolio is spread over a period of time. The Authority also tries to avoid having a number of large deposits maturing on the same day.

d. Legal and Regulatory Risk

This is the risk that one of the parties to an agreement will be unable to honour its legal obligations to the other party.

When investing its cash balances, the Authority adheres to the guidance issued by MHCLG which defines and encourages a prudent investment policy, particularly in relation to security (protecting invested capital sums from loss) and liquidity (keeping funds readily available to meet immediate expenditure needs).

e. Prevention of Fraud, Error and Collusion

All loans and deposits are made on the Authority's behalf by the Head of Finance or another nominated officer. Every deal is also recorded and reconciled within the Authority's general ledger and bank account by one officer and approved by another officer (segregation of duties)

### **Treasury Management Performance Reporting**

18. In accordance with both the requirements of the Prudential Code and the CIPFA Code for Treasury Management in the Public Services, the Authority will receive:
  - i) A mid-year treasury management report – this will update members with the progress about the capital position, lead to the amendment of prudential indicators as necessary, and determine whether any policies require revision.
  - ii) An annual treasury report – this is a backward looking review document and provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the Strategy

### **Legal Implications**

19. The approval of the Treasury Management Strategy is a legal requirement. It provides officers with a clear framework within which to operate.

### **Financial Implications**

20. The report is financial in nature.

### **Equality and Diversity Implications**

21. There are no differential impacts identified on any section of our community in relation to this report.

### **Environmental Implications**

22. There are no specific environmental implications identified in relation to this report.

**CONTACT: DONNA LINTON, DEMOCRATIC SERVICES, CLEMONDS  
HEY, WINSFORD  
TEL: [01606] 868804**

**BACKGROUND PAPERS: NONE**

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## APPENDIX 1

### TREASURY MANAGEMENT STRATEGY 2021-22

#### INTRODUCTION

- 1.1 Cheshire Fire Authority (“the Authority”) is required to operate a balanced budget meaning that cash raised during the year from grants, council tax and other income sources will match the cash expenditure for the year. The first requirement of treasury management is to ensure that this cashflow is adequately planned with cash being available when it is needed. Surplus funds are invested in low risk counterparties or financial instruments commensurate with a low risk appetite, that offer adequate liquidity (i.e. ease of access) before considering any return on the investment. The investment strategy objectives are, in order of priority, security, liquidity and then yield.
- 1.2 The second main function of treasury management is the funding of the capital programme. The capital programme and plans provide a guide to the Authority’s borrowing requirement which is essentially the longer-term cashflow planning to ensure that the capital programme commitments can be met. The management of longer-term cashflow may involve arranging long or short-term loans or by using cashflow surpluses. Any debt currently held may also be re-structured when favourable conditions arise and in line with risk and/or cost objectives.
- 1.3 The contribution the treasury management function makes to the organisation is critical, as the balance of debt and investment operations ensure liquidity or the ability to meet spending commitments as they fall due, either on day-to-day revenue or for larger capital projects. The treasury operations will see a balance of the interest costs of debt and the investment income arising from cash deposits affecting the available budget. Since cash balances generally result from reserves and balances, it is paramount to ensure adequate security of the sums invested, as a loss of principal will in effect result in a loss to the balance on the General Reserve.
- 1.4 The Chartered Institute of Public Finance and Accountancy (CIPFA) defines 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.’*
- 1.5 The CIPFA 2017 Prudential and Treasury Management Codes require the preparation of a Capital Strategy providing a longer-term focus to capital plans including:
- a high-level long term overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services
  - an overview of how the associated risk is managed

- the implications for future financial sustainability

The Capital Strategy is being reported separately as part of the annual budget report pack.

- 1.6 This Authority has not engaged in any commercial investments and has no non-treasury investments.

## 2. **TREASURY MANAGEMENT REPORTING REQUIREMENTS**

- 2.1 The Authority is required to receive and approve, as a minimum, three main reports each year which incorporate policies, estimates and actual income and expenditure.

**Prudential and Treasury Indicators and Treasury Strategy** (this report) – the first and most important report covering:

- the capital plans (including prudential indicators);
- a minimum revenue provision (MRP) policy statement (how residual capital expenditure is charged to revenue over time);
- the Treasury Management Strategy (how the investments and borrowings are to be organised and includes the treasury indicators); and
- an Investment Strategy (the parameters on how investments are to be managed).

**A Mid-Year Treasury Management Report** – this updates the Authority on the progress of the capital position, updates prudential indicators as necessary, and whether the actual execution of treasury management is in line with the Strategy or whether any policies need revision. Should there be a particularly volatile period affecting treasury management then more frequent reports will be submitted.

**An Annual Treasury Management Report** – This is a backward looking review document and provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy.

## 3. **TREASURY MANAGEMENT STRATEGY 2021-22**

- 3.1 The Treasury Management Strategy covers two main areas:-

Capital:

- The capital plans and associated prudential indicators; and
- The minimum revenue provision (MRP) statement.

Treasury Management:

- The current position;
- Prudential indicators which limit the treasury risks and activities of the Authority;
- Prospects for interest rates;
- The borrowing strategy;
- The policy on borrowing in advance of need;
- Debt rescheduling;

- The investment strategy;
- The policy on creditworthiness; and
- The policy on using external service providers in relation to Treasury Management.

- 3.2 The above cover the requirements of the Local Government Act 2003, the CIPFA Prudential Code, Communities and Local Government’s Minimum Revenue Provision (MRP) Guidance; the CIPFA Treasury Management Code and the Communities and Local Government’s Investment Guidance.
- 3.3 The CIPFA Treasury Management Code requires the responsible officer (the Fire Authority Treasurer) to ensure that anyone with responsibility for treasury management receives adequate training. The external treasury management supplier will provide suitable training during the year as appropriate.
- 3.4 The joint Police and Fire Finance team will manage all day to day Treasury management services on behalf of the Authority, supported directly by Link Asset Services, Treasury Solutions as its external treasury management advisors. However, it is recognised that responsibility for treasury management decisions remains with the Authority at all times and overdue reliance will not be placed upon one source of advice alone. Nevertheless, it is also recognised that there is value in employing external advisors in order to gain access to specialist skills and resources.

#### 4. CAPITAL EXPENDITURE PRUDENTIAL INDICATORS 2021-24

##### 4.1 Capital expenditure

- 4.1.1 Capital expenditure plans are a key driver of treasury management activity. The funding of such plans impact on cash balances and borrowing requirements in the short and longer terms. The on-going consequences of these decisions have a direct impact on the annual revenue budget. As such, the following prudential indicators show the proposed capital expenditure plans, how they are to be funded, the impact on the organisation’s finances and their affordability in terms of the impact on revenue budgets.
- 4.1.2 This prudential indicator is a summary of the Authority’s capital expenditure plans, both those agreed previously, and those forming part of this budget cycle. These are based on actual and current forecast cash spend along with the planned future capital programme.

*Table 1: Capital Expenditure*

<b>2020-21 Estimate £000</b>	<b>2021-22 Estimate £000</b>	<b>2022-23 Estimate £000</b>	<b>2023-24 Estimate £000</b>
14,797	8,228	13,354	4,378

4.1.3 The next table shows how the above capital expenditure is to be financed. Where there is a shortfall in available funds, the shortfall is covered by an additional borrowing requirement. It is anticipated that c£21m of additional borrowing will be required over the period to finance the new operational training centre and other planned major build projects.

Table 2: Capital Financing

<b>2020-21 Estimate £000</b>		<b>2021-22 Estimate £000</b>	<b>2022-23 Estimate £000</b>	<b>2023-24 Estimate £000</b>
14,797	Forecast Spend	8,228	13,354	4,378
	<u>Financed by:</u>			
0	General capital grants	0	0	0
0	Specific capital grants	0	0	0
430	Capital Receipts	450	0	0
7,964	Capital Reserves & Revenue Contributions	3,778	5,354	2,378
6,403	Borrowing requirement	4,000	8,000	2,000

## 4.2 Capital Financing Requirement (or borrowing needs)

4.2.1 The second prudential indicator is the Authority's Capital Financing Requirement (CFR). The CFR is simply the total historic outstanding capital expenditure which has not yet been financed either from revenue or capital funds. It is essentially a measure of borrowing need and any capital expenditure not financed in the above table will increase the CFR.

4.2.2 It should be noted that the CFR increases during the period of the current MTFP, reflecting the new borrowing requirement due to planned capital expenditure, and a reduction in alternative capital funding sources.

Table 3: Capital Financing Requirement (CFR)

<b>2020-21 Estimate £000</b>	<b>Capital Financing Requirement (CFR)</b>	<b>2021-22 Estimate £000</b>	<b>2022-23 Estimate £000</b>	<b>2023-24 Estimate £000</b>
<b>6,807</b>	CFR brought forward	<b>12,794</b>	<b>16,126</b>	<b>23,324</b>
6,403	Net financing need for the year	4,000	8,000	2,000
(416)	Less MRP	(668)	(802)	(1,098)
<b>12,794</b>	<b>CFR carried forward</b>	<b>16,126</b>	<b>23,324</b>	<b>24,226</b>
<b>5,987</b>	<b>Movement in CFR</b>	<b>3,332</b>	<b>7,198</b>	<b>902</b>

4.2.3 The CFR is reduced every year by the minimum revenue provision (MRP). The Authority is required by statute to set aside MRP each year for the repayment of external debt. Under amendment regulation 4(1) of the 2008 Regulations, the Authority is charged with a simple duty to set aside MRP which it considers to be prudent. Guidance has been issued which sets out recommendations on the interpretation of 'prudent' and the Authority is required to prepare an annual statement on how it proposes to calculate MRP. The 2021-22 annual statement is set out in the Annex.

### 4.3 Core Funds and Expected Investment Balances

4.3.1 The application of funds (capital receipts, reserves etc.) to finance capital expenditure or other budget decisions to support the revenue budget will have an on-going impact on the cash available for investments unless resources are supplemented each year from new sources (asset sales etc.). Detailed below are the estimated year-end balances for reserves. The Capital Receipts and Unapplied Capital Grants reserves are restricted in their usage to funding capital expenditure or repaying debt and cannot be used for revenue purposes.

*Table 4: Reserves*

<b>Reserves</b>	<b>31 March 2020 Actual £000</b>	<b>31 March 2021 Estimate £000</b>	<b>31 March 2022 Estimate £000</b>	<b>31 March 2023 Estimate £000</b>	<b>31 March 2024 Estimate £000</b>
<b><u>Earmarked Revenue Reserves</u></b>					
IRMP Reserve	8,296	6,169	4,039	535	7
Resource Centre Managers Reserves	6,227	4,761	5,035	4,971	4,314
Community Risk Reduction Reserve	344	344	344	344	344
Unitary Performance Group Reserve	120	120	120	120	120
	<b>14,987</b>	<b>11,394</b>	<b>9,538</b>	<b>5,970</b>	<b>4,785</b>
<b><u>Capital Reserves</u></b>					
Usable Capital Receipts	0	100	0	0	0
Revenue Reserve for Capital Expenditure	4,266	52	0	0	0
Unapplied Capital Grants	0	0	0	0	0
	<b>4,266</b>	<b>152</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b><u>General Reserve</u></b>					
General Fund	2,210	2,210	2,210	2,210	2,210
<b>Total Reserves</b>	<b>21,463</b>	<b>13,756</b>	<b>11,748</b>	<b>8,180</b>	<b>6,995</b>

#### Affordability Prudential Indicators

4.3.2 So far the Strategy has covered the control of overall capital expenditure plans and borrowing prudential indicators. The following indicator provides an indication of the impact of the above capital expenditure plans and their financing proposals on the overall finances and precept (council tax).

Table 5: Ratio of financing costs to net revenue funding

<b>2019-20 Actual</b>	<b>2020-21 Estimate</b>	<b>2021-22 Estimate</b>	<b>2022-23 Estimate</b>	<b>2023-24 Estimate</b>
0.66%	0.91%	1.97%	2.79%	3.45%

- 4.3.3 This indicator identifies the trend in the cost of capital (borrowing and other long term obligation costs net of investment income) against the net revenue stream. The estimates of financing costs include current commitments and the proposals included in the budget/medium-term financial plan. The ratios are increasing due to the requirement to increase borrowing in order to finance the capital programme from 2018-19 onwards, most notably new debt repayment provision (MRP) in respect of the new Operational Training Centre and planned replacement fire station at Crewe and emergency services facility on the Wilmslow Fire Station site.

## 5. BORROWING

- 5.1 The capital expenditure plans set out in Section 4 provide details of the capital plans of the Authority. A key function of treasury management is to ensure that the cash resources are organised in accordance with the relevant regulations and professional codes so that sufficient cash is available to meet service activity and the capital strategy. This will involve both cashflow management and where capital expenditure plans require it, the arrangement of appropriate borrowing facilities. This Strategy covers the relevant treasury and prudential indicators, the current and projected debt positions and the Annual Investment Strategy.

### Current Debt Position

- 5.1.1 The current debt position, as at 31 March 2020, with forward projections is summarised below. The table shows actual external debt against the underlying capital borrowing need highlighting any internal borrowing or over borrowing.

Table 6: Debt Position

<b>2019-20 Actual £000</b>	<b>2020-21 Estimate £000</b>	<b>Gross Borrowing Requirement</b>	<b>2021-22 Estimate £000</b>	<b>2022-23 Estimate £000</b>	<b>2023-24 Estimate £000</b>
		<b>External Debt</b>			
1,892	1,012	Debt at 1 April	1,012	12,012	20,012
(880)	0	Expected change in Debt	11,000	8,000	1,574
1,012	1,012	External Debt at 31 March	12,012	20,012	21,586
13	0	Finance Lease	0	0	0
(13)	0	Expected change in Finance Lease	0	0	0
1,012	1,012	Actual Gross Debt at 31 March	12,012	20,012	21,586
6,807	12,794	Capital Financing Requirement	16,126	23,324	24,226
<b>5,795</b>	<b>11,782</b>	<b>Internal / (over) borrowing</b>	<b>4,114</b>	<b>3,312</b>	<b>2,640</b>

- 5.1.2 Within the prudential indicators there are a number of key indicators to ensure that the Authority operates its activities within well-defined limits. One of these is that the Authority ensures that its gross debt does not, except in the short-term, exceed the total Capital Financing Requirement in the preceding year plus the estimates for any additional Capital Financing Requirement for 2021-22 and the following two financial years. This allows some flexibility for limited early borrowing for future plans but ensures that borrowing is not undertaken for revenue or speculative purposes.
- 5.1.3 The Treasurer confirms that the Authority complied with this prudential indicator in the current year and does not envisage any issues for the immediate future. This view takes into account current commitments, existing plans and the proposals included in the budget report and Medium Term Financial Plan for 2021-26 to be considered by the Fire Authority on 10<sup>th</sup> February 2021.

## 5.2 Treasury Indicators – limits to borrowing activities

- 5.2.1 There are two limits to borrowing, the operational boundary and the authorised limit for external debt. These are the current debt position as shown in 5.1.1 above plus the forecast requirement for external financing over the next three years.
- 5.2.2 **The operational boundary** is the limit which external debt and long-term liabilities is not normally expected to exceed. In most cases this would be a similar figure to the Capital Financing Requirement but may be higher or lower depending on the level of actual debt and repayment schedules. Temporary breach of the operational boundary is not in itself cause for concern but an indicator that such liabilities should be reviewed. If there was a sustained breach, (such as an increase in long-term borrowing), then this would need to be investigated and action taken.
- 5.2.3 The operational boundaries below are based on estimating the Authority’s most likely level of borrowing and leasing each year. It includes long-term borrowing to fund capital expenditure plans, short-term temporary borrowing for cashflow purposes and the impact of any finance leases.

*Table 7: Operational Boundary*

<b>Operational Boundary</b>	<b>2021-22 Estimate £000</b>	<b>2022-23 Estimate £000</b>	<b>2023-24 Estimate £000</b>
Debt	12,112	20,112	21,686
Other long term liabilities	100	100	100
<b>Total</b>	<b>12,212</b>	<b>20,212</b>	<b>21,786</b>

- 5.2.4 As Table 7 shows, the Operational Boundary over the period 2021-24 is increasing because of the planned borrowing to support the capital programme.

- 5.2.5 The **authorised limit for external debt** is a further key prudential indicator representing a control on the maximum level of borrowing. This represents a limit beyond which external debt and finance leases are prohibited and is set or revised by the Authority. It reflects the level of such debt which, while not desired, could be afforded in the short term but is not sustainable in the longer-term.
- 5.2.6 This is a statutory limit determined under section 3(1) of the Local Government Act 2003. The Government retains an option to control either the total of all local authorities' plans or those of any specific public body; although this power has yet to be exercised.
- 5.2.7 There is a statutory requirement for the Authority to confirm the authorised limit. This is set out in the table below:

*Table 8: Authorised Limit*

<b>Authorised limit for external debt</b>	<b>2021-22 Estimate £000</b>	<b>2022-23 Estimate £000</b>	<b>2023-24 Estimate £000</b>
Borrowing	14,112	22,112	23,686
Other Long Term Liabilities	100	100	100
<b>Total Authorised Limit</b>	<b>14,212</b>	<b>22,212</b>	<b>23,786</b>

### 5.3 Prospects for Interest Rates

- 5.3.1 Link Asset Services have been appointed as external treasury advisor and part of their service is to assist the Authority to formulate a view on interest rates. The following table gives our central view.

Link Group Interest Rate View 9.11.20														
These Link forecasts have been amended for the reduction in PWLB margins by 1.0% from 26.11.20														
	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24
<b>BANK RATE</b>	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
3 month ave earnings	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
6 month ave earnings	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
12 month ave earnings	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20
5 yr PWLB	0.80	0.80	0.80	0.80	0.80	0.90	0.90	0.90	0.90	0.90	1.00	1.00	1.00	1.00
10 yr PWLB	1.10	1.10	1.10	1.10	1.10	1.20	1.20	1.20	1.20	1.20	1.30	1.30	1.30	1.30
25 yr PWLB	1.50	1.50	1.60	1.60	1.60	1.60	1.70	1.70	1.70	1.70	1.80	1.80	1.80	1.80
50 yr PWLB	1.30	1.30	1.40	1.40	1.40	1.40	1.50	1.50	1.50	1.50	1.60	1.60	1.60	1.60

Source: Link Asset Services

- 5.3.2 The coronavirus outbreak has done huge economic damage to the UK and economies around the world. After the Bank of England took emergency action in March to cut Bank Rate to first 0.25%, and then to 0.10%, it left Bank Rate unchanged at its subsequent meetings to date, although some forecasters had suggested that a cut into negative territory could happen. However, the Governor of the Bank of England has made it clear that he currently thinks that such a move would do more damage than

good and that more quantitative easing is the favoured tool if further action becomes necessary.

- 5.3.3 As shown in the forecast table above, no increase in Bank Rate is expected in the forecast table above as economic recovery is expected to be only gradual and, therefore, prolonged.
- 5.3.4 There was much speculation during the second half of 2019 that bond markets were in a bubble which was driving bond prices up and yields down to historically very low levels. The context for that was a heightened expectation that the US could have been heading for a recession in 2020. In addition, there were growing expectations of a downturn in world economic growth, especially due to fears around the impact of the trade war between the US and China, together with inflation generally at low levels in most countries and expected to remain subdued. Combined, these conditions were conducive to very low bond yields. While inflation targeting by the major central banks has been successful over the last thirty years in lowering inflation expectations, the real equilibrium rate for central rates has fallen considerably due to the high level of borrowing by consumers. This means that central banks do not need to raise rates as much now to have a major impact on consumer spending, inflation, etc. The consequence of this has been the gradual lowering of the overall level of interest rates and bond yields in financial markets over the last 30 years.
- 5.3.5 Over the year prior to coronavirus, this has seen many bond yields up to 10 years turn negative in the Eurozone. In addition, there has, at times, been an inversion of bond yields in the US whereby 10 year yields have fallen below shorter term yields. In the past, this has been a precursor of a recession. The other side of this is that bond prices are elevated as investors would be expected to be moving out of riskier assets i.e. shares, in anticipation of a downturn in corporate earnings and so selling out of equities.
- 5.3.6 Gilt yields had therefore already been on a generally falling trend up until the coronavirus crisis hit western economies during March 2020. After gilt yields spiked up during the financial crisis in March, we have seen these yields fall sharply to unprecedented lows as investors panicked during March in selling shares in anticipation of impending recessions in western economies, and moved cash into safe haven assets i.e. government bonds.
- 5.3.7 However, major western central banks took rapid action to deal with excessive stress in financial markets during March, and started massive quantitative easing purchases of government bonds: this also acted to put downward pressure on government bond yields at a time when there has been a huge and quick expansion of government expenditure financed by issuing government bonds. Such unprecedented levels of issuance in “normal” times would have caused bond yields to rise sharply. Gilt yields and PWLB rates have been at remarkably low rates so far during 2020-21.

5.3.8 As the interest forecast table for PWLB certainty rates above shows, there is expected to be little upward movement in PWLB rates over the next two years as it will take economies, including the UK, a prolonged period to recover all the momentum they have lost in the sharp recession caused during the coronavirus shut down period. From time to time, gilt yields, and therefore PWLB rates, can be subject to exceptional levels of volatility due to geo-political, sovereign debt crisis, emerging market developments and sharp changes in investor sentiment, (as shown on 9th November when the first results of a successful COVID-19 vaccine trial were announced). Such volatility could occur at any time during the forecast period.

### **Investment and borrowing rates**

- 5.3.9 Investment returns are likely to remain exceptionally low during 2021-22 with little increase in the following two years.
- 5.3.10 Borrowing interest rates fell to historically very low rates as a result of the coronavirus crisis and the quantitative easing operations of the Bank of England: indeed, gilt yields up to 6 years were negative during most of the first half of 2020-21. The policy of avoiding new borrowing by running down spare cash balances has served local authorities well over the last few years. The unexpected increase of 1% in PWLB rates on top of the then current margin over gilt yields in October 2019 required an initial major rethink of local authority treasury management strategy. As a consequence of these increases in margins, the Authority decided to refrain from new PWLB borrowing, if possible, until such time as the additional 1% margin was removed.
- 5.3.11 On 25 November 2020, the Chancellor announced the conclusion to a review of margins over gilt yields for PWLB rates; the standard and certainty margins were reduced by 1% but a prohibition was introduced to deny access to borrowing from the PWLB for any local authority which intends to purchase assets in order to simply generate a return as part of its three year capital programme.
- 5.3.12 While the Authority will not be able to avoid borrowing to finance new capital expenditure, to replace maturing debt and the rundown of reserves, there will be a cost of carry, (the difference between higher borrowing costs and lower investment returns), to any new short or medium-term borrowing that causes a temporary increase in cash balances as this position will, most likely, incur a revenue cost.
- 5.3.13 As Link's long-term forecast for Bank Rate is 2.00%, and all PWLB rates are under 2.00%, there is now value in borrowing from the PWLB for all types of capital expenditure for all maturity periods, especially as current rates remain at historic lows. The Authority will assess its borrowing requirement in conjunction with budgetary pressures to reduce total interest costs and long term borrowing will be undertaken for the purpose of certainty, and to secure long term favourable interest rates at the appropriate time.

## **5.4 Borrowing Strategy**

- 5.4.1 As shown in Table 6, the Authority is currently utilising internal borrowing and forecast to remain so for the period covered by this Strategy. This means that the capital borrowing need (the Capital Financing Requirement), has not been fully funded with loan debt as cash supporting reserves, balances and cash flow has been used as a temporary measure. This Strategy is appropriate for the current economic scenario and prudent given that limited investment return on surplus cash flow and counter-party risk are still issues that need to be considered.
- 5.4.2 As capital reserves and therefore cash resources available are being used to fund the ongoing capital programme, historic internal borrowing levels are no longer sustainable. At this point, and in line with the current Treasury Management Strategy, temporarily increasing under-borrowing to c£12m by the end of 2020-21 is considered to be manageable and a sensible position in view of available cash reserves and almost non-existent returns that can be achieved on cash balances invested. However, as cash reserves are utilised to finance planned capital expenditure this will no longer be sustainable and a level of c£3m is currently considered more appropriate going forward.
- 5.4.3 Against this background and the risks within the economic forecast, caution will be adopted with the 2021-22 treasury operations. The Treasurer will keep interest rates and the cashflow under continual review in order to adopt a pragmatic approach to changing circumstances, supported by advice from the external Treasury Management advisers. It may at some point be necessary to reduce internal borrowing further if cash reserves continue to reduce due to ongoing budget pressures by securing additional new external borrowing above that forecast to fund the ongoing capital programme in Table 2 although this is not anticipated in the short or medium term.
- 5.4.4 A key aim of the borrowing strategy is to minimise the cost of the loan portfolio whilst ensuring that the obligation to repay the loans is spread out over a period of time. This reduces the impact of such loans on the revenue budget. The profile of the repayment of the debt portfolio is shown below at 5.6.3.
- 5.4.5 New long term borrowing is currently planned during the life of this strategy. Where short term borrowing arrangements are required to support a temporary low general fund bank balance, the Authority will engage with Treasury Advisors to understand if there are any Local Authority counterparties available to lend from. The offer will then be considered and terms of loans agreed between the Principal Accountant and nominated officer from the lending organisation.

## **5.5 Policy on borrowing in advance of need**

- 5.5.1 The Authority will not borrow more than or in advance of its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within forward approved Capital Financing Requirement estimates, and

will be considered carefully to ensure that value for money can be demonstrated and that the Authority can ensure the security of such funds.

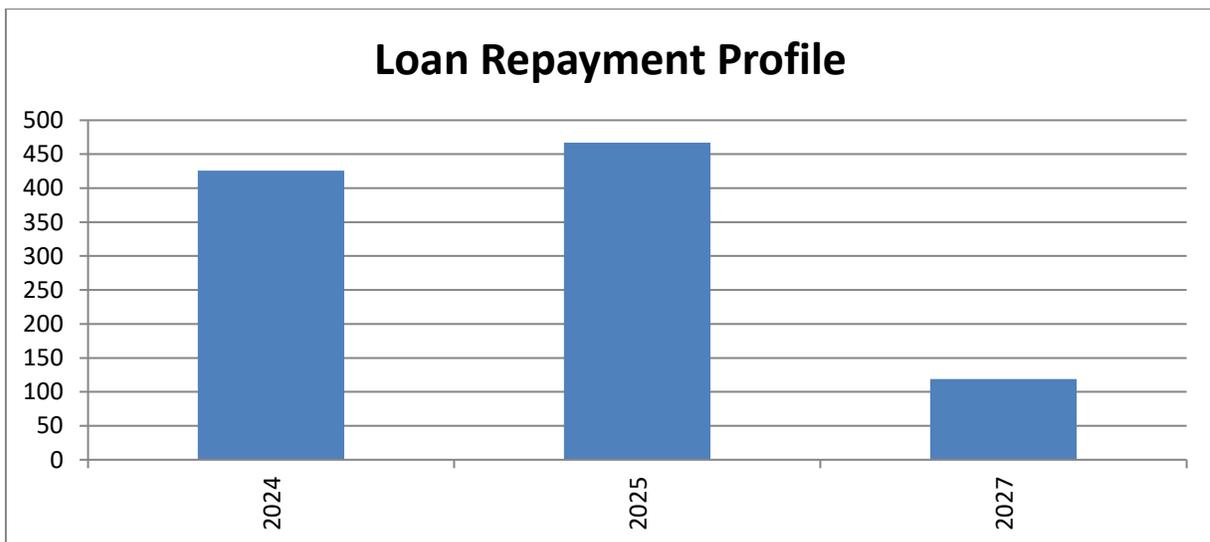
## 5.6 Debt Rescheduling

5.6.1 As short term borrowing rates will be considerably cheaper than longer term fixed interest rates, there may be potential opportunities to generate savings by switching from long term debt to short term debt. However these savings will need to be considered in the light of the current treasury position and size of the cost of debt repayments (premiums incurred).

5.6.2 The reasons for any rescheduling to take place will include:

- The generation of cash savings and/or discounted cash flow savings
- Helping to fulfil the treasury strategy
- Enhancing the balance of the portfolio (amending the maturity profile and/or the balance of volatility).

5.6.3 Any potential rescheduling will be very carefully considered. A table showing the current profile of the debt portfolio, highlighting years in which debt matures, is shown below:



5.6.4 All current borrowing is on a fixed rate basis with a current overall weighted average 4.65%. Any new loans taken out for future capital expenditure plans or the repayment of maturing debt will be subject to the rates applicable at that time. Any early repayment of debt would also be subject to the expense of early pay-back premiums.

5.6.5 Key sensitivities of the interest rate forecast are likely to be:

- if it was felt that there was a significant risk of a much sharper rise in long and short term rates than that currently forecast, perhaps arising from an acceleration in the rate of increase in central rates in the USA and UK, an increase in world economic activity, or a sudden increase in inflation risks, then the portfolio position will be

reviewed with the potential action of increasing borrowing to cover the under borrowed position or future known commitments or repayments while rates were still relatively low; and

- If it were felt that there was a significant risk of a sharp fall in short and long-term interest rates due to a weakening of economic factors; then longer-term borrowing will be postponed until rates were deemed at their lowest and a review of current debt would be undertaken to ascertain the benefit of rescheduling to more competitive short term loans.

## 5.7 Treasury Management limits on activity

- 5.7.1 There are three debt-related treasury activity limits. Their purpose is to restrain borrowing activity within certain limits to manage risk and reduce the impact of adverse movement in interest rates. However, if these are set too restrictively they will impair the opportunity to reduce costs or maximise value for money.

*Table 9: Interest Rate Limits*

	2020-21	2021-22	2022-23
	Upper	Upper	Upper
Limits on fixed interest rates based on net debt	100%	100%	100%
Limits on variable interest rates based on net debt	25%	25%	25%

*Table 10: Maturity structure of fixed interest rate borrowing 2021-22*

Maturity Structure of Authority Borrowing	Lower Limit %	Upper Limit %
Under 12 months	0%	25%
12 months to 2 years	0%	25%
2 years to 5 years	0%	50%
5 years to 10 years	0%	75%
10 years and above	0%	100%

## 6. ANNUAL INVESTMENT STRATEGY

### 6.1 Investment Policy

- 6.1.1 The Authority's investment policy has regard to the Communities and Local Government's Guidance on Local Government Investments and the CIPFA Treasury Management in Public Services Code of Practice and Cross Sectorial Guidance Notes (the CIPFA TM Code). The Authority's principal objectives for investments are security first, liquidity next and finally yield.

- 6.1.2 The above guidance from the MHCLG and CIPFA place a high priority on the management of risk. This authority has adopted a prudent approach to managing risk and defines its risk appetite by the following means:

- a) Minimum acceptable credit criteria are applied in order to generate a list of highly creditworthy counterparties. This also enables diversification and thus avoidance of concentration risk. The key ratings used to monitor counterparties are the short term and long-term ratings.
- b) Ratings will not be the sole determinant of the quality of an institution; it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To achieve this consideration the Authority will engage with its advisors to monitor market pricing such as “credit default swaps” and overlay that information on top of the credit ratings.
- c) Other information sources used will include the financial press, share price and other such information pertaining to the banking sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.
- d) The Authority has defined the list of types of investment instruments that the treasury management team are authorised to use. There are two lists in table 11 below under the categories of ‘specified’ and ‘non-specified’ investments.
  - **Specified investments** are those with a high level of credit quality and subject to a maturity limit of one year.
  - **Non-specified investments** are those with less high credit quality, may be for periods in excess of one year, and/or are more complex instruments which require greater consideration by members and officers before being authorised for use.

*Table 11: Approved Investment Instruments*

Specified Investments (maturities up to one year)
<ul style="list-style-type: none"> <li>▫ Bank &amp; Building Societies Term Deposits</li> <li>▫ Other Local Authority Term Deposits</li> <li>▫ Debt Management Agency Deposit Facility</li> <li>▫ AAA Money Market Funds (CNAV/LVNAV/VNAV)</li> </ul>
Non-Specified Investments (maturities over one year)
<ul style="list-style-type: none"> <li>▫ Bank &amp; Building Societies Term Deposits</li> <li>▫ Other Local Authority Term Deposits</li> </ul>
Other Non-Specified Investments
<ul style="list-style-type: none"> <li>▫ Fixed term deposits with variable rates &amp; maturities</li> </ul>

- e) Non-specified investments limit. The Authority has determined that it will limit the maximum total exposure to non-specified investments as being 20% of the total investment portfolio.

- f) Lending limits, the maximum amount for each counterparty will be set at £10m per organisation/group. The maximum investment duration for each counterparty will be set in line with the creditworthiness service provided by Link Asset Services as set out in paragraph 6.2.
- g) The Authority will set a limit for the amount of its investments which are invested for longer than 365 days, (see paragraph 6.4.5).
- h) Investments will only be placed with counterparties from countries with a specified minimum sovereign rating, (see paragraph 6.3).
- i) The Authority has engaged external consultants, (see paragraph 3.4), to provide expert advice on how to optimise an appropriate balance of security, liquidity and yield, given the risk appetite of this authority in the context of the expected level of cash balances and need for liquidity throughout the year.
- j) All investments will be denominated in sterling.
- k) As a result of the change in accounting standards for 2020-21 under IFRS 9, the Authority will consider the implications of investment instruments which could result in an adverse movement in the value of the amount invested and resultant charges at the end of the year to the General Fund. (In November 2018, the Ministry of Housing, Communities and Local Government, [MHCLG], concluded a consultation for a temporary override to allow English local authorities time to adjust their portfolio of all pooled investments by announcing a statutory override to delay implementation of IFRS 9 for five years ending 31 March 2023).

## **6.2 Creditworthiness Policy and Exposure to Risk**

6.2.1 The Authority utilises the creditworthiness service provided by Link Asset Services as its Treasury Management advisers. This service employs a sophisticated modelling approach incorporating credit ratings from the three main credit rating agencies – Fitch, Moody's and Standard & Poor's. The credit ratings of counterparties are supplemented with the following overlays:

- Credit watches and credit outlooks from credit rating agencies;
- Credit Default Swaps to give early warning of likely changes in credit ratings; and
- Sovereign ratings to select counterparties from only the most creditworthy countries.

6.2.2 This modelling approach combines credit ratings, credit Watches and credit Outlooks in a weighted scoring system which is then combined with an overlay of CDS spreads for which the end product is a series of colour coded bands which indicate the relative creditworthiness of counterparties. These colour codes are used by the Authority to determine the suggested duration of investments. The Authority will use counterparties within the following durational bands:

- Yellow 5 years
- Purple 2 years
- Blue 1 year (only applies to nationalised or semi nationalised UK banks)
- Orange 1 year
- Red 6 months
- Green 100 days
- No Colour Not to be used

6.2.3 As this methodology uses a wide range of information beyond basic credit ratings, it ensures that no one source of information is given undue credence. All ratings and colour codes are monitored weekly via Link's credit listings and in-between via business press. The Authority is alerted to changes to any ratings via email from Link. If a downgrade results in the counterparty / investment scheme no longer meeting the Authority's minimum criteria, its further use as a new investment will be withdrawn immediately and any current investments reviewed for potential movement.

6.2.4 Sole reliance will not be placed on the use of this external service. In addition to Link, the Joint Finance Team officers will also use market data and information on any external support for banks to help support its decision making process.

### **6.3 Country Limits**

6.3.1 The Authority has determined that it will only use approved counterparties from the UK and from countries outside of the UK with a minimum sovereign credit rating of AAA from Fitch (or equivalent). The list will be added to, or deducted from, should ratings change.

### **6.4 Investment Strategy**

6.4.1 Investments will be made with reference to the core balance and cash flow requirements and the outlook for short-term interest rates (i.e. rates for investments up to 12 months).

6.4.2 The Authority would seek to maintain at all times a core liquid balance of £4m, and maintain a liquid balances vs longer term balances ratio of 50:50.

6.4.3 For its cash flow generated balances, the Authority will seek to utilise its business reserve instant access and notice accounts, money market funds and short-dated deposits, (overnight to 100 days), in order to benefit from the compounding of interest.

6.4.4 Bank Rate is unlikely to rise from 0.10% for a considerable period. It is very difficult to say when it may start rising so it may be best to assume that investment earnings from money market-related instruments will be sub 0.50% for the foreseeable future. Bank Rate forecasts for financial year ends (March) are:

2020-21 – 0.10%	2021-22 – 0.10%	2022-23 – 0.10%	2023-24 – 0.10%
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6.4.5 The overall balance of risks to economic growth in the UK is probably now skewed to the upside, but is subject to major uncertainty due to the virus and how quickly successful vaccines can be widely administered to the population. It may also be affected by the implications of the agreed UK Brexit deal.

6.4.6 There is relatively little UK domestic risk of increases or decreases in Bank Rate and significant changes in shorter term PWLB rates. The Bank of England has effectively ruled out the use of negative interest rates in the near term and increases in Bank Rate are likely to be some years away given the underlying economic expectations. However, it is always possible that safe haven flows, due to unexpected domestic developments and those in other major economies, or a return of investor confidence in equities, could impact gilt yields, (and so PWLB rates), in the UK.

#### Negative Interest Rates

6.4.7 While the Bank of England said in August/September 2020 that it is unlikely to introduce a negative Bank Rate, at least in the next 6 - 12 months, and in November omitted any mention of negative rates in the minutes of the meeting of the Monetary Policy Committee, some deposit accounts are already offering negative rates for shorter periods. As part of the response to the pandemic and lockdown, the Bank and the Government have provided financial markets and businesses with plentiful access to credit, either directly or through commercial banks. In addition, the Government has provided large sums of grants to local authorities to help deal with the Covid crisis; this has caused some local authorities to have sudden large increases in cash balances searching for an investment home, some of which was only very short term until those sums were able to be passed on.

6.4.8 As for money market funds (MMFs), yields have continued to drift lower. Some managers have already resorted to trimming fee levels to ensure that net yields for investors remain in positive territory where possible and practical. Investor cash flow uncertainty, and the need to maintain liquidity in these unprecedented times, has meant there is a surfeit of money swilling around at the very short end of the market. This has seen a number of market operators, now including the Debt Management Office, offer nil or negative rates for very short term maturities. This is not universal, and MMFs are still offering a marginally positive return, as are a number of financial institutions for investments at the very short end of the yield curve.

6.4.9 Investment treasury indicator and limit - total principal funds invested for greater than 365 days. This limit is set with regard to the Authority's liquidity requirements and to

reduce the need for early sale of an investment. It is based on the forecast availability of funds after each year-end.

*Table 12: Investment Treasury Limit:*

	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>
	<b>Upper</b>	<b>Upper</b>	<b>Upper</b>
Principal sums invested for longer than 365 days	£5m	£5m	£5m

## **6.5 End of Year Investment Report**

6.5.1 At the end of the financial year, the Treasurer will report on the Authority's investment activity as part of the Annual Treasury Report.

## Minimum Revenue Provision (MRP) Statement

1. The Authority is required to make an annual provision from revenue to contribute towards the repayment of borrowing. This requirement arises under the Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2008, which simplifies earlier MRP requirements by placing a duty on the Authority to determine each year an amount of minimum revenue provision, which it considers to be prudent. In order to assist the Authority with this determination, guidance for assessing what would represent a prudent provision has been issued under Section 21 (1A) of the Local Government Act 2003 (The Guidance). The Authority is required to have regard to the Guidance when considering the amount of their annual “prudent” MRP.
2. It is proposed that the Authority continues to set the MRP at 6.7% of the opening Capital Financing Requirement (CFR) relating to the balance of historic debt liability. This is considered to be a prudent and sustainable approach, however the 6.7% level remains subject to review.
3. Any post 2017-18 new borrowing will, under delegated powers (known as prudential borrowing), be subject to MRP under option 3 of the Government Guidance. It will be charged over a period which is reasonably commensurate with the estimated useful life applicable to the nature of expenditure, using the equal annual instalment method. For example, borrowing in respect of capital expenditure on the new Training Centre Project will be related to the estimated life of that asset.
4. The use of this option for certain schemes will also result in a nil MRP charge until the year after that in which all expenditure on the scheme, project or other item of capital expenditure has been fully accrued under proper accounting practices, regardless of the extent of such expenditure that has not been accrued at the end of the previous financial year. Estimated life periods will be determined using appropriately qualified Officers professional judgement.
5. Based on the current projected capital outturn position for 2020-21, it is expected that this will equate to a charge of approximately £668k for 2021-22.
6. The policy will be reviewed on an annual basis. If it is proposed to vary the strategy during the year, a revised statement will be submitted to the Authority.

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