



**Wednesday,
6 December 2023
10.30 am**

**Meeting of
Cheshire Fire Authority
Sadler Road
Winsford
CW7 2FQ**

Contact Officer:
Donna Linton
Democratic Services

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Cheshire Fire Authority

Notes for Members of the Public

Attendance at Meetings

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

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

If you feel there might be particular problems with access to the building or car parking please contact the Reception Desk at Sadler Road Winsford Tel (01606) 868700.

Questions by Electors

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

Access to Information

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

The Agenda is usually divided into two parts. Most business is dealt with in the first part which is open to the public. On some occasions some business may need to be considered in the second part of the agenda, in private session. There are limited reasons which allow this to take place, e.g. as confidential information is being considered about an individual, or commercial information is being discussed.

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

Recording of Meetings

The Authority audio records its meetings. Please contact Democratic Services for a copy of the recording via DemocraticServices@cheshirefire.gov.uk. The recordings are not kept indefinitely.

Fire Evacuation

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**MEETING OF THE CHESHIRE FIRE AUTHORITY
WEDNESDAY, 6 DECEMBER 2023**

Time : 10.30 am

**Lecture Theatre - Training Centre, Sadler Road, Winsford, Cheshire CW7
2FQ**

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 to disclose any interests that are relevant to any item on the Agenda.

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 27th September 2023.

(Pages 7 - 12)

1G Minutes of the Audit Committee

To receive, for information, the minutes of the Audit Committee meetings held on 26th September 2023 and 22nd November 2023.

(Pages 13 - 22)

1H Minutes of Governance and Constitution Committee

To receive, for information, the minutes of the Governance and Constitution Committee meeting held on 8th November 2023.

(Pages 23 - 36)

Item 2 – Dispensation

The Committee granted a fresh dispensation to enable Members that have a Disclosable Pecuniary Interest to take part in debates

and votes upon the approval of the Members' Allowances Scheme (and any changes and/or additions to it), and for it to be effective from 30th January 2024 for four years.

Since the meeting took place Cllr John Bird has requested that he has the benefit of the dispensation.

Recommended that:

The benefit of the dispensation be extended to Cllr John Bird.

Note: all other Members have the benefit of the dispensation.

Item 4 – Members' Allowances Scheme: Uplift 2023-24; 2024-25; and Review

The Report and Appendix considered by the Committee are attached as Annex 1. Two decisions are required.

Recommended that:

[1] An uplift of 5% be applied to the Members' Allowances Scheme 2023-24.

Note: This effectively changes the way the Annual Increase is calculated and applied for 2023-24; instead of an across-the-board percentage pay award a lump sum pay award was given to Local Government employees and this could not be applied to the Members' Allowances Scheme, as drafted.

[2] The Members' Allowances Scheme for 1st April 2024 to 31st March 2025 be based on the 2023-24 Scheme once the uplift has been applied.

Note: The Members' Allowances Scheme 2024-25 is attached to this Agenda as Annex 2 (see pages 33 to 36). This is the Scheme that Members are being asked to approve. This is the 2023-24 Scheme after the 5% uplift has been applied.

- 1I Minutes of Performance and Overview Committee** (Pages 37 - 44)
To receive, for information, the minutes of the Performance and Overview Committee meeting held on 22nd November 2023.
- 1J Minutes of Brigade Managers' Pay and Performance Committee** (Pages 45 - 46)
To receive, for information, the minutes of the Brigade Managers' Pay and Performance Committee meeting held on 20th November 2023.

- 1K Minutes of Staffing Committee** (Pages 47 - 50)
To receive, for information, the minutes of the Staffing Committee meeting held on 20th November 2023.
- 1L Programme of Member Meetings 2024-25** (Pages 51 - 52)
The Programme attached is similar to previous years, taking into account as far as possible the anticipated meeting arrangements of constituent authorities. Members are asked to note the Programme.

ITEMS REQUIRING DISCUSSION / DECISION

- 2 External Auditor's Annual Report 2022-23** (Pages 53 - 84)
- 3 Treasury Management - Mid Year Report 2022-24** (Pages 85 - 94)
- 4 Draft 2024-25 Budget, Council Tax and Medium-Term Financial Plan 2024-29** (Pages 95 - 100)
- 5 Draft 2024-28 Community Risk Management Plan - Consultation Update** (Pages 101 -106)
- 6 Collaboration Strategy** (Pages 107 -116)
- 7 Member Training and Development Strategy 2024-26** (Pages 117 -128)
- 8 North West Fire Control - Continuing the Collaboration** (Pages 129 -150)
- 9 Exclusion of Press and Public** (Pages 151 -152)

PART 2 - BUSINESS TO BE DISCUSSED IN PRIVATE

- 10 North West Fire Control - Continuing the Collaboration** (Pages 153 -160)

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MINUTES OF THE MEETING OF THE CHESHIRE FIRE AUTHORITY held on Wednesday, 27 September 2023 at Lecture Theatre - Training Centre, Sadler Road, Winsford, Cheshire CW7 2FQ at 10.30 am

PRESENT: Councillors Stef Nelson (Chair), Rachel Bailey, Kath Buckley, Steve Collings, Peter Coan, Razia Daniels, Brian Gallagher, Phil Harris, Marilyn Houston, Nick Mannion, Rob Moreton, Karen Mundry, Stuart Parker, Rob Polhill, Margaret Simon, Laura Smith, Peter Walker, Peter Wheeler and Norman Wright

1 PROCEDURAL MATTERS

A Recording of Meeting

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

B Apologies for Absence

Apologies for absence were received from Councillors Sherin Akhtar, John Bird, David Brown and Gina Lewis.

C Chair's Announcements

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

The Chair on behalf of the Fire Authority took the opportunity to thank Paul Rostance, Station Manager from Frodsham, Malpas and Tarporley and Ian Wilson, Firefighter from Lymm and members of the International Search and Rescue (ISAR) team who had been deployed on 10th September 2023 to help with the earthquake search and rescue mission in Morocco.

The Chair took the opportunity to welcome James Cunningham, the newly appointed Head of Finance to the meeting. James was due to join the Service in January 2024.

D Declaration of Members' Interests

There were no declarations of Members' interests.

E Questions from Members of the Public

There were no questions submitted.

F Minutes of Fire Authority

The Director of Governance advised that since the last meeting had taken place there had been a change in appointments to the Fire Authority that been made by Cheshire West and Chester Council in July 2023. Councillor Felicity Davies had been replaced by Councillor Sherin Akhtar. Councillor Sherin Akhtar had been allocated the place/roles originally allocated to Councillor Felicity Davies i.e. a seat on Governance and Constitution Committee, Member Champion for Young People and Member Champion for Mental Health.

The Annex to the minutes reflected the current position.

RESOLVED:

That the minutes of the Fire Authority meeting held on 28th June 2023 be approved as a correct record.

G Minutes of Governance and Constitution Committee

RESOLVED:

That the minutes of the Governance and Constitution Committee held on 5th July 2023 be noted.

H Minutes of Performance and Overview Committee

RESOLVED:

That the minutes of the Performance and Overview Committee held on 12th July 2023 be noted.

I Minutes of Audit Committee

RESOLVED:

That the minutes of the Audit Committee held on 12th July 2023 be noted.

J Minutes of Brigade Managers' Pay and Performance Committee

RESOLVED:

That the minutes of the Brigade Manager's Pay and Performance Committee held on 10th July 2023 be noted.

K Minutes of Staffing Committee

RESOLVED:

That the minutes of the Staffing Committee held on 13th July and 10th August 2023 be noted.

L Notes of Member Training and Development Group

RESOLVED:

That the notes of the Member Training and Development Group held on 4th July 2023 be noted.

M Notes of Local Pension Board - Firefighters Pension Scheme

RESOLVED:

That the notes of the Local Pension Board – Firefighter Pension Scheme held on 15th August 2023 be noted.

2 ANNUAL REPORT 2022-23

The Head of Communications and Engagement introduced the report which presented the Annual Report video 2022-23 for approval and publication on the Service's website.

Members were advised that this year the Annual Report had been produced as a short video, as this was proven to drive greater engagement through social media and provided a highly impactful way of presenting the Service's performance. It would also serve to direct people from social media to the Annual Statement of Accounts on the website. The video was played at the meeting so that Members could decide whether they were satisfied with the format and content.

Once approved, an electronic copy of the Annual Report video would be published on the Service's website to coincide with the conclusion of the Statement of Accounts. Publication would be announced through the Service's social media channels and via mainstream media.

RESOLVED: That

[1] the release of the Annual Report 2022-23 in video format be approved for publication.

3 **DRAFT COMMUNITY RISK MANAGEMENT PLAN 2024-28**

The Chief Fire Officer and Chief Executive and the Head of Communications and Engagement presented a report which set out information about the draft Community Risk Management Plan (CRMP) 2024-28. The report sought Members' approval of the draft CRMP 2024-28 for formal consultation with the public, staff and stakeholders. Details of the consultation process were contained within the report.

Members were advised that the draft CRMP 2024-28 set out a proposed strategy for the development of the Authority's prevention and protection activity and emergency response capability over the next four years. It had been developed using the Authority's longstanding Community Risk Management model, which involved assessing risk data from a wide range of sources and applying professional judgement to develop proposals.

The proposals set out in the draft CRMP had been informed by feedback from Members at a workshop on 7th July 2023 and at subsequent Member Planning Days in August and September. In addition, the public and staff had been engaged through online surveys, and sessions run with the Staff Engagement Forum and two focus groups of operational staff. The views gathered were set out in detail in two documents: firstly, the Pre-Consultation Summary, that was attached to the report as Appendix 2; and secondly, the Free Text Comments, that had been published on the website and also available in Group Rooms prior to the Fire Authority meeting.

It was proposed to run a 13-week consultation from 2nd October 2023 until 2nd January 2024. As in previous years, a series of consultation roadshows would take place across all four local authority areas. Details of these events would be published on the Service's website once confirmed.

Initial feedback from the consultation would be reported to Members at the next meeting of the Fire Authority on 6th December 2023. A formal report on the outcomes of the consultation would be presented to the Fire Authority at its meeting on 14th February 2024. At that meeting the Authority would be asked to finalise and approve the CRMP for 2024-28. It would also consider the budget for 2024-25.

Members thanked officers for all the work which had taken place to prepare the draft CRMP 2024-28 for consultation.

RESOLVED: That

- [1] the draft Community Risk Management Plan 2024-28 be approved for formal consultation, with the Chief Fire Officer and Chief Executive authorised to make any final amendments prior to publication.**

4 EXCLUSION OF 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 5 – Three Year Fire Station Modernisation Programme Update

Paragraph

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

5 YEAR THREE FIRE STATION MODERNISATION PROGRAMME UPDATE

The Head of Service Improvement presented a report which provided an update on the Fire Station Modernisation Programme and sought approval to proceed with the works at two more fire stations.

RESOLVED: That

[1] authorisation be given to proceed with the modernisation works at Macclesfield and Wilmslow Fire Stations.

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MINUTES OF THE MEETING OF THE AUDIT COMMITTEE held on Tuesday, 26 September 2023 at Lecture Theatre - Training Centre, Sadler Road, Winsford, Cheshire CW7 2FQ at 10.00 am

PRESENT:

Members:

Councillor Peter Wheeler (Chair)
Councillor Rachel Bailey
Councillor Brian Gallagher
Suzanne Horrill, Independent Audit Committee Member

Auditors:

Charles Black, Merseyside Internal Audit Agency
Anne-Marie Harrop, Merseyside Internal Audit Agency
Michael Green, Grant Thornton
Liz Luddington, Grant Thornton

Officers:

Lee Shears, Deputy Chief Fire Officer
Andrew Leadbetter, Director of Governance
Paul Vaughan, Treasurer
Neil McElroy, T/Head of Performance and Improvement
Tracy Radcliffe, Senior Executive Support Assistant

1A RECORDING OF MEETING

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

1B APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Sherin Akhtar and Christine Astall.

1C DECLARATIONS OF MEMBERS' INTERESTS

There were no declarations of Members' interests.

1D MINUTES OF THE AUDIT COMMITTEE

RESOLVED:

That the minutes of the Audit Committee held on Wednesday 12th July 2023 be confirmed as a correct record.

1E ACTION TRACKER OF THE AUDIT COMMITTEE

The Director of Governance provided an update against each action. The updates were to be included in the tracker for the next Audit Committee meeting, unless the actions had been closed.

2 EXTERNAL AUDIT FINDINGS REPORT 2022-23

Michael Green and Liz Luddington, from Grant Thornton (the External Auditor) introduced the report and provided an overview of its content and purpose. The report highlighted the key matters arising from the audit of the Authority's Statement of Accounts for the year ended 31st March 2023. The External Auditor was required to report the audit findings in accordance with the requirements of International Standards on Auditing (UK and Ireland).

The report summarised the changes that had been made to date to the draft Statement of Accounts.

The External Auditor advised that the work was substantially complete with a small number of outstanding queries to be resolved. Once these were resolved the External Auditor expected to issue an unqualified audit opinion.

The External Auditor had identified two significant issues for the Authority neither of which had been resolved by the date of the meeting. These were:-

- [1] Valuation of land and buildings. The audit testing identified that for one fire station the valuation did not include amounts for the hardstanding, fencing, drill tower etc and led to the asset being understated. In addition the valuer remeasured some of the buildings in the current year, but did not visit all land and buildings as scheduled.
- [2] Valuation of pension fund net liability. A technical matter relating to the way that the Authority discloses the value of its pension liability had been identified.

Both of these issues will result in changes to the draft accounts that were presented to the Committee in July. However, the changes are essentially of a technical nature and will not affect the position on the Authority's general fund. They will also not have any impact on the Annual Governance Statement 2022-23.

A Member sought assurance on the action taken regarding the valuation errors and if full instructions were given before work commenced. The Treasurer advised that clear instructions were given and discussions were taking place about the future procurement of the valuation service and lessons learned.

In addition, the Authority had not received necessary assurance from the external auditor of Cheshire Pension Fund, which was required before the audit opinion could be finalised.

RESOLVED: That

[1] the content of the External Audit Findings Report 2022-23 be noted.

3 AUDITED STATEMENT OF ACCOUNTS 2022-23 WITH LETTER OF REPRESENTATION

The Authority was required to approve its audited Statement of Accounts (the accounts) for publication on or before 30th September 2023.

The Treasurer confirmed that it would be necessary to adjust the accounts for the impact of the unresolved items which had been discussed under the previous agenda item. He explained that these would be technical in nature and would not affect the position on the Authority's General Fund. The Treasurer requested that the Committee delegate approval of the signing of the accounts to the Chair of the Committee and himself, subject to resolution of the outstanding issues, receipt of the assurance from the external auditor of the Cheshire Pension Fund and receipt of the audit opinion from the Authority's External Auditor. Whilst every effort would be made to ensure that this was completed by 30th September, it was considered unlikely that this would be the case. If this were not achieved, a public notice would be posted on the Authority's website explaining the position.

The Treasurer explained that delays in the completion of the accounts for public sector bodies, including Fire Authorities, was a national issue. The issues affecting the late completion of the Authority's accounts were largely beyond the Authority's or the External Auditor's control, and he thanked the External Auditors for their efforts in trying to resolve the issues speedily.

In response to a query from a Member, the Treasurer confirmed that if further issues other than those discussed at the meeting arose, which required changes to the accounts, members of the Committee would be made aware prior to the signing of the accounts.

The accounts presented to the Committee included the Annual Governance Statement which the Authority was required to approve and publish within the same timeframe as the accounts.

The Treasurer advised that each year, the Authority was required to sign a Letter of Representation addressed to the Auditors. The Letter explained the Authority's responsibilities in relation to the audit. It was recommended that the Committee approve the letter and authorise the Chair of the Committee and the Chief Fire Officer and Chief Executive to sign it.

RESOLVED: That

[1] the Chair and Treasurer be authorised to sign the Statement of Accounts 2022-23 on receipt of the audit opinion.

[2] the Chair and Chief Fire Officer and Chief Executive be authorised to sign the final version of the Letter of Representation.

4 ANNUAL GOVERNANCE STATEMENT 2022-23

The Director of Governance introduced the Annual Governance Statement (AGS) 2022-23, required to accompany the draft Statement of Accounts. The production of the Annual Governance Statement was a requirement under the Accounts and Audit Regulations (England) 2015 and helped to ensure that a reliable system of internal controls could be demonstrated.

He advised that the document complied with the Chartered Institute for Public Finance and Accounting's best practice guidance on Delivering Good Governance. An update was given on each of the recommendations contained within Section 12 Review of Effectiveness.

A Member requested that paragraph 6.5 be amended to read "*The Police and Crime Commissioner for Cheshire is invited to attend Authority meetings*".

A Member requested that paragraph 3.4 be updated to include further reference to the outcome of the most recent His Majesty's Inspectorate of Constabulary and Fire and Rescue Services report.

RESOLVED: That

[1] the Annual Governance Statement 2022-23 be approved, subject to the changes in paragraphs 6.5 and 3.4.

5 INTERNAL AUDIT PROGRESS REPORT

Charles Black, from Merseyside Internal Audit Agency (MIAA), was in attendance to present the Internal Audit Progress Report.

He drew Members' attention to the key messages:-

- HR Payroll (High Assurance) – This report is covered in the following agenda item.
- TOR have been agreed for the IT Asset Management review scheduled to commence November 2023.

The reviews below were currently in progress:

- Whistleblowing and Implementation of HMICFRS Values and Culture Recommendations (Draft report)

He advised that the plan was on track and no concerns were brought to Members attention.

RESOLVED: That

[1] the Internal Audit Progress Report be noted.

6 HR / PAYROLL REVIEW

Charles Black presented the HR/Payroll Review. He explained that the overall objective of the review was to evaluate the robustness and effectiveness of controls that support the HR/payroll system to ensure validity, accuracy and timeliness of payments to employees. The review determined that there was a strong system of internal control that was consistently applied in all areas reviewed.

It was noted that the report included recommendations to strengthen existing controls currently in place. These include ensuring the timely completion of new starter and leaver checklists.

A Member asked if the Service had a back up system in place for the payroll system. The Treasurer advised that he would confirm and report back to the Committee.

RESOLVED: That

[1] The HR/Payroll Review be noted.

[2] The Treasurer to check the position as regards back-up for payroll information/processes.

7 REVIEW OF THE STRATEGIC RISK REGISTER

The Treasurer introduced the document which summarised the Service's Strategic Risk Register. He provided an update of each risk included within the table which had previously been reported to the Risk Management Group for evaluation. He also explained the risks that were below the threshold that were not considered strategic risks.

The Independent Audit Committee Member noted the risk register scoring and targeting was effective and fit for purpose.

RESOLVED: That

[1] the Summary of Cheshire Fire and Rescue Service's Strategic Risk Register and Risks below the threshold table be noted.

8 PRODUCTION OF AUDIT COMMITTEE ANNUAL REPORT

The Director of Governance introduced the report which requested that Members determine how best to prepare the Committee's Annual Report.

The Committee agreed that officers would prepare a draft report in consultation with the Chair for consideration at the meeting on 17th April 2024.

RESOLVED: That

[1] The Committee's Annual Report would cover the financial year 2023-24 and it would be approved at the Committee meeting on 17th April 2024.

9 ANY OTHER BUSINESS

A Member suggested that in line with best practice the Committee be given the opportunity to meet privately with the Internal and External Auditors. It was agreed that such opportunities be made available after the formal business of the Committee was completed at each meeting.

RESOLVED: That

[1] At the conclusion of each Audit Committee meeting, the Committee be given the opportunity to meet privately with the Internal and External Auditors.



MINUTES OF THE MEETING OF THE AUDIT COMMITTEE held on Wednesday, 22 November 2023 at Lecture Theatre - Training Centre, Sadler Road, Winsford, Cheshire CW7 2FQ at 1.00 pm

PRESENT:

Members:

Councillor Peter Wheeler (Chair)
Councillor Sherin Akhtar
Councillor Rachel Bailey
Suzanne Horrill, Independent Audit Committee Member

Auditors:

Charles Black, Merseyside Internal Audit Agency
Anne-Marie Harrop, Merseyside Internal Audit Agency
Liz Luddington, Grant Thornton

Officers:

Lee Shears, Deputy Chief Fire Officer
Andrew Leadbetter, Director of Governance
Paul Vaughan, Treasurer
Chris Astall, Risk and Projects Officer
Emilie Salkeld, Governance Officer

1A RECORDING OF MEETING

Members were reminded that the meeting would be audio recorded.

1B APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Brian Gallagher.

1C DECLARATIONS OF MEMBERS' INTERESTS

There were no declarations of Members' interests.

1D MINUTES OF THE AUDIT COMMITTEE

A typographical error was pointed out on page 7. The Independent Audit Committee Member also requested that her observations relating to the risk register score and targeting be included within the minutes.

RESOLVED:

Subject to minor amendments, the minutes of the Audit Committee held on Tuesday 26 September 2023 be confirmed as a correct record.

1E ACTION TRACKER OF THE AUDIT COMMITTEE

The Director of Governance and the Treasurer provided an update against each of the actions. The updates were to be included in the tracker for the next Audit Committee meeting unless the actions had been completed.

It was noted that the following actions could be closed:

26th September 2023:
Item 6 – HR/ Payroll Review

2 INTERNAL AUDIT PROGRESS REPORT

Anne-Marie Harrop, a representative from Merseyside Internal Audit Agency (MIAA), was in attendance to present the report which updated Members on the progress made against the Internal Audit Plan for 2023-24.

She advised that the report on Whistleblowing and Implementation of HMICFRS Values and Culture Recommendations was complete and was in the agenda pack. She also noted that the following reviews were in progress: Key Financial Transactional Processing Controls; IT Asset Management; and National Fraud Initiative data.

She advised that follow ups on previous recommendations and the National Fraud Initiative review would be reported at the next meeting of the Audit Committee. All projected timescales were expected to be met.

RESOLVED: That

[1] the Internal Audit Progress Report be noted.

3 WHISTLEBLOWING AND IMPLEMENTATION OF HMICFRS VALUE AND CULTURE RECOMMENDATIONS REVIEW ASSIGNMENT REPORT 2023-24

Charles Black, a representative from MIAA, was in attendance to present the report which evaluated the systems and processes in place for Whistleblowing within the Service and provide assurance that a suitable plan for implementation of HMICFRS's recommendations from the Values and Culture report was in place. He noted that moderate assurance was awarded.

He highlighted the areas of good practice within the Service and explained each of the recommendations contained within the report. All recommendations had been accepted by officers and suitable management responses had been received and were contained in the report. He acknowledged that there were limitations associated with the survey, i.e., the relatively small sample size and the inability to determine whether the responses within the survey related to personal grievances and/ or general concerns rather than Whistleblowing.

Members were concerned about the report. They noted that there was a strong

preference among staff to report issues to line managers. Members discussed whether best practice would be to identify a single officer to whom whistleblowing concerns might be directed. In the case of the Service, this could be the Health, Safety and Wellbeing Manager. However, given the likelihood of line manager involvement it made sense to provide suitable training to ensure that there was sufficient awareness amongst those likely to be engaged in any whistleblowing matters.

Members recognised the importance of the whistleblowing policy and practices associated with whistleblowing. It was important that staff felt confident about the whistleblowing arrangements.

Members asked that an action be added to the Tracker with a view to a verbal update being provided at each Audit Committee meeting until all recommendations were complete.

RESOLVED: That

[1] the Whistleblowing and Implementation of HMICFRS Values and Culture Recommendations Review Assignment Report 2023-24 be noted.

[2] an action be added to the Tracker so that the Committee would receive a verbal update about progress with the recommendations at each meeting until they were completed.

4 AUDITOR'S INTERIM ANNUAL REPORT

Liz Luddington, a representative from Grant Thornton, introduced the report which focused on the Authority's arrangements for securing economy, efficiency, and effectiveness in its use of resources and the opinion on the Authority's statement of accounts. She explained that recommendations from the previous year were either completed or near complete and highlighted some recommendations for 2023-24 relating to the Audit Committee and Blue Light Collaboration.

She advised that as a result of delays in the valuation of the Authority's pension liability, which was a national issue, the report remained in draft and the audit opinion had not been finalised.

Members thanked the auditor for providing a comprehensive explanation. A Member queried whether any action could be taken to prevent the delay from occurring in future years. The Treasurer explained that as the delay was caused by factors outside the auditor's control, it was not clear what could be done.

Members were happy with the content of the report. It was agreed that the reasons for the delay in the completion of the report should be clearly explained in the report to the Fire Authority on 6th December 2023 when the Auditor's Interim Annual Report would be shared with all Members.

RESOLVED: That

[1] the Auditor's Interim Annual Report be noted.

Note:

The Treasurer provided an update to the Committee on progress with the tender process for securing internal audit services from when the current contract expires at the end of March 2024. The process was being run jointly with Cheshire Constabulary and would commence at the end of November 2023.



MINUTES OF THE MEETING OF THE GOVERNANCE AND CONSTITUTION COMMITTEE held on Wednesday, 8 November 2023 at Lecture Theatre - Training Centre, Sadler Road, Winsford, Cheshire CW7 2FQ at 10.00 am

PRESENT: Councillors Rob Polhill (Chair), Akhtar, David Brown, Brian Gallagher, Peter Walker, Peter Wheeler and independent (non-elected) member Derek Barnett

1 PROCEDURAL MATTERS

A Recording of Meeting

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

B Apologies for Absence

Apologies for absence were received from Councillor Rachel Bailey.

C Declarations of Members' Interests

There were no declarations of Members' interests.

D Minutes of the Governance and Constitution Committee

Members noted the proposed minor changes to the Procedure – Section 114, 115 and 116 of the Local Government Finance Act 1988.

Cllr Peter Walker pointed out that he was present during the last meeting and asked that be reflected in the minutes.

RESOLVED:

[1] That subject to Cllr Peter Walker's attendance being noted, the minutes of the Governance and Constitution Committee held on Wednesday 5th July 2023 be confirmed as a correct record; and

[2] That the minor change to the Procedure – Section 114, 115 and 116 of the Local Government Finance Act 1988 be agreed.

2 DISPENSATION

The Director of Governance introduced the report which considered the granting of a fresh dispensation that would enable Members with a Disclosable Pecuniary Interest to take part in debates and votes upon the approval of the Members' Allowances Scheme (and any changes and/or additions to it).

He explained that the current dispensation was granted on 29th January 2020 and the Localism Act stated that dispensations must not exceed a period of four years.

The Committee were informed that the following Members requested the dispensation:

Councillors Sherin Akhtar, Rachel Bailey, David Brown, Kath Buckley, Peter Coan, Steve Collings, Razia Daniels, Brian Gallagher, Phil Harris, Marilyn Houston, Gina Lewis, Nick Mannion, Rob Moreton, Karen Mundry, Stef Nelson, Stuart Parker, Rob Polhill, Margaret Simon, Laura Smith, Peter Walker, Peter Wheeler and Norman Wright.

Members granted the dispensation to those who had requested it. It was noted that the dispensation could be extended at the next Fire Authority to any Member who had not requested it in time for the Committee.

RESOVLED: That

[1] a dispensation be granted to all Members of Cheshire Fire Authority, that have requested it, to enable them to take part in debates and votes concerning the approval of the Members' Allowances Scheme (and any changes and/ or additions to it), to be effective from 30th January 2024 for four years.

3 FIRE AUTHORITY CONSTITUTION - REVIEW (PART TWO)

The Director of Governance introduced the report which enabled Members to consider changes to the Fire Authority's Constitution for recommendation to the Fire Authority. The report considered sections: 3, Members' Decision Making Bodies; 7, Protocols; 8, Members' Code of Conduct; 9, Members' Allowances Scheme; and 10, Financial Regulations.

Section 3 – Members' Decision Making Bodies

The Director of Governance highlighted the revised table of key information and requirements on pages 25 and 26 of the agenda pack. Members were happy with the revised table.

Members noted the changes contained in the responsibilities of the Fire Authority and other committee meetings as contained within Appendix 2 to the report. However, the Director of Governance advised that further work was needed to reflect the fact that the approval of the final accounts now sits with the Audit Committee; the current wording implied this but needed tightening up.

The Director of Governance referred to Appendix 3 within the report which highlighted a list of plans, strategies and policies associated with Members' Decision Making Bodies. It was suggested that not all the documents listed were required to be submitted to Members.

The Director explained that the discussion at the Committee needed to be broadened out and include all Members and a number of officers too. The initial views of the Committee would help frame the broader debate about decision-making.

The following lists summarises the Committee's initial views.

The Committee felt that the following documents should continue to be considered// approved by the Fire Authority:

- Community Risk Management Plan (formerly Integrated Risk Management Plan)
- Medium Term Financial Plan
- Member Development Strategy (and Programme)
- Treasury Management Strategy
- People Strategy
- Unwanted Fire Signals Policy
- Communications and Engagement Strategy (merger of the former Consultation and Engagement Strategy and Corporate Communications Strategy)
- Equality, Diversity and Inclusion Strategy (formerly Corporate Equalities and Inclusion Strategy)
- Partnerships and Collaboration Strategy (formerly Partnership Policy)
- Pay Policy Statement
- Sprinkler Policy

The following documents should continue to be considered/ approved by Members at an appropriate Committee meeting:

- Crisis Management Plan - submitted to the Audit Committee.
- Asset Management Strategy – possibly to more than one committee.
- Health Safety Management Policy – submitted to the Joint Health, Safety and Wellbeing Committee.
- Pay and Recognition Policy – submitted to the Staffing Committee.
- Pension Abatement and Re-employment Policy – submitted to the Staffing Committee.
- Re-organisation and Redeployment Policy – submitted to the Staffing Committee.
- Retirement Policy – submitted to the Staffing Committee.

The following documents need further consideration by relevant officers:

- Heritage Policy
- Children and Young People Strategy
- Adult Safeguarding Strategy
- CFP Business Liaison Strategy
- ICT and Information Security Policy

Members noted that although not all items needed to be submitted to the Fire Authority, they would be available to all Members. A Member suggested that a policy index should be available to Members so all Members had an understanding of corporate policies.

Section 7 – Protocols

The Director of Governance referred to Appendices 4 and 5 of the report. He advised that the Gifts and Hospitality Guidance was reviewed by considering similar documents across the constituent authorities. No amendments were proposed.

The Protocol on Member and Officer Relations had also been reviewed by officers and it was noted that it was comparable to parts of the Members' Code of Conduct. However, the Director was comfortable with this and explained why. Members agreed that both documents remained fit for purpose.

Section 8 – Members' Code of Conduct, Section 9 – Members' Allowances Scheme and Section 10 – Financial Regulations

The Director of Governance advised that the Members' Code of Conduct was last reviewed in April 2023 and the Members' Allowances Scheme was to be considered later in the agenda pack.

He also informed Members that despite the Financial Regulations being reviewed in late 2022 and amendments made following the disaggregation of the joint Fire/Police finance function; they would be considered again by the new Treasurer during 2024.

RESOLVED: That

- [1] the revised Table of Key Information and Requirements within Appendix 1 to the report be agreed;**
- [2] the changes highlighted within the Responsibilities of the Fire Authority and other committees within Appendix 2 to the report be agreed;**
- [3] officers should make further revisions to the responsibilities of the Fire Authority and Audit Committee to make it explicit that the approval of final accounts was the responsibility of the Audit Committee;**
- [4] officers should further progress the discussion held regarding the List of Plans, Strategies and Policies associated with Members' Decision Making Bodies contained within Appendix 3, with a view to finalising a new list in due course;**
- [5] the Gifts and Hospitality Guidance contained within Appendix 4 to the report be agreed; and**
- [6] the Protocol on Member and Officer Relations contained within Appendix 5 to the report be agreed.**

4 MEMBERS' ALLOWANCES SCHEME: UPLIFT 2023-24; 2024-25; AND REVIEW

The Director of Governance introduced the report which enabled Members to consider the uplift to the Members' Allowances Scheme 2023-24 and determine a recommendation to the Fire Authority. The report also allowed Members to make a recommendation to the Fire Authority about the Members' Allowances Scheme for 2024-25. Finally, it allowed Members to agree the process for the upcoming review of the Members' Allowances Scheme due to take place during the 2024-25 Municipal Year.

Members' Allowances Scheme 2023-24 and 2024-25

The Director of Governance explained that similar to the previous year, the uplift agreed by the NJC for 2023-24 was a financial sum payable to all staff, rather than a percentage uplift. As the Members' Allowance Scheme only envisaged a percentage uplift it was necessary for the Fire Authority to decide how to uplift the Scheme for 2023-24.

Members took into account the uplift awarded to Grey Book staff during 2023-24 and determined that a 5% uplift to the Members' Allowances Scheme for 2023-24 should be recommended to the Fire Authority.

Member agreed to recommend to the Fire Authority that the Members' Allowances Scheme for 2024-25 should be based on the Scheme for 2023-24 once the uplift had been applied.

Members' Allowances Scheme Review

The Director of Governance highlighted the indicative process for the Members' Allowances Scheme review on page 61 of the report. He explained it was the same process followed during the last review in 2020-21, which involved one member of a local authority independent remuneration panel. Members agreed that the process was to be used in the next review.

RECOMMENDED: That

- [1] the Members' Allowances Scheme for 2023-24 be uplifted by 5%;**
- [2] the Members' Allowances Scheme for 2024-25 (covering 1st April 2024 to 31st March 2025) be based on the 2023-24 once the uplift has been applied; and**

RESOLVED: That

- [3] the review of the Members' Allowances Scheme taking place during the 2024-25 Municipal Year be conducted as stated within the report.**

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CHESHIRE FIRE AUTHORITY

MEETING OF: GOVERNANCE AND CONSTITUTION COMMITTEE
DATE: 8 NOVEMBER 2023
REPORT OF: DIRECTOR OF GOVERNANCE
AUTHOR: ANDREW LEADBETTER

SUBJECT: MEMBERS' ALLOWANCES SCHEME:
UPLIFT 2023-24; 2024-25; AND REVIEW

Purpose of Report

1. To enable Members to consider the uplift to the Members' Allowances Scheme 2023-24 and determine whether they are able to make a recommendation to the Fire Authority;
2. To make a recommendation to the Fire Authority about the Members' Allowances Scheme for 2024-25; and
3. To agree the process for the upcoming review of the Members' Allowances Scheme which is due to take place during the 2024-25 Municipal Year.

Recommended: That Members

- [1] Consider whether they are able to make a recommendation to the Fire Authority about the uplift to be applied to the Members' Allowances Scheme for 2023-24;
- [2] Recommend to the Fire Authority that the Members' Allowances Scheme for 2024-25 (which covers 1st April 2024 to 31st March 2025) be based on the 2023-24 Scheme once the uplift has been applied; and
- [3] Consider how they envisage the review of the Members' Allowances Scheme taking place during the 2024-25 Municipal Year.

Background

The Law

4. The provisions governing Members' allowances are contained in the Local Authorities (Members' Allowances) (England) Regulations 2003 [the Regulations]. The Regulations do not apply to the Fire Authority in full.
5. 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 potential to apply an index for annual adjustments to schemes (which can be relied upon for no longer than a

period of four years). 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 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). By virtue of this distinction it is clear that the Fire Authority is not required to have its own IRP.

6. The Members' Allowances Scheme must be approved each year by the Fire Authority. However, this should be a formality as an index (uplift) has been approved that is intended to determine the annual uplift that should be applied.
7. According to the Regulations the index (uplift) can only apply for four years.

The 2020 Review

8. The Members' Allowances Scheme was reviewed with the assistance of an Independent Reviewer and approved by the Fire Authority on 10th February 2021. The approved Scheme applies up to 31st March 2025 – this is essentially the latest date that the index (uplift) can apply until.

Information

Members' Allowances Scheme 2023-24

9. The Members' Allowances Scheme 2023-24 states that:

The Basic and Special Responsibility Allowances in this scheme shall be increased by the same percentage increase as the NJC pay award for Local Government employees (Green Book).

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

10. By agreeing the Scheme at the Fire Authority meeting held on 7th December 2022 Members agreed to uplift the Scheme in accordance with the pay award. However, the National Joint Council (NJC) pay award for 2023-24 is still being negotiated. As it stands it would be appear that the pay award is likely to be expressed as a figure/sum, rather than a percentage.
11. It is worth reminding Members about how they handled the situation last year. The pay award for 2022-23 was not expressed as the usual percentage increase; instead, £1,925 was applied to all pay points of the Green Book pay scale, which worked out as a 10.5% increase for staff on the lowest pay point and 4% for staff on the highest pay point. Therefore, there was no fixed percentage which could be directly applied to the Members' Allowance Scheme for 2023-24.

12. Members agreed at the Fire Authority meeting held on 7th December 2022 that an uplift of 5% be applied to the 2022-23 Scheme. This was decided in the context of the ongoing pay dispute for Grey Book staff. An offer of 5% had been declined in October 2022 and there was potential for industrial action. However, ultimately a pay settlement of 7% for 2022-23 and 5% for 2023-24 was agreed in March 2023.
13. Officers are hopeful that there will be further clarity about the NJC pay award by the time of the meeting, which would allow Members to consider how to approach the uplift to the Members' Allowances Scheme 2023-24 and make a recommendation to the Fire Authority.

Members' Allowances Scheme 2024-25

14. A draft of the Members' Allowances Scheme for 2024-25 cannot be prepared at this point as it needs to reflect the figures that were contained in the Members' Allowances Scheme 2023-24, which has, obviously, not been finalised. However, it is possible for Members to recommend to the Fire Authority that it approves the format of the Members' Allowances Scheme 2024-25 and that it should be finalised by officers taking into account the uplift that will ultimately be applied to the Members' Allowances Scheme 2023-24.
15. For information, the Scheme for 2023-24 is attached as Appendix 1 to this report.

Review of the Members' Allowances Scheme

16. A review of the Members' Allowances Scheme is due to take place during the 2024-25 Municipal Year. The previous two reviews of the Scheme did not involve the engagement of an Independent Remuneration Panel. A single member of the Panel for Cheshire East (the Independent Reviewer) assisted in the review and Members seemed to be satisfied that she provided a sufficient degree of independence.
17. The following activities were conducted during the last review:
 - Gathering information on:
 - The Members' Allowances Schemes of the constituent authorities
 - The Members' Allowances Schemes of a range of fire and rescue authorities
 - The views and expectations of Members and independent members for the review.
 - Meetings with the following stakeholders:
 - Officers and the Independent Reviewer to present information
 - Independent Reviewer and Members
 - A report of the Independent Reviewer was prepared and presented to the Governance and Constitution Committee along with a draft Members' Allowances Scheme.

- A report was then presented to the Fire Authority based on the recommendations of the Governance and Constitution Committee.

18. Members are asked to consider whether they are happy to follow the same process for the upcoming review.

Financial Implications

19. The annual increase for 2023-24 should be capable of being funded from the Authority's existing budget for Members' allowances. Any increase for 2024-25 should also be capable of being funded from the Authority's existing budget for Members' allowances.

Legal Implications

20. The legal implications are covered within the report.

Equality and Diversity Implications

21. There are no equality and diversity implications associated with this report.

Environmental Implications

22. There are no environmental implications associated with this report.

**CONTACT: DONNA LINTON, GOVERNANCE AND CORPORATE PLANNING
MANAGER**

TEL [01606] 868804

BACKGROUND PAPERS: NONE

SECTION 9 – MEMBERS’ ALLOWANCE SCHEME

Introduction

- 9.1 Local authorities are required to introduce a scheme dealing with Member remuneration complying with the provisions contained in the Local Authorities (Members Allowances) (England) Regulations 2003 (and amendments thereto).
- 9.2 Local authorities must establish and maintain an Independent Remuneration Panel to make recommendations on their schemes. Whilst the Regulations do not require a fire authority to have its own Independent Remuneration Panel, it must have regard to the recommendations made by Panels of the local authorities that appoint its Members (i.e. the constituent authorities).
- 9.3 The amounts payable under the Regulations are for individual authorities to decide, taking into account local circumstances, ways of working and the make up of individual decision making arrangements.
- 9.4 Authorities determine the amount of each allowance within the scheme on an annual basis.
- 9.4 The Regulations enable authorities to make provision for the annual adjustment of allowances by reference to an index which may apply for no longer than four years. Cheshire Fire Authority undertakes a review of the scheme every four years with the assistance of a member of an Independent Remuneration Panel operated by a constituent authority.
- 9.5 Schemes must include a Basic Allowance payable to all Members of the Authority and payment of Special Responsibility Allowances. Travel and subsistence are discretionary. The current Scheme of Members’ Allowances is attached as **Appendix 1**.

BASIC AND SPECIAL RESPONSIBILITY ALLOWANCES

- 9.6 Each Member is paid a basic allowance which is the same for each Member. The allowance recognises the time commitment of all Members including attending meetings and working within their locality.
- 9.7. A special responsibility allowance is payable to those Members who have significant responsibilities e.g. the Chair and Deputy Chair of the Authority.

TRAVEL AND SUBSISTENCE

- 9.8. The Authority has made provision in its scheme for reimbursing Members for the cost of travel and subsistence in performing their duties. The allowances can only be claimed in respect of meetings and duties as prescribed in the Scheme.

FURTHER DETAILS

- 9.9. Further information on the Scheme can be obtained from the Governance and Corporate Planning Manager, Fire Service HQ, Winsford, Cheshire.

Members' Allowance Scheme 2023-24

Basic Allowance

- 1 Each Member of the Fire Authority shall receive a sum of **£4,795.30** (2023/24) per annum in the form of a Basic Allowance from 1st April 2023. Payment of this Allowance shall be monthly in arrears.

Special Responsibility Allowance

- 2 The following roles shall attract the amounts specified as Special Responsibility Allowances:

Office	2023/24 Entitlement £
Chair of the CFA	15,775.63
Deputy Chair of the CFA	7,889.03
Chair of Performance and Overview Committee	3,155.61
Chair of Governance and Constitution Committee	1,820.54
Chair of Estates and Property Committee	1,820.54
Chair of Audit Committee	1,820.54
Chair of Local Pension Board	1,820.54
Business Continuity Leads (Group Spokespersons and Lead Members – Constituent Authorities)	1,213.70
Member Champions (includes Chair of Member Training & Development Group)	606.84

- 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 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 **£35** per meeting attended.

Independent (non-elected) members

- 5 Independent (non-elected) members will receive an annual allowance of **£1,404.76**.

Independent Audit Committee member

- 6 Independent Audit Committee member will receive an annual allowance of **£1,378.13**.

Independent Persons

- 7 Independent Persons will receive a payment of **£35** per meeting attended and re-imburement of expenses incurred (travel/subsistence).

Travel, Subsistence and Other Allowances

(a) Travel

- 8 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).

(b) Subsistence

- 9 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.

- 10 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

(c) Dependants' Carers' Allowance

- 11 A Dependants' 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 Dependants' 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

- 12 The Basic and Special Responsibility Allowances in this scheme shall be increased by the same percentage increase as the NJC pay award for Local Government employees (Green Book).

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 31st 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 induction and attendance at cluster exercises)

In addition to the above, the Chair or his nominee, attend other functions on behalf of the Fire Authority and in these circumstances these are regarded as approved duties for the purpose of the Members' Allowance Scheme.



**MINUTES OF THE MEETING OF THE PERFORMANCE AND OVERVIEW COMMITTEE
held on Wednesday, 22nd November 2023 at Lecture Theatre, Training Centre, Sadler
Road, Winsford, Cheshire CW7 2FQ at 10.00 am.**

PRESENT: Councillors Phil Harris (Chair), John Bird, Steve Collings, Razia Daniels, Nick Mannion, Margaret Simon, Peter Wheeler, Norman Wright, and independent (non-elected) member Derek Barnett.

1 PROCEDURAL MATTERS

A Recording of Meeting

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

B Apologies for Absence

All Members were in attendance.

C Declaration of Members' Interests

There were no declarations of Members' interests.

D Minutes of the Performance and Overview Committee

RESOLVED:

**That the minutes of the Performance and Overview Committee held on
Wednesday 20th September 2023 be confirmed as a correct record.**

2 FINANCE REPORT - QUARTER 2, 2023-24

The Treasurer introduced the report, which provided Members with an overview of the Service's forecast revenue financial outturn and reported on progress against 2023-24 capital projects. He reminded Members that the Fire Authority's Revenue Budget was £52m, and the Capital Budget was £10m for the year.

The Treasurer drew Members' attention to the anticipated overspend of £458k in Quarter 2. He outlined a number of reasons for this, including:

- Grey Book (operational staff) pay had increased by 7% (an estimated £290k budget pressure);
- Operational Policy and Assurance had additional expenditure of £49k on North

West Fire Control, this had been offset by a saving of £31k on the Gartan staffing system;

- the cost of minibus hire for the Prince's Trust team had contributed £47k to the overspend, not £458k as shown in the agenda; and
- Support Services, including the disaggregation of some Blue Light Collaboration services had contributed an overspend of £116k.

The Green Book pay award of approximately 6% had recently been agreed (an estimated £65k) this cost was not included in the forecast.

The Treasurer confirmed that the position would continue to be monitored and every effort would be made to meet the overspend from existing budgets.

The Treasurer advised Members that there had been a delay in spending on the capital projects, leading to an increase in interest received. This would be transferred to capital reserves to fund the capital programme.

The Treasurer outlined the capital programme schemes. Crewe Fire Station was on target and Congleton was due to be completed early in the new year. Work at Wilmslow and Macclesfield was ongoing, and the rest of the modernisation programme was being reviewed. There had been an increase in the cost relating to the new fire engines, this would be reflected in the capital programme budget for 2024-25.

A Member questioned whether there was a business case for the Service to acquire a minibus for the Prince's Trust work. The Treasurer advised that this was an option the Service was exploring and further work was required prior to considering the purchase of a minibus.

A Member asked the Treasurer to explain how the Capital Reserve was generated. The Treasurer advised that £1.5m was transferred from the Fire Authority budget per year. When the levels of earmarked reserves were reviewed, any amounts from earmarked reserves that were no longer required were transferred to the Capital Reserve, which would be used to support the funding of the Authority's capital programme.

RESOLVED: That

[1] the Finance Report – Quarter 2, 2023-24 be noted.

3 PROGRAMME REPORT - QUARTER 2, 2023-24

The Service Improvement Business Manager provided Members with an update on the Service's programmes and projects (including those contained within the Authority's annual IRMP Action Plan). She highlighted the following: -

- project 1613, International Search and Rescue, moved from amber status to green. The project had been paused due to inactivity, after recent deployments the project had now resumed, and new milestones had been added;
- project 1614, Welfare/Contaminants Unit. The decision was made to introduce a smaller 12-person unit. This unit would still deliver the IRMP objective of improved welfare arrangements;
- project 1615, Intermediate Command Support Vehicle, the project was a feasibility study and was in the process of being closed. A new project would be created for the implementation of the vehicle, and this would form part of the next Community Risk Management Plan (CRMP) (2024-2028); and
- the status of the projects within the IRMP 2020-24 were described as either completed or on track. There were two that could not be completed within the timescale, and these were in the new CRMP.

RESOLVED: That

[1] the Programme Report – Quarter 2, 2023-24 be noted.

4 PERFORMANCE REPORT - QUARTER 2, 2023-24

The Service Improvement Business Manager introduced the report, which provided an update on the Service's Quarter 2, 2023-24 performance for each of the Key Performance Indicators (KPIs). The report included the Corporate Scorecard, which reflected the Quarter 2 position against targets set and the year-on-year direction of travel for the KPIs.

The following matters were highlighted:

- the Number of Deaths in Primary Fires was red due to the 3 deaths in Quarter 1. No deaths had occurred in Primary Fires during Quarter 2;
- the Number of Fires in Non-Domestic Premises was 80 against a target of 74. The increase was due to calls from HMP Styal and barn fires in the summer period;
- the number of Automatic False Alarms in Non-Domestic Premises had also increased to 284 against a target of 245. There was an ongoing issue with student accommodation premises in Chester. Protection officers from the unitary office were working to reduce the false alarms; and
- the Risk Based Inspection Programme (RBIP) had a very challenging target of 620 inspections. This was the first quarter since it commenced in April 2022 where the Service had achieved and exceeded the target number of audits.

RESOLVED: That

[1] the Performance Report – Quarter 2, 2023-24 be noted.

5 HMICFRS 2023 INSPECTION ACTION PLAN

The Service Improvement Business Manager introduced the report, which updated Members on the action plan to resolve Areas For Improvement (AFIs) identified in the Service's 2023 HMICFRS inspection report.

She reminded Members that the 2023 report contained the lowest number of recommendations the Service had been given by HMICFRS in any of their inspection reports. The 5 Areas for Improvement had a list of actions to rectify the issues and provided evidence of progress that had been made to complete them. The Service aims to resolve all the 5 AFIs in advance of a future inspection which was likely to take place in 2025.

RESOLVED: That

[1] the report about the HMICFRS 2023 Inspection Action Plan be noted.

6 UPDATE ON HMICFRS VALUES AND CULTURE REPORT RECOMMENDATIONS

The Head of People and Development introduced the report, which provided Members with an update on the work undertaken to address the recommendations of the HMICFRS Spotlight Report into Values and Culture in Fire and Rescue Services.

The spotlight report contained 35 recommendations, 20 of these were specifically to be actioned by each individual Fire and Rescue Service. An action plan had been produced, and good progress had been made in dealing with the majority of recommendations within the required timescale. Only two areas require further work, these being the use of EDI data, and having plans in place to ensure the Service could meet the two key Fire Standards.

The Head of People and Development advised Members that 15 out of 17 (88%) of the recommendations where the deadline had passed, had been completed. Of the 3 remaining recommendations which had deadlines which fall in 2024, the work in relation to DBS had already commenced, with the other two relating to misconduct and grievances requiring further information to be published by the NFCC before the Service could take any meaningful action.

A Member questioned if the report was signed off by an independent body. The Chief Fire Officer advised that he anticipated that HMICFRS would check on the progress made during its next inspection.

RESOLVED: That

- [1] the Update on HMICFRS Values and Culture Report Recommendations be noted.**

7 HEALTH AND SAFETY ANNUAL REPORT 2022-23

The Health and Safety Manager introduced the report, which provided Members with an update on the Health and Safety performance 2022-2023.

The Health and Safety Manager highlighted the key areas of the report:

- there had been an increase in the number of minor injuries 51 in the year 2022-23 against 38 injuries in 2021-22. Manual handling and slip, trip and fall incidents had been the cause of the most accidents;
- there had been a decrease in the number of days lost because of injuries this year which totalled 40, a reduction on last year's total of 74.5;
- a significant improvement had been seen in operational employee fitness with the Service fitness pass rate increasing from 75% to 95%; and
- there had been four accidents reported under the Reporting of Injuries, Diseases and Dangerous Occurrence Regulations, the same number as the previous year. One of the incidents reported was in relation to a member of the public who had now fully recovered.

The Health and Safety Manager advised Members that the improvement had been achieved due to a combination of the investment of time and money by the Service Leadership Team, and a continuing improvement in the health and safety culture of both managers and employees.

A Member questioned if the reportable accident rate was benchmarked against other fire services. The Chief Fire Officer advised Members that this information was available in the past and Cheshire was in the lower range for accidents. The data had not been collated last year and this was something which the Service would look at. The Chief Fire Officer confirmed that no areas of concern relating to health and safety were identified in the latest HMICFRS inspection.

RESOLVED: That

- [1] the Health and Safety Annual Report 2022-23 be noted.**

8 MENTAL HEALTH ANNUAL REPORT 2022-2023

The Mental Health Advisor introduced the report, which provided an update about the work undertaken over the last 12 months to deliver the objectives and priorities contained with the Service's Mental Health Strategy.

He highlighted key points from the report which included the following:

- the Mental Health Advisor partnered with the Service Fitness Advisor to start offering joint visits, to emphasise the parity of esteem between physical and mental health. Whilst the Fitness Advisor undertook the fitness testing, staff were also invited to undertake a Mental Health MOT. To date, 25% of staff had accessed the MOT;
- a “Step Away” programme had been offered to staff before and after retirement. The programme offers workshops on the financial implications of and opportunities afforded by retirement, offering practical advice and health and wellbeing support. The programme was reviewed following the first round of delivery;
- the Wellbeing Group offers informal and flexible peer support to colleagues. Activities include paddleboarding, mindful walks and meditation; and
- there was a new initiative working with an organisation called K9 where 12 volunteers with their dogs could be assessed and trained to become wellbeing dogs for the Service. The wellbeing dogs could help get people talking and create expressions of genuine feeling just by being friendly and non-judgemental.

The Mental Health Advisor outlined to Members that the aims within the Mental Health Strategy 2021-25 had become business as usual in the Service, and that work was ongoing to develop the next 4-year strategy.

A Member commented that there was still a stigma within society about reporting mental health issues and that it was a concern that 75% of operational staff had not taken up the Mental Health MOT. The Mental Health Advisor advised Members that other sectors had looked to mandate mental health assessments; however, the cooperation rate was very low, and the participants did not engage in a meaningful way. The training given to staff included watchful waiting and being aware of colleague’s behaviour. He concluded this was something the Service was very keen to promote and that ways to gain more uptake were constantly being looked at.

RESOLVED That

[1] the Mental Health Annual Report 2023 be noted.

9 PARTNERSHIP ANNUAL REPORT 2022-2023

The Partnership Co-ordinator introduced the report, which provided an update on the Prevention department’s Partnerships portfolio 2022-2023.

The Partnership Co-ordinator advised Members that the partnerships include (but were not limited to), the Safe and Well Programme, and the Early Help and Prevention Partnership led by Cheshire West and Chester Council.

Key achievements included:

- in the Early Help and Prevention Partnership a total of 301 Safe and Well referrals were requested during the year. 157 referrals were completed, with 144 families refusing a visit or failing to engage with the Service. 146 smoke alarms were fitted, and 32 fireproof letter boxes installed at 32 properties to help reduce the risk of a fire developing within a property;
- in November 2022, NHS partners requested that the Service stop testing for atrial fibrillation and blood pressure due to recent structural and governance changes within health. Since April 2023, discussions had recommenced with health partners to reintegrate these health offers. This work was of a high priority and was due to be re-introduced once equipment guidance and refresher training was in place;
- Energy Projects Plus continued to provide funding and awareness to households. The “Warm and Well” programme had supported 324 households in 2022-23, compared to just 15 households during 2021-22.

The Partnership Co-ordinator advised Members that there was a new project “Combined Intelligence for Population Health Action” (CIPHA). It involves intelligence-based data being shared by the NHS. The data identifies the properties most at risk within Cheshire by using health data, which would support the Service’s Safe and Well activity.

A Member commented that he was pleased to see the diverse work carried out with partners. The Chair advised that if the Members identified an area of work or collaboration not covered in their area their Unitary Performance Group could assist by contacting their Officer buddy.

RESOLVED: That

[1] the Partnerships Annual Report 2022-23 be noted.

10 INTERIM BONFIRE REPORT 2023

The Deliberate Fire Reduction Manager provided Members with an interim update on the preventative and operational activities of the Service during the bonfire period. This ran from 08:00 24th October 2023 to 08:00 on 7th November 2023 (aligned with North West Fire Control). He confirmed that a full report would be presented at the next meeting.

The Deliberate Fire Reduction Manager outlined to Members the preparation work that occurred in the weeks before the start of the bonfire period. This included: developing a media campaign to give key safety messages via social media and radio; working with high schools in Winsford and Runcorn to deliver safety presentations; the ‘On the Streets’ team working with the Police to target youngsters in well-known trouble hot spots; and working with the Local Authority and housing trusts to identify and remove waste and fly-tipped items.

The Deliberate Fire Reduction Manager advised that 1 attack had been reported with youths in Winsford throwing objects at the appliance and fire crew. The Police escorted the fire engine and intervened to enable the firefighters to extinguish the fire. Having the Police escort was an active deterrent, and this approach would be used next year.

The Deliberate Fire Reduction Manager highlighted that:

- across the bonfire reporting period, 30 deliberate secondary fires were recorded, which was a 47% reduction compared to 2022 and a 65% reduction compared to 5 years ago;
- 6 deliberate secondary fires were recorded on Bonfire Night which was a decrease of 6 from the previous year;
- 10 Station Areas experienced deliberate secondary fires, with most activity (10 fires) occurring in Winsford which was a decrease of 16 from the previous year;
- there were 6 deliberate primary fires across 6 different station areas. These occurred in Chester, Ellesmere Port, Frodsham, Nantwich, Runcorn and Warrington; and
- it was also noted that the weather may have helped reduce the number of incidents across Cheshire.

The Deliberate Fire Reduction Manager was proposing a number of recommendations for next year, these included: -

- a full review of the UPG funding bids to try to determine how effective the work was and develop further options for the coming year to ensure value for money;
- delivering a full programme of school visits to capture more schools and create better awareness; and
- developing a partnership approach with the Local Authorities and housing trusts to work together to remove combustible waste.

RESOLVED: That

- [1] the Interim Bonfire Report 2023 be noted.**

11 FORWARD WORK PROGRAMME

The Director of Governance commented that no changes or additions to the Forward Work Programme had been identified.

RESOLVED: That

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



MINUTES OF THE MEETING OF THE BRIGADE MANAGERS' PAY AND PERFORMANCE COMMITTEE held on Monday, 20 November 2023 at Fire Conference Room - Fire Service HQ, Clemonds Hey, Winsford, Cheshire, CW7 2UA at 10.00 am

PRESENT: Councillors Stef Nelson (Chair), Gina Lewis, Stuart Parker, Margaret Simon and Peter Wheeler

1 PROCEDURAL MATTERS

A Apologies for Absence

Apologies for absence were received from Councillors Rob Moreton and Karen Mundry.

B Declaration of Members' Interests

There were no declarations of Members' interests.

C Minutes of the Brigades Managers' Pay and Performance Committee

RESOLVED:

That the minutes of the Brigade Managers' Pay and Performance Committee held on 10th July 2023 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 - Chief Fire Officer and Chief Executive: Performance Appraisal and Development Scheme

Paragraph 1 - Information relating to an individual

3 CHIEF FIRE OFFICER AND CHIEF EXECUTIVE: PERFORMANCE APPRAISAL AND DEVELOPMENT SCHEME

Consideration was given to a report of the Independent HR Consultant which outlined the Performance Appraisal and Development Scheme [PADS] that enabled

the Service to review an employee's performance against delivery of agreed priorities/objectives, grade the contribution and performance, identify individual and organisational development needs, and support succession planning.

The PADS scheme operates from top to bottom across the whole of the Service. Members monitor progress against the key objectives set for the Chief Fire Officer and Chief Executive, which are aligned to the Service's Integrated Risk Management Plan (soon to be the Community Risk Management Plan).

Members reviewed the performance of the Chief Fire Officer and Chief Executive against the key objectives set for 2023-24.

The Chief Fire Officer and Chief Executive's interim appraisal was scheduled to take place 18th March 2024.

RESOLVED That:

- [1] progress against the key objectives for 2023-24 be noted; and**
- [2] the interim appraisal take place on 18th March 2024.**



MINUTES OF THE MEETING OF THE STAFFING COMMITTEE held on Monday, 20 November 2023 at Fire Conference Room - Fire Service HQ, Clemonds Hey, Winsford, Cheshire, CW7 2UA at 12.00 pm

PRESENT: Councillors Stef Nelson (Chair), Gina Lewis, Stuart Parker, Margaret Simon, Laura Smith and Peter Wheeler

1 PROCEDURAL MATTERS

A Recording of Meeting

Members were reminded that this meeting would be audio recorded.

B Apologies for Absence

Apologies for absence were received from Councillors Rob Moreton and Karen Mundry (Councillor Laura Smith attended as a Substitute Member for Councillor Karen Mundry).

C Declaration of Members' Interests

There were no declarations of Members' interests.

D Minutes of the Staffing Committee

RESOLVED:

That the minutes of the Staffing Committee held on 10th August 2023 be confirmed as a correct record.

2 ANNUAL WORKFORCE PLANNING UPDATE

The Group Manager, Organisational Performance presented the report which provided an update as of November 2023 of the current operational staffing levels and overview of the workforce planning process that was used to plan for and recruit the required number of operational firefighters.

It was noted that there had been an increase in staff leaving the Service to both external employers and other fire and rescue services who were facing similar issues with their retirement profiles. In the four-year period to 31st March 2027, it was anticipated that there would be approximately 111 leavers, which represented employee turnover of 28%.

In the last 12 months 38 appointments to wholetime firefighter roles had been made, with 27 leavers. Future recruitment was planned to fill 8 positions through an On-Call

Migration course in March 2024 and 12 positions on a Wholetime Recruits course in April 2024.

A Member asked how many female firefighters were now employed by the Service. In response, the Chief Fire Officer and Chief Executive advised that in total there were 72 female firefighters employed across the Service.

The latest round of promotion boards for Crew, Watch and Station Managers were completed in October 2023 which had resulted in 4 permanent Group Managers appointments, 10 permanent Station Manager appointments; 2 permanent Watch Manager appointments; and 14 permanent Crew Manager appointments.

The Chair asked that all Members received an update on 'Succession Planning and Talent Management' at the next Member Planning Day in January 2023.

RESOLVED: That

[1] the Workforce Planning Update be noted.

3 DISCIPLINE AND GRIEVANCE UPDATE

The Head of People and Organisational Development presented a report which provided an update on discipline cases, grievances, dignity at work complaints and performance improvement/capability procedures within the Service.

The Head reported that the discipline figures for 2022 showed a small increase when compared to those in 2021. Although, the data for 2023 was incomplete, there already appeared to be a significant increase in discipline cases compared with the previous years.

There had been a decrease in grievances submitted in the past two years, with the number of grievances submitted in 2023 looking like they had returned to pre-2022 levels.

A Members asked for clarity on conduct cases and what these involved. In response, the Head advised on the themes that conduct cases may involve, such as, external, or internal complaints, failure to adhere to health and safety regulations etc. Conduct cases had been under scrutiny at a national level since the HMICFRS published their spotlight report into values and culture in the fire and rescue service. The Service believed that it was taking a balanced approach to ensure that any serious breaches of conduct were dealt with robustly, whilst ensuring that the Service did not overuse the discipline procedures. The criticism within the spotlight report was that Services were not effectively using their procedures to tackle inappropriate behaviour.

RESOLVED: That

[1] the Discipline and Grievance Update be noted.

4 PRESENTATION ON THE PEOPLE STRATEGY 2022-25

The Head of People and Organisational Development gave a presentation which provided an update about developments associated with the People Strategy 2022-25 (the Strategy).

Members were informed that the Strategy was predicated on the 'Steps Framework' which now consisted of four main elements: Step In; Step Forward; Step Up; Step Away. An overview was provided in respect of each of the elements, confirming activities carried out to-date and future intended activity.

The presentation provided further information on the following:-

- 2023 a year of change;
- New Challenges in 2023;
- Step in – Recruitment and Training;
- Impact of Positive Action on our Workforce;
- Gender Split for Recruit Courses
- Work experience year 10's and year 12/13's;
- Performance and Development;
- Progression and Leadership;
- Workforce Planning and Retirement;
- 2024-25 People Priorities

A Member welcomed the work experience initiative and asked how this was publicised. In response, the Head of People and Organisational Development advised that the offer was communicated to local schools, and that details were published on the website and included in social media posts.

RESOLVED: That

[1] the People Strategy Update be noted.

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PROGRAMME OF MEMBER MEETINGS FOR THE MUNICIPAL YEAR 2024-25

Cheshire Fire Authority (Wednesday at 10.30am)	Governance and Constitution Committee (Wednesday at 10am)	Performance and Overview Committee (Wednesday at 10am)	Audit Committee (TBC)	Staffing Committee (Wednesday at 10am)
26 June 2024	3 July 2024	10 July 2024	10 July 2024 (Wednesday at 1pm)	17 July 2024 at 12noon (Note: to take place at the rise of the BM Pay and Performance Committee, whichever is later)
25 September 2024	6 November 2024	11 September 2024	18 September 2024	18 September 2024
4 December 2024		20 November 2024	20 November 2024 (Wednesday at 1pm)	13 November 2024 at 12.00 (Note: to take place at the rise of the BM Pay and Performance Committee, whichever is later)
12 February 2025	29 January 2025	12 March 2025	29 January 2025 (on rise of the Governance and Constitution Committee)	26 March 2025 at 12.00 (Note: to take place at the rise of the BM Pay and Performance Committee, whichever is later)
30 April 2025	23 April 2025		23 April 2025 (on rise of the Governance and Constitution Committee)	

ADDITIONAL MEMBER MEETINGS:

Estates and Property Committee:

Dates arranged as required.

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

CFO Appraisal:

Wednesday 17 July 2024

CFO Review:

Wednesday 13 November 2024

BM Pay Review:

Wednesday 22 January 2025

CFO Review:

Wednesday 26 March 2025

Pension Board: 2pm – 4pm

*Additional dates TBA

Tuesday 13 August 2024

Tuesday 19 November 2024

Tuesday 18 March 2025

Member Training and Development Group: 10am – 12pm

Tuesday 9 July 2024

Tuesday 1 October 2024

Tuesday 10 December 2024

Tuesday 25 March 2025

Member Planning Days:

Friday 5 July 2024

Friday 2 August 2024 (TBC)

Friday 6 September 2024

Friday 8 November 2024

Friday 17 January 2025

Friday 28 March 2025

CHESHIRE FIRE AUTHORITY

MEETING OF: CHESHIRE FIRE AUTHORITY
DATE: 6 DECEMBER 2023
REPORT OF: TREASURER
AUTHOR: GRANT THORNTON (EXTERNAL AUDITORS)

SUBJECT: EXTERNAL AUDITOR'S ANNUAL REPORT 2022-23

Purpose of Report

1. The External Auditor's Annual Report 2022-23 covers the Authority's arrangements for value for money during the year and confirms the auditor's opinion on the Authority's 2022-23 Statement of Accounts.

Recommended: That

- [1] the draft External Auditor's Annual Report 2022-23 be noted; and
- [2] that the Authority be informed of any changes to the External Auditor's Annual Report, if such changes are material, as soon as the Authority's 2022-23 Statement of Accounts is signed.

Background

2. Under the Audit and Accountability Act 2014 the external auditors of the Authority are required to consider whether the Authority has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.
3. In addition, the Authority must obtain an audit of its statement of accounts and the auditors are required to provide an audit opinion.
4. The external auditors must present an annual audit report to the Authority by the end of December each year which covers these matters.

Information

5. The External Auditor's Annual Report 2022-23 is attached at Appendix 1. It remains a draft at this point. It was considered in detail at the Audit Committee on 22nd November 2023 and after appropriate scrutiny the Committee agreed that the draft report should be presented to the Authority.

6. The External Auditor's Annual Report does not identify any concerns, but it does include three recommendations. These will be monitored by Audit Committee on the Authority's behalf. Audit Committee did not identify any issues to bring to the attention of the Authority.
7. Unfortunately, the External Auditors, through no fault of their own, have been unable to conclude their audit. This means that it has not been possible to approve the 2022-23 Statement of Accounts or conclude the External Auditor's Annual Report. The issues that have held up completion of the audit are referenced in the External Auditor's Annual Report on pages xxx (5&21). The following paragraphs provide information about the reasons for the delay.
8. The Authority's statement of accounts is due to be approved and signed by 30th September each year. The draft of the 2022-23 Statement of Accounts was presented to the Audit Committee on 26th September, but at the time there were unresolved issues in relation to: the valuation of property; the accounting treatment and valuation of the pension liability; and the auditors had not received necessary assurances from the auditor of the Cheshire Pension Fund. As a result, the 2022-23 Statement of Accounts were not signed at the meeting, but the Committee delegated their signing to the Chair of Audit Committee and the Treasurer, subject to the issues being satisfactorily resolved and upon receipt of the External Auditor's Audit Opinion.
9. Subsequent to that meeting those issues were resolved but a further issue in relation to the valuation of the pension liability for the Firefighters Pension Fund was identified. The Government Actuary Department (GAD) was asked to update the valuation but indicated that it would take some time to complete this work, since the Authority was not the only body affected by the issue. At the time of writing this report the work remains outstanding.
10. It should be stressed that the only impact the resolution of these issues will have on the 2022-23 Statement of Accounts will be technical in nature. There will be no impact on the Authority's General Fund. As the issues relate to matters where the Authority relies on external advisers, the Authority is unable to control the resolution of the issues itself. In addition, Members will be aware that there is a national issue in relation to the auditing and approval of local authority accounts, and that in fact the Authority is in a significantly advanced position when compared to other local authorities.
11. When the issues are resolved and the 2022-23 Statement of Accounts have been signed, changes to the final version of the External Auditor's Annual Report will be provided to Members for information. No further report will be presented to the Authority unless any changes are material.

Financial Implications

12. This report is financial in nature.

Legal Implications

13. There are statutory deadlines for the approval of the statement of accounts and the production of the auditor's annual report. The Authority has been unable to meet these deadlines this year. As a result, it is required to publish a notice on its website explaining this. This has taken place.

Equality and Diversity Implications

14. There are no equality and diversity implications.

Environmental Implications

15. There are no environmental implications.

**CONTACT: DONNA LINTON, GOVERNANCE AND CORPORATE PLANNING
MANAGER**

TEL [01606] 868804

BACKGROUND PAPERS: NONE

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Auditor's Interim Annual Report on Cheshire Fire Authority

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2022/23

12 November 2023



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We are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 to satisfy ourselves that the Service has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The Code of Audit Practice issued by the National Audit Office (NAO) requires us to report to you our commentary relating to proper arrangements.

We report if significant matters have come to our attention. We are not required to consider, nor have we considered, whether all aspects of the Service's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.



The contents of this report relate only to those matters which came to our attention during the conduct of our normal audit procedures which are designed for the purpose of completing our work under the NAO Code and related guidance. Our audit is not designed to test all arrangements in respect of value for money. However, where, as part of our testing, we identify significant weaknesses, we will report these to you. In consequence, our work cannot be relied upon to disclose all irregularities, or to include all possible improvements in arrangements that a more extensive special examination might identify. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

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Executive summary



Value for money arrangements and key recommendation(s)

Under the National Audit Office (NAO) Code of Audit Practice ('the Code'), we are required to consider whether the Service has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

Auditors are required to report their commentary on the Service's arrangements under specified criteria and 2022/23 is the third year that we have reported our findings in this way. As part of our work, we considered whether there were any risks of significant weakness in the Service's arrangements for securing economy, efficiency and effectiveness in its use of resources. Our conclusions are summarised in the table below.

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Criteria	2022/23 Risk assessment	2022/23 Auditor Judgement on arrangements	2021/22 Auditor Judgement on arrangements	Direction of travel
Financial sustainability	No risks of significant weakness identified	No significant weaknesses in arrangements identified, but improvement recommendation made.	No significant weaknesses in arrangements identified, but improvement recommendation made	↔
Governance	No risks of significant weakness identified	No significant weaknesses in arrangements identified, but improvement recommendation made.	No significant weaknesses in arrangements identified, but improvement recommendation made	↔
Improving economy, efficiency and effectiveness	No risks of significant weakness identified	No significant weaknesses in arrangements identified, but improvement recommendation made.	No significant weaknesses in arrangements identified, but improvement recommendations made	↔

- No significant weaknesses in arrangements identified or improvement recommendation made.
- No significant weaknesses in arrangements identified, but improvement recommendations made.
- Significant weaknesses in arrangements identified and key recommendations made.

Executive summary (continued)



Financial sustainability

We did not identify any risks of significant weaknesses in the Authority's financial sustainability arrangements in our initial risk assessment. Our further work confirmed this view, with no significant weaknesses in arrangements identified. We have made an improvement recommendation due to budget gaps remaining in the medium term financial plan (MTFP) from 2024/25 onwards as well as the funding uncertainty around the capital programme. Our findings are set out in further detail on pages 7 to 11.



Governance

We did not identify any risks of significant weaknesses in the Authority's governance arrangements in our initial risk assessment. Our further work confirmed this view, with no significant weaknesses in arrangements identified. We have made an improvement recommendation in respect of reviewing the effectiveness of the Audit Committee. Our findings are set out in further detail on pages 12 to 15.



Improving economy, efficiency and effectiveness

We did not identify any risks of significant weaknesses in the Authority's arrangements for improving economy, efficiency and effectiveness in our initial risk assessment. Our further work confirmed this view, with no significant weaknesses in arrangements identified. We have made one improvement recommendations in respect of performance monitoring in joint corporate services. Our findings are set out in further detail on pages 16 to 19.



Financial Statements opinion

We are still waiting for some third-party pension assurances to finalise our opinion on the 22/23 accounts, hence this report being an interim. We anticipate the opinion being unqualified as noted in the Audit Committee meeting on 26 September 2023. Our findings are set out in further detail on pages 21 to 22.



Opinion on the financial statements and use of auditor's powers

We bring the following matters to your attention:

Opinion on the financial statements

Auditors are required to express an opinion on the financial statements that states whether they : (i) present a true and fair view of the Service's financial position, and (ii) have been prepared in accordance with the CIPFA/LASAAC Code of practice on local authority accounting in the United Kingdom 2021/22

We are still waiting for some third-party pension assurances to finalise our opinion on the 2022/23 accounts, hence this report being an interim. We anticipate the opinion being unqualified as noted in the Audit Committee meeting on 26 September 2023.

Statutory recommendations

Under Schedule 7 of the Local Audit and Accountability Act 2014, auditors can make written recommendations to the audited body which need to be considered by the body and responded to publicly

We have not issued any statutory recommendations, nor do we anticipate doing so.

Public Interest Report

Under Schedule 7 of the Local Audit and Accountability Act 2014, auditors have the power to make a report if they consider a matter is sufficiently important to be brought to the attention of the audited body or the public as a matter of urgency, including matters which may already be known to the public, but where it is in the public interest for the auditor to publish their independent view.

We have not issued a public interest report, nor do we anticipate doing so.

Application to the Court

Under Section 28 of the Local Audit and Accountability Act 2014, if auditors think that an item of account is contrary to law, they may apply to the court for a declaration to that effect.

We have not applied to the court, nor do we anticipate doing so.

Advisory notice

Under Section 29 of the Local Audit and Accountability Act 2014, auditors may issue an advisory notice if the auditor thinks that the authority or an officer of the authority:

- is about to make or has made a decision which involves or would involve the authority incurring unlawful expenditure,
- is about to take or has begun to take a course of action which, if followed to its conclusion, would be unlawful and likely to cause a loss or deficiency, or
- is about to enter an item of account, the entry of which is unlawful.

We have not issued any advisory notices nor do we anticipate doing so.

Judicial review

Under Section 31 of the Local Audit and Accountability Act 2014, auditors may make an application for judicial review of a decision of an authority, or of a failure by an authority to act, which it is reasonable to believe would have an effect on the accounts of that body.

We have not applied for a judicial review, nor do we anticipate doing so.

Securing economy, efficiency and effectiveness in the Service's use of resources

All Fire and Rescue Services are responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness from their resources. This includes taking properly informed decisions and managing key operational and financial risks so that they can deliver their objectives and safeguard public money. The Service's responsibilities are set out in Appendix A.

Fire and Rescue Services report on their arrangements, and the effectiveness of these arrangements as part of their annual governance statement.

Under the Local Audit and Accountability Act 2014, we are required to be satisfied whether the Service has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

The National Audit Office's Auditor Guidance Note (AGN) 03, requires us to assess arrangements under three areas:



Financial Sustainability

Arrangements for ensuring the Service can continue to deliver services. This includes planning resources to ensure adequate finances and maintain sustainable levels of spending over the medium term (3-5 years).



Governance

Arrangements for ensuring that the Service makes appropriate decisions in the right way. This includes arrangements for budget setting and management, risk management, and ensuring the Service makes decisions based on appropriate information.



Improving economy, efficiency and effectiveness

Arrangements for improving the way the Service delivers its services. This includes arrangements for understanding costs and delivering efficiencies and improving outcomes for service users.



Our commentary on the Service's arrangements in each of these three areas, is set out on pages 7 to 19. Further detail on how we approached our work is included in Appendix B.

Financial sustainability



We considered how the Authority:

- identifies all the significant financial pressures that are relevant to its short and medium-term plans and builds them into its plans
 - plans to bridge its funding gaps and identify achievable savings
 - plans its finances to support the sustainable delivery of services in accordance with strategic and statutory priorities
- ensures its financial plan is consistent with other plans such as workforce, capital, investment and other operational planning which may include working with other local public bodies as part of a wider system
- identifies and manages risk to financial resilience, such as unplanned changes in demand and assumptions underlying its plans.

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Short and medium term financial planning

Cheshire Fire Authority has a strong history of delivering a balanced budget without any unplanned use of reserves and in 2022/23 they reported a small revenue overspend of £0.3m (mainly driven by unforeseen pay awards) with a capital underspend of £1m. The Authority approaches financial planning through Priority Based Budgeting (PBB) and this is a key driver supporting financial sustainability. PBB is a very detailed and in-depth review of the whole organisation, encompassing workforce, finance and delivery and is implemented as part of the business planning process. Budget managers present to panels setting out what demands or changes are affecting their areas and as a result what they need in terms of resources, funding etc. as well as demonstrating what Cheshire Fire will get from those resources. PBB provides a comprehensive review of the entire Authority's budget, identifying and ranking the services provided on the basis of the Authority's priorities. This diagnostic process enables the Authority to link funding decisions to priorities in the Integrated Risk Management Plan (IRMP).

The Medium Term Financial Plan (MTFP) is embedded within the annual budget setting cycle to provide a longer term view of priorities and demand for services. Council Tax assumptions are a key element of planning and the Authority works closely with their Billing Authorities to understand assumptions around the Council Tax base and also the likely surplus or deficit on the Collection Funds. The Comprehensive Spending Review and Government Settlements are reviewed on an ongoing basis to try and model future resource envelopes that Cheshire will operate in. Although there was a spending review setting out the direction of travel through to 2025, fire and rescue services were not explicitly mentioned and therefore there is still no long-term certainty. This uncertainty, combined with recent rises in inflation and pay awards, means that the future financial position is very challenging.

The current capital programme reflects the priorities of the Authority and includes a programme of modernisation and, where necessary, replacement of fire stations. The funding for some of this programme is still to be identified and therefore we have included an improvement recommendation in respect of this linked to the Authority's medium-term financial plans. At the end of 2022/23 there was an underspend of £0.98m on capital. The proposed capital programme expenditure for 2023/24 is £9.5m and mostly relates to fire station modernisation and Crewe Fire Station. This will be funded by a combination of reserves and borrowing. The Authority sets and reviews a number of prudential indicators showing 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.

In addition to the Capital Strategy, the workforce plan is managed closely to ensure financial and HR data is matched. Workforce planning provides all the profiles of recruitment, leavers, retirees etc. and the funding requirements are matched to this profile. Finance also proactively liaise with HR where there are vacancies to ensure any short-term or longer-term savings and opportunities are identified.

Financial sustainability (continued)

Key Financial assumptions

The main financial assumptions in the MTFP relate to funding, inflation and pay awards.

The Local Government Financial Settlement for 2022/23 allowed the Fire Authority to confirm funding as £46.6m for 2022/23, an increase of £0.4m on the previous year. The Council Tax increase referendum limit was 1.99% for 2022/23. With a Council Tax increase of 1.99%, the Authority was left with a funding gap of £0.8m, which it planned to close through the delivery of savings. The unforeseen high pay awards in 2022/23 were one of the main contributing factors to the £0.3m overspend in 2022/23.

In the medium term, the Authority's MTFP for 2023-28 included the following key assumptions:

- no increase in baseline government funding throughout the period with a small increase in revenue support grant;
- a precept increase of 2.99% over the period as indicated by the Spending Review;
- Price inflation: specific increases applied for known high inflation areas such as energy with some other budgets subject to a 2% increase;
- Borrowing – additional borrowing is required to meet the planned capital programme, although the exact timing will depend on actual spend. Interest payable is based on the forecast interest rates set by the Treasury Management Advisors and
- Pay (discussed in more detail on page 9) - 5% increase for 2023/24 and 2% thereafter



Financial sustainability (continued)

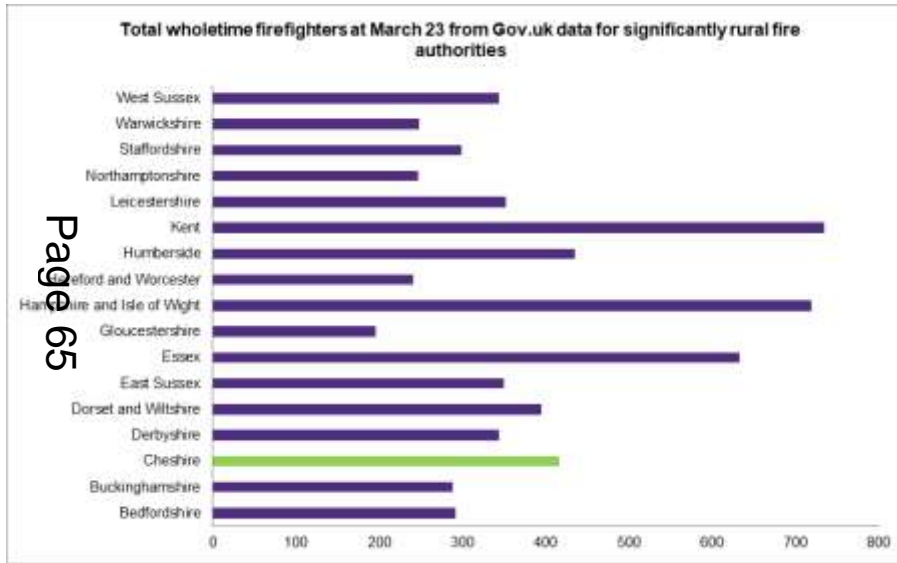
Pay

Pay is the largest part of Cheshire Fire’s expenditure, representing 54% of the Authority’s expenditure. The chart opposite, taken from data on gov.uk, benchmarks Cheshire (highlighted in green) against other significantly rural authorities at March 2023, and shows they are not an outlier when looking at staffing levels, therefore supporting the conclusion that workforce assumptions are appropriate

The MTFP for 2022-27 forecasted pay inflation of 3% in 2022/23 with 2% thereafter. This appeared reasonable in February 2022 when the MTFP was approved. However, during 2022/23 there were significantly higher pay awards of 7% for grey book staff and 7.6% for green book payroll. This contributed in part to the overspend in the year. For the 2023-2028 MTFP the pay award assumption has been updated in line with current forecasts to include a 5% increase for 2023/24 and 2% thereafter, this appears reasonable.

The MTFP is refreshed each year and presented alongside the annual budget for the forthcoming year demonstrating that financial risks are considered each year in both the short and medium term. Given the challenging macro-economic environment and uncertainty around key costs such as pay, in 2021/22 we included a recommendation around a formal mid-year review of the MTFP. There is a strong focus on finance and the MTFP is reviewed at every monthly SLT meeting and presented at Budget Management Board (BMB) meetings.

Solid financial planning through the PBB process means that any budget gaps have been met. There was some use of reserves in 2022/23 to cover the £0.3m overspend but reserves are still reasonable as noted on the following page. Savings are also monitored regularly and procurement produce a savings register and tracker. This process also mitigates the risk of unexpected new requirements impacting on the Authority’s financial resilience. Cashflow is also closely monitored and reviewed on a daily basis. Liquidity is not a major risk for the Authority as it holds a reasonable amount of cash and cash equivalents (£7.1m at 31 March 2023 - £6.3m at 31 March 2022).



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Financial sustainability (continued)

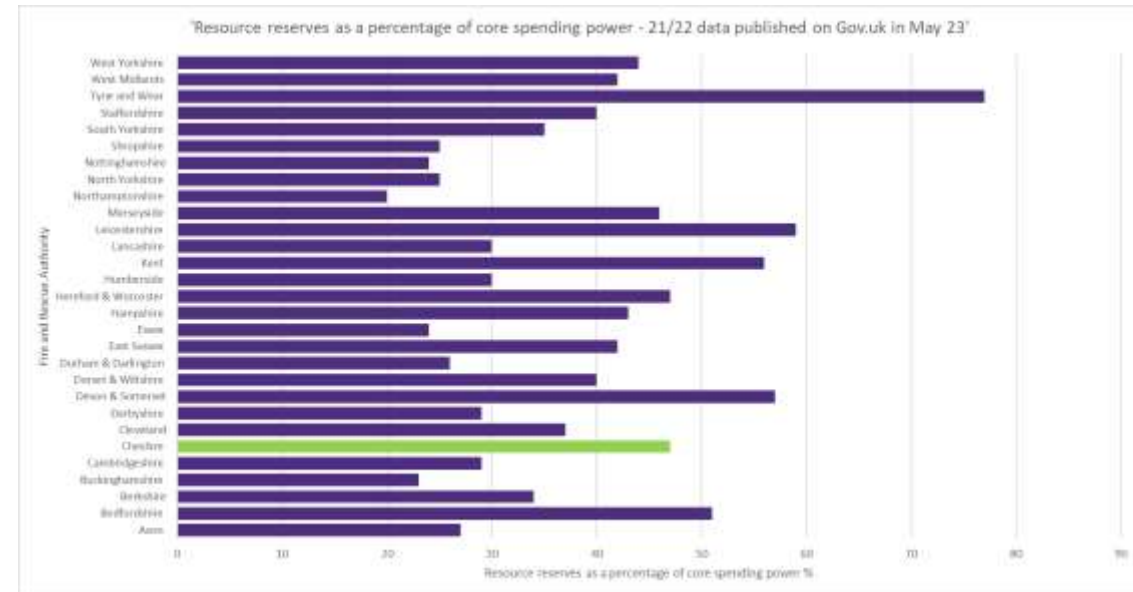
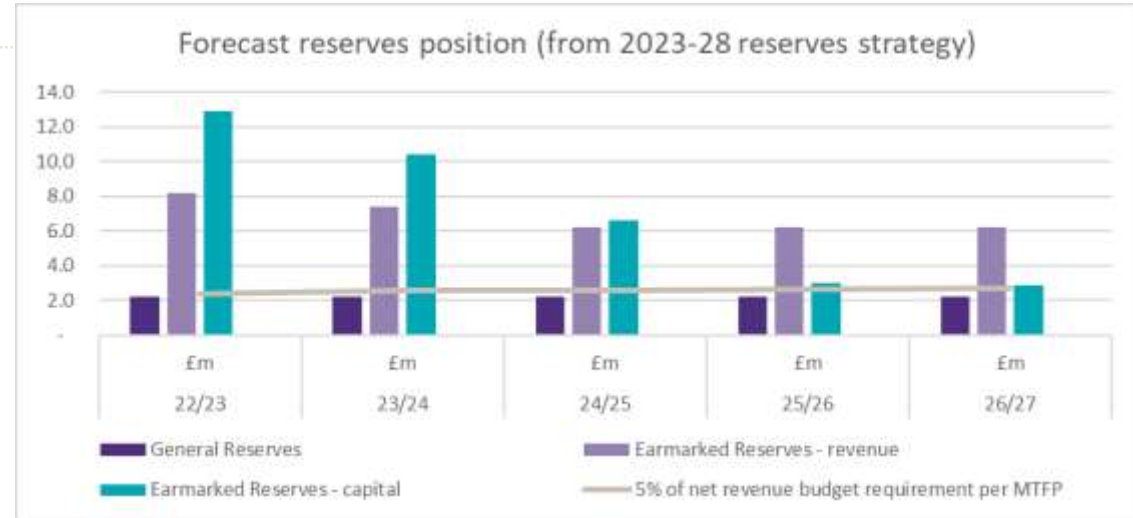
Funding gaps and use of reserves

The funding gap, and savings requirement for the Authority has been relatively low in recent years but even with a £1.4m increase in government funding the Authority had an initial budget gap of £0.8m for 2022/23. However, the Authority was able to identify saving schemes to balance the budget with no planned use of reserves. Saving schemes are approved through the PBB process via discussions with the budget holders. The MTFP for 2023-28 identifies a balanced budget for 2023/24 with savings of £0.9m required but in the subsequent years there are budget gaps identified in all years, with £0.9m in 2024/25 even after £0.4m of identified savings. We are aware the Authority are reviewing this and looking at different strategies but have included an improvement recommendation as if those budget gaps are funded from reserves it would impact on the Authority's current reserves strategy as noted below and as highlighted in the graph opposite. We do note however from the comparative data in terms of reserves Cheshire is in a relatively strong position compared to most Authorities.

The Authority has a reserves strategy which it publishes each year alongside the budget, updated MTFP, capital and treasury strategy. In line with the Fire and Rescue National Framework recommendations the Authority feels that an appropriate and prudent level of general reserves is around 5% of net budget, which appears prudent. The graph opposite illustrates there is no planned reduction to general reserves over the MTFP period, however the proposed net budget requirement levels are greater than the 5% target set. It is not possible to build reserves for every uncertainty into the budget and reserves. The Authority includes some scenario and sensitivity analysis within the budget and MTFP setting out the impact changes to different assumptions, and the impact of this on the budget gap. For each change of 0.5% in the level of government funding, the impact would be either a reduction or increase in the budget gap of £0.07m. For every 0.5% above or below the proposed £5 Band D council tax increase post 2022, the impact would be a change in funding levels of approximately £0.16m per annum and likewise a 0.5% movement in the firefighter pay award would have a potential £0.13m impact on the budget gap. This analysis helps clarify the impact of changes in the assumptions and will aid informed challenge from members of the Authority.

Summary of findings

Overall, we found no evidence of any significant weaknesses in the Authority's arrangements for ensuring the Authority can continue to deliver financially sustainable services. We have made one improvement recommendation in respect of medium-term financial planning and reserves levels – see page 11 for details.



Improvement recommendations

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Improvement Recommendation 1

Medium-term financial planning

Improvement opportunity identified

The Authority should strengthen its medium-term financial planning arrangements in order to identify the savings required to balance the budget and to ensure that the capital programme can be achieved.

Summary findings

The MTFP for 2023-28 identifies a balanced budget for 2023/24 with savings of £0.9m required but in the subsequent years there are budget gaps identified in all years, with £0.9m in 2024/25 even after £0.4m of identified savings. If these gaps are funded from the general reserve it would mean reserve levels fall below 5% of the net revenue budget, which is the Authority's reserve strategy. In addition there is currently no financial provision included in this strategy or any other plans relating to either Ellesmere Port or Warrington Fire Stations. If significant additional capital expenditure is approved in respect of these sites, it will be necessary to increase the future borrowing requirement and to recognise the impact of associated financing costs in the Medium Term Financial Plan.

Criteria impacted



Financial sustainability

Auditor judgement

Our work has enabled us to identify a weakness in arrangements which we do not consider to be significant, but have raised a recommendation to support management in making appropriate improvements.

Management comments

The Authority recognises the financial challenges it faces. The Budget Management Board is focussed on ensuring that budgets are balanced by using the Priority Based Budgeting process to help identify efficiencies and moderate financial pressures and by seeking opportunities to maximise funding.

Progressing the actions management has identified to address the recommendations made will support the Authority in addressing the improvements identified from our work. We consider that the timescales provided by management are appropriate and encourage the Audit Committee to monitor progress of implementation to gain assurance over the arrangements in place. The range of recommendations that external auditors can make is explained in Appendix C.

Governance



We considered how the Authority:

- monitors and assesses risk and gains assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud
- approaches and carries out its annual budget setting process
- ensures effective processes and systems are in place to ensure budgetary control; communicate relevant, accurate and timely management information (including non-financial information); supports its statutory financial reporting; and ensures corrective action is taken where needed, including in relation to significant partnerships
- ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency. This includes arrangements for effective challenge from those charged with governance/audit committee
- monitors and ensures appropriate standards, such as meeting legislative/regulatory requirements and standards in terms of staff and board member behaviour (such as gifts and hospitality or declaration/conflicts of interests) and where it procures and commissions services.

Informed decision making

The Authority operates a committee system rather than an executive/cabinet model. The Authority itself makes all the key decisions. It appoints the following main committees: Performance and Overview; Governance and Constitution; and Estates and Property. Seats on these main committees are allocated in political proportion.

Senior officers attend the Authority meetings and Committees to present reports and are open to questions during committee meetings. The Authority is made up of 23 elected members from Cheshire East Council, Cheshire West and Chester Council, Halton Borough Council and Warrington Borough Council.

Policies, procedures and controls

There are various policies and procedures in place which monitor and ensure compliance with legislation and regulatory standards. The website has a section with a list of policies, which include all key policies that we would expect to see, including a Constitution. These are available online to the public.

In respect of the prevention and detection of fraud, the Authority has an Anti-Fraud Policy, Whistleblowing Policy, as well as a Code of Conduct. There is also a gifts and hospitality policy and there is a standing item in all Authority and committee meetings to disclose pecuniary and other interests relating to matters on the agenda. These are recorded on the Register of Interests, along with any other interests, including directorships, that have already been declared as required by the Code of Conduct. The Authority also took part in the National Fraud Initiative which is an exercise that matches electronic data within and between public and private sector bodies to prevent and detect fraud. These policies, and participation in the National Fraud Initiative, taken as a whole reflect a strong institutional response to reducing instances of fraud.

The Treasury Management Policy and Strategy is refreshed and approved annually by the Authority alongside the budget in February. This includes a Treasury Management Policy Statement, Annual Investment Strategy, and Minimum Revenue Provision (MRP) policy as well as capital plans. A mid-year Treasury Management report is taken to the relevant Authority meeting and 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. Then there is an Annual Treasury Management report which provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy. In addition, members receive a draft report on the budget in December, a final report in December and during the autumn and winter they get updates at Planning Days to ensure they're fully informed.

Governance (continued)

Informed decision making including the Audit Committee

In 2020/21 we raised a recommendation as the Authority did not have a dedicated Audit Committee and this function was performed via the full Authority. This recommendation was developed throughout 2021/22 and on 16 November 2022 the inaugural audit committee took place. Once this committee is fully embedded, we would recommend a review of its effectiveness is scheduled on a periodic basis, so we have included this as an improvement recommendation.

Internal audit is provided by Mersey Internal Audit Agency and their Head of Internal Audit Opinion is detailed below and their report on key financial controls (including reserves) gave high assurance.

The Authority's performance against key governance metrics is set out in the table below.

	2022/23	2021/22
Annual Governance Statement (control deficiencies)	Areas for Action in 2023/24 identified in the 2022/23 AGS: <ul style="list-style-type: none"> • Fire Authority – significant changes to Members post May election, training required • Audit Committee – embed into business as usual • HMICFRS – respond to any areas of improvement • A review is underway of services delivered jointly with the Police under Blue Light Collaboration. 	Areas for Action in 2022/23 identified in the 2021/22 AGS: <ul style="list-style-type: none"> • The Authority does not have an asset management strategy in place. (In development) • The Authority's budget managers require development and support in managing their budgets. (in progress) • The Authority should ensure that its MTFP has sufficient sensitivity analysis on future sustainability (ongoing – MTFP now included at SLT meetings) • The Authority has no formal Section 114 notice process in place (Now in place) • Review option appraisal element of the budget bid form. (to be included in 2024/25 budget bid forms) • The draft White Paper on Reforming Fire and Rescue Services has been released and the Authority will need to respond to it (Responded)
Head of Internal Audit opinion	Substantial assurance, i.e. that there is a good system of internal control designed to meet the organisation's objectives, and that controls are generally being applied consistent	Substantial assurance, i.e. that there is a good system of internal control designed to meet the organisation's objectives, and that controls are generally being applied consistent

Governance (continued)

Risk management

The risk management process changed during the year with the establishment of the Audit Committee. As the Audit Committee is expected to have a strategic overview of risk, the Risk Management Board will no longer take place in its previous format. The work of the Risk Management Board, which included two elected Members, is now split between the Audit Committee and the Risk Management Group (RMG) which is made up of senior officers. The RMG will meet quarterly prior to meetings of the Audit Committee and the RMG met for the first time on 14th June 2023.

The Joint Corporate Service Planning and Performance staff provide an active support role in risk management for both Fire and Police (operated on a joint basis throughout 2022/23 then transferring back to fire from 1 April 2023) which includes training, risk review meetings with Heads of Department oversight and coordination of the risk registers and maintenance of the Strategic Risk Register.

All CFRS risk registers are recorded on the Cheshire Planning System which is an online tool that supports the recording of risk, progress history, control measures, mitigating actions etc. The system also supports risk reporting and excel risk registers are a standard report fed directly from the system. Risks are scored according to their impact and likelihood and the risk scoring methodology document offers a detailed explanation for users.

Risks scored 15 and above should be considered for escalation to the Strategic Risk Register. The escalation process allows for review by the Head of Department initially and then escalated risks are considered at the next Risk Management Board.

Overall, the arrangements in place to assess and monitor risk are appropriate.

The diagram opposite (taken from the 2021 risk management policy as part of the 2022/23 Annual Risk Management Report) shows how risk management flows throughout the organisation.

Finance team


We have not noted a high turnover of finance staff during 2021/22 or 2022/23. Although it is a small team, there is no evidence of a lack of capacity in the finance department, with budget monitoring and annual accounts being completed to an overall high standard. With a small team however, it is essential that appropriate succession planning is in place, particularly given the separation of the joint finance team with police in 2023/24 and the planned retirement of the s151 officer. This should ensure that there is no loss of corporate memory. There is no evidence of serious or pervasive weaknesses in the Authority's processes for preparing its financial statements. This is detailed further in the 'Opinion on the financial statements' section of this report. Unmodified audit opinions have been issued on the 2021/22 and previous financial statements and are proposed for 2022/23.

Summary of findings

Overall, we found no evidence of any significant weaknesses in the Authority's arrangements for ensuring that it makes informed decisions and properly manages its risks. We have made one improvement recommendation on page 15.



Improvement recommendations

Improvement Recommendation 2	Audit Committee effectiveness review
Improvement opportunity identified	An evaluation of the effectiveness of the Audit Committee should take place in the next 12 months to ensure it is operating as expected.
Summary findings	The Audit Committee was established in November 2022 with an independent member and finalised its terms of reference in April 2023. It would therefore be appropriate to perform a review of its effectiveness during 2023/24 once its embedded.
Criteria impacted	 Governance
Auditor judgement	Our work has enabled us to identify a weakness in arrangements which we do not consider to be significant, but have raised a recommendation to support management in making appropriate improvements.
Management comments	The CIPFA Guidance states that it is good practice for the Audit Committee to produce an Annual Report. This was discussed with the Committee at its last meeting and the first Annual Report will be produced in the first half of 2024 (once it has operated for a full cycle).

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Progressing the actions management has identified to address the recommendations made will support the Authority in addressing the improvements identified from our work. We consider that the timescales provided by management are appropriate and encourage the Audit Committee to monitor progress of implementation to gain assurance over the arrangements in place. The range of recommendations that external auditors can make is explained in Appendix C.

Improving economy, efficiency and effectiveness



We considered how the Authority:

- uses financial and performance information to assess performance to identify areas for improvement
- evaluates the services it provides to assess performance and identify areas for improvement
- ensures it delivers its role within significant partnerships and engages with stakeholders it has identified, in order to assess whether it is meeting its objectives
- where it commissions or procures services assesses whether it is realising the expected benefits.

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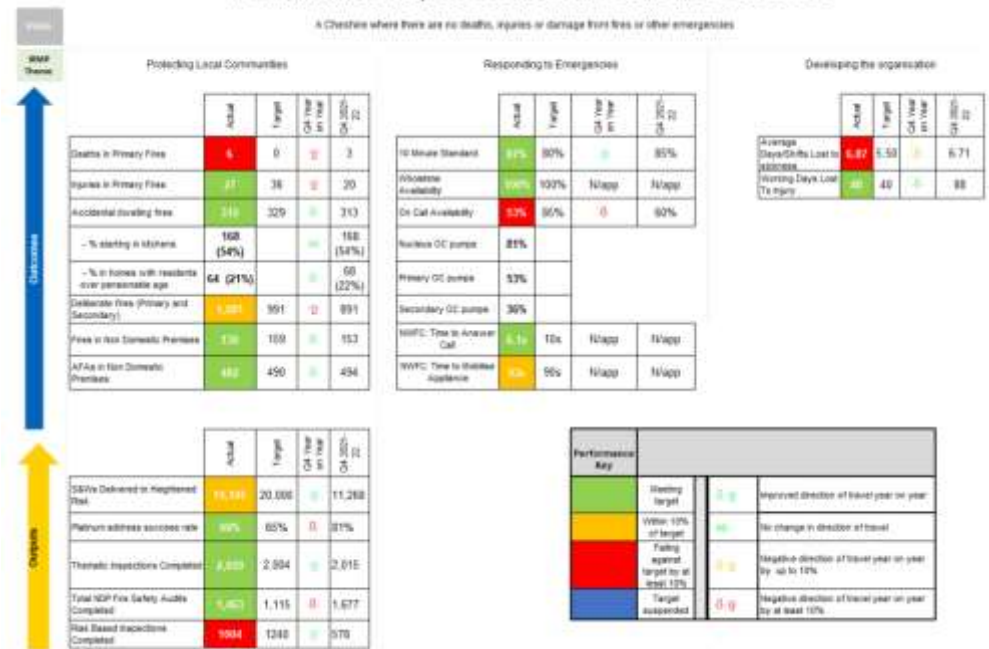


Use of financial and performance information

Performance of the Fire Service is monitored by the Authority through quarterly performance reports which are taken to the Performance and Programme Board and then onto the Performance and Oversight Committee, and subsequently to the Authority meetings. The performance reports include performance against the key performance indicators (KPIs) which are set by the Authority. These KPIs are aligned with the Authority's IRMP, thereby linking performance to strategy. The 2022/23 Corporate Performance Scorecard for the year is shown opposite.

Cheshire Fire has continued with the SPOA programme launched in April 2022 and this is now embedded and done on a quarterly basis covering all watches and stations. The station management framework was reviewed by Internal Audit and given substantial assurance.

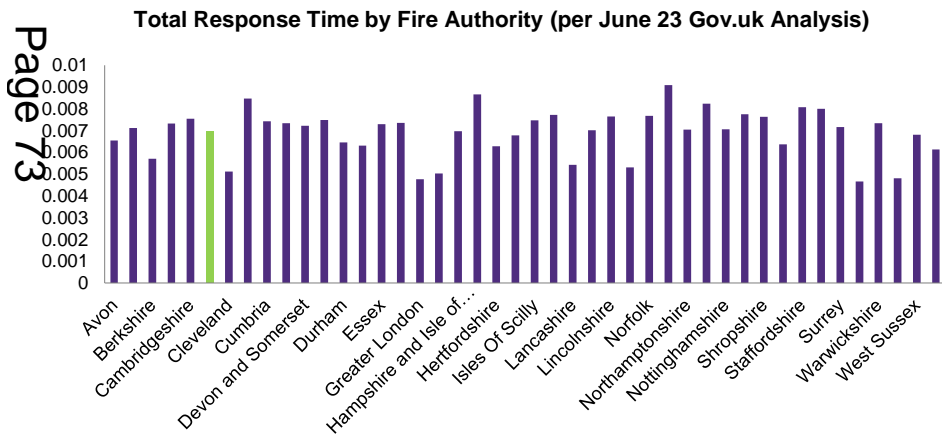
Performance Report Scorecard, Year End 2022-2023



Improving economy, efficiency and effectiveness (continued)

Assessing performance and identifying improvement (continued)

As well as internal monitoring, Cheshire regularly benchmarks itself against other authorities to ensure that they understand how they compare performance-wise. As can be seen from the graph below, Cheshire is performing well when it comes to response times, which is a key target.



External inspections

In 2023 HMICFRS did their third inspection into Cheshire Fire, assessing the service’s effectiveness and efficiency, and how well it looks after its people, and graded them against 11 areas. The extract from the report issued in August 2023 below shows how Cheshire Fire performed and the Inspector was pleased with the performance and noted that the service had made progress since 2021. Any items raised by the inspection team are reviewed by the service improvement team and then allocated as appropriate. Actions are revisited on a quarterly basis through SLT, P&B and then reported in the P&O committee.

Outstanding	Good	Adequate	Requires improvement	Inadequate
	Public safety through fire regulation	Understanding fire and risk		
	Future affordability	Preventing fire and risk		
	Promoting values and culture	Responding to fires and emergencies		
	Right people, right skills	Responding to major incidents		
	Promoting fairness and diversity	Best use of resources		
	Managing performance and developing leaders			

Improving economy, efficiency and effectiveness (continued)

Partnership working

One of Cheshire Fire's main partnerships has historically been with Cheshire Police and their various Joint Corporate Services. During 2022/23 the Joint Corporate Services departmental reviews have continued. As a result of these reviews several services have moved back 'in-house' either during 2022/23 or following the year-end. Not all the reviews have yet been finalised and while this is ongoing we noted that performance monitoring was not necessarily taking place as planned, nor were actions always being followed up, therefore we have raised an improvement recommendation in respect of this.

The Authority is also one of four owners of North West Fire Control Limited (NWFC) which is a company limited by guarantee with the responsibility for Fire and Rescue Service emergency call handling and mobilisation for the North West region, excluding Merseyside. The Company is owned by Cheshire Fire Authority, Cumbria County Council, Greater Manchester Combined Authority and Lancashire Combined Fire Authority. Each owner of the company has the right to appoint 2 directors. The directors have equal voting rights. NWFC provides the control room functions for all the FRAs. The cost of the service is charged out to the four FRAs on an agreed pro rata basis and is subject to a Service Level Agreement.

The Authority also collaborates with other emergency services, local authorities and other public bodies when it is advantageous to do so, for example working with local NHS bodies as part of the vaccination programme or delivering road safety training for local authorities.

Commissioning and procurement

The Authority has a Contracts and Procurement Strategy in place. There is a joint corporate strategic procurement department with Cheshire Police to provide value for money in the procurement of goods and services. The overall approach for procurements is that they will follow the financial regulations for procurement.


The Procurement Department also works closely with four other North West Fire and Rescue Authorities (Merseyside, Greater Manchester, Cumbria and Lancashire) to collaborate on procurement activity.

Summary of findings

Overall, we found no evidence of any significant weaknesses in the Authority's arrangements for improving the way the Authority delivers its services but have included an improvement recommendation – see pages 19.



Improvement recommendations

Improvement Recommendation 3	Monitoring of KPIs for corporate services
Improvement opportunity identified	Where joint corporate services have been reviewed, Cheshire Fire should ensure that appropriate KPIs are introduced for each service and that these are monitored.
Summary findings	We understand that the Joint Corporate Services departmental reviews continued during 2022/23 and are still ongoing. We are aware that whilst these are still ongoing, assessment of KPIs and performance monitoring is not necessarily being performed.
Criteria impacted	 Improving economy, efficiency and effectiveness
Auditor judgement	Our work has enabled us to identify a weakness in arrangements which we do not consider to be significant, but have raised a recommendation to support management in making appropriate improvements.
Management comments	A Performance Framework has been agreed, which will help to drive performance. It will be fully implemented once the reviews are all concluded and form part of the overarching agreement between Cheshire Fire and Cheshire Constabulary.

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Progressing the actions management has identified to address the recommendations made will support the Authority in addressing the improvements identified from our work. We consider that the timescales provided by management are appropriate and encourage the Audit Committee to monitor progress of implementation to gain assurance over the arrangements in place. The range of recommendations that external auditors can make is explained in Appendix C.

Follow-up of previous recommendations

	Recommendation	Type of recommendation	Date raised	Progress to date	Addressed?	Further action?
1	Given the likelihood that any budget gaps will increase further given the current economic climate and inflationary pressures, we recommend consideration should also be given to introducing a formal and more frequent review and sensitivity analysis and scenario planning on key assumptions and estimates within the MTFP. This will provide transparency on the sector wide uncertainties the Authority is subject to and the potential impact of these on its financial sustainability.	Improvement	November 2022	The MTFP is now reviewed as part of each SLT meeting and reviewed as part of the Budget Monitoring Board, as well as going to member planning days.	Yes	No
2	We recommend, as in 2020/21, that Cheshire Fire look at integrating financial performance reporting with service delivery performance reporting.	Improvement	November 2022	The Authority is comfortable that it does provide the information at the same time but some areas of performance, e.g. death in fire, do not have a natural link to finance. However, as noted above the MTFP now goes to SLT and BMB meetings, so finance is an integral part of reporting.	In-part	No
3	We recommend that a formal written performance management framework or policy is introduced.	Improvement	November 2022	The existing performance management arrangements are described in an old performance management framework document. This will be refreshed and approved during first quarter of 2023/24.	In-progress	To follow up to see if approved.
4	We recommend that the Service review its collaboration arrangements to ensure they are formally agreed and finalised, effective and there are suitable measures in place to measure the performance of these collaborations and that a formal monitoring process is introduced to make them as effective as possible.	Improvement	November 2022	There have been joint corporate services reviews throughout 2022/23 and ongoing. As these are not yet finalised, no formal arrangements for remaining collaborations are in-place.	No	Yes – in-part reraised as recommendation 3

Opinion on the financial statements



Grant Thornton provides an independent opinion on whether the Authority's financial statements:

- give a true and fair view of the financial position of the Authority as at 31 March 2023 and of its expenditure and income for the year then ended, and
- have been properly prepared in accordance with the CIPFA/LASAAC Code of practice on local authority accounting in the United Kingdom 2022/23

We conducted our audit in accordance with:

- International Standards on Auditing (UK)
- the Code of Audit Practice (2020) published by the National Audit Office, and
- applicable law

We are independent of the Authority in accordance with applicable ethical requirements, including the Financial Reporting Authority's Ethical Standard.

Audit opinion on the financial statements

We are still awaiting some third-party pension assurances to finalise our opinion on the 2022/23 accounts, hence this report being an interim. We anticipate the opinion being unqualified as noted in the Audit Committee meeting on 26 September 2023.

Further information on our audit of the financial statements is set out on page 22.



Opinion on the financial statements



Timescale for the audit of the financial statements

- Our Audit Plan was presented to the Audit Committee in April 2023.
- Our audit work was completed both on site and remotely during July-September.
- The Authority did not provide draft financial statements in line with the national timetable due to delays in receiving information from third parties.

We identified IFRIC14 and the recognition of a pension asset as a new risk during the course of our audit and we also had some issues with the land and buildings valuations.

- As we are still waiting for some third-party assurances, we have not yet signed our opinion and therefore this is also not in line with the national timetable.

Findings from the audit of the financial statements

- Our audit identified 3 significant risks:
 - Management override of controls, which is a mandated risk under ISA240. Our testing of journals identified through application of our specified criteria and targeted risk assessment did not identify any evidence of inappropriate management override of controls.
 - Valuation of land and buildings as it represents a significant estimate. Our audit testing identified that for one fire station, the valuation did not include amounts for the hardstanding, fencing, drill tower etc. This led to the asset being understated and this was included as an audit adjustment.
 - Valuation of pension fund net liability as it also represents a significant estimate and small changes in the assumptions have a significant impact. Our work is substantially complete, subject to receipt of the assurances from the auditor of Cheshire Pension Fund and a response from GAD in respect of part-year inflation. We have identified issues in respect of the impact of IFRIC14 and this has led to an adjustment of £8m to the financial statements.
- Our recommendations were linked to the pensions and land and building valuation issues noted above.

More detailed findings are set out in our Audit Findings Report, which was presented to the Authority's Audit Committee on 26 September 2023. Requests for this Audit Findings Report should be directed to the Authority.



Appendices

Appendix A – Responsibilities of the Authority

Public bodies spending taxpayers' money are accountable for their stewardship of the resources entrusted to them. They should account properly for their use of resources and manage themselves well so that the public can be confident.

Financial statements are the main way in which local public bodies account for how they use their resources. Local public bodies are required to prepare and publish financial statements setting out their financial performance for the year. To do this, bodies need to maintain proper accounting records and ensure they have effective systems of internal control.

Local public bodies are responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness from their resources. This includes taking properly informed decisions and managing key operational and financial risks so that they can deliver their objectives and safeguard public money. Local public bodies report on their arrangements, and the effectiveness with which the arrangements are operating, as part of their annual governance statement

The Chief Financial Officer (or equivalent) is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Chief Financial Officer (or equivalent) determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Chief Financial Officer (or equivalent) is required to prepare the financial statements in accordance with proper practices as set out in the CIPFA/LASAAC code of practice on local authority accounting in the United Kingdom. In preparing the financial statements, the Chief Financial Officer (or equivalent) is responsible for assessing the Authority's ability to continue as a going concern and use the going concern basis of accounting unless there is an intention by government that the services provided by the Authority will no longer be provided.

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



Appendix B – Risks of significant weaknesses, our procedures and findings

As part of our planning and assessment work, we considered whether there were any risks of significant weakness in the Authority’s arrangements for securing economy, efficiency and effectiveness in its use of resources that we needed to perform further procedures on. The risks we identified are detailed in the table below, along with the further procedures we performed, our findings and the final outcome of our work:

Risk of significant weakness	Procedures undertaken	Findings	Outcome
Financial sustainability was not identified as a potential significant weakness.	Review and assessment of arrangements in place.	No significant weaknesses in arrangements identified.	Appropriate arrangements in place, one improvement recommendation raised.
Governance was not identified as a potential significant weakness.	Review and assessment of arrangements in place.	No significant weaknesses in arrangements identified.	Appropriate arrangements in place, one improvement recommendation raised.
Improving economy, efficiency and effectiveness was not identified as a significant weakness	Review and assessment of arrangements in place.	No significant weaknesses in arrangements identified.	Appropriate arrangements in place, one improvement recommendation raised.

Appendix C – An explanatory note on recommendations

A range of different recommendations can be raised by the Authority’s auditors as follows:

Type of recommendation	Background	Raised within this report	Page reference
Statutory	Written recommendations to the Authority under Section 24 (Schedule 7) of the Local Audit and Accountability Act 2014.	No	N/A
Key	The NAO Code of Audit Practice requires that where auditors identify significant weaknesses as part of their arrangements to secure value for money they should make recommendations setting out the actions that should be taken by the Authority. We have defined these recommendations as ‘key recommendations’.	No	N/A
Improvement	These recommendations, if implemented should improve the arrangements in place at the Authority, but are not a result of identifying significant weaknesses in the Authority’s arrangements.	Yes	11, 15, 19

Appendix D - Key acronyms and abbreviations

The following acronyms and abbreviations have been used within this report

AFI – Areas for Improvement

AGS – Annual Governance Statement

AFR – Audit Findings Report

BLC – Blue Light Collaboration

BMB – Budget Management Board

CFRA/S – Cheshire Fire & Rescue Authority/Service

CFRA – Fire & Rescue Authority

HMICFRS - Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services

IRMP – Integrated Risk Management Plan

MTFP – Medium Term Financial Plan

NAO – National Audit Office

NWFC – North West Fire Control Limited

P&O – Performance and Overview

PBB – Priority Based Budgeting

RAG – Red, Amber, Green

RMB – Risk Management Board

RMG – Risk Management Group

SLT – Senior Leadership Team

SPOA – Station Performance and Operational Assurance Audit

TCWG – Those Charged with Governance (for CFRA this is the Authority)

CHESHIRE FIRE AUTHORITY

MEETING OF: CHESHIRE FIRE AUTHORITY
DATE: 6th DECEMBER 2023
REPORT OF: TREASURER
AUTHOR: PAUL VAUGHAN

SUBJECT: TREASURY MANAGEMENT – MID YEAR
REPORT 2023/24

Purpose of Report

1. To update Members on performance against the Authority's Treasury Management Strategy (TMS).

Recommended That:

- [1] the report be noted; and
- [2] the future requirement for borrowing to support the ongoing capital programme is noted.

Background

2. The first requirement for treasury management is to ensure that the organisational cash flow is adequately planned with cash being available when it is needed. Surplus monies are invested in low risk counter-parties or instruments commensurate with the low risk appetite, providing adequate liquidity initially before considering investment return. This means the order of priority for all investment decisions is Security, Liquidity (access to cash) and then Yield (interest earned).
3. The second main function of treasury management is the funding of capital plans. These capital plans provide a guide to the borrowing need which is essentially the longer term cash flow planning to ensure that capital spending obligations can be met. The management of longer term cash may involve arranging long or short term loans or by using longer term cash flow surpluses. On occasion any debt currently held may be re-structured in line with risk or cost objectives.
4. Accordingly, treasury management is defined as:

"The management of the authority's borrowing, 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."

5. This report has been written in accordance with the requirements of the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management (revised 2021) which recommends that those charged with governance are updated on treasury management activities regularly by way of a strategy at the start of the year, followed by quarterly reviews and an outturn report.
6. CIPFA published revised Prudential and Treasury Management Codes on 20 December 2021 with formal adoption being required for the 2023/24 financial year.
7. The Authority had regard to these changes when approving an annual Treasury Management Strategy and an associated Capital Strategy for 2023/24 on 15 February 2023.
8. This mid-year report has been prepared in compliance with CIPFA's Code of Practice on Treasury Management, and covers the following:
 - An economic update for the first part of the 2023/24 financial year;
 - A review of the Treasury Management Strategy Statement (including the Annual Investment Strategy);
 - The capital expenditure and borrowing position;
 - A review of the investment portfolio for 2023/24;
 - A review of compliance with Treasury and Prudential Limits for 2023/24.

ECONOMIC BACKGROUND

9. The first half of 2023/24 saw:
 - Interest rates rise by a further 1%, taking the Bank Rate from 4.25% to 5.25% and, possibly, the peak in the tightening cycle.
 - A 0.5% month on month decline in real GDP in July.
 - CPI inflation falling from 8.7% in April to 6.7% in September, its lowest rate since February 2022, but still the highest in the G7.
 - Core CPI inflation declining to 6.1% in September from 7.1% in April and May, a then 31 year high.
10. As the growing drag from higher interest rates intensifies over the next six months, the economy is expected to continue to lose momentum and soon fall into a mild recession. Strong labour demand, fast wage growth and government handouts have all supported household incomes over the past year, but the phasing out of financial support packages provided by the government during the energy crisis means real incomes are unlikely to grow strongly. Higher interest rates will soon bite harder too as the Bank of England is expected to keep interest rates at the probable peak of 5.25% until the second half of 2024.

11. In its latest monetary policy meetings on 20 September and 1 November, the Bank of England left interest rates unchanged at 5.25%. The weak August CPI inflation release, the recent loosening in the labour market and the downbeat activity surveys appear to have convinced the Bank of England that it has already raised rates far enough. The minutes, however, show that the decision remains “finely balanced”. In September five of the nine committee members voted to maintain the rate at 5.25% with the remaining four members preferring a further 0.25% increase. In November, this margin had increased from 5:4 to 6:3 to maintain the Bank Rate at 5.25%
12. The Bank of England did not say that rates have peaked and once again said if there was evidence of more persistent inflation pressures “further tightening in policy would be required”. Governor Bailey stated, “we’ll be watching closely to see if further increases are needed”. The Bank also retained the hawkish view that rates will likely “need to be restrictive for an extended period of time”.
13. The Authority has appointed Link Group as its treasury advisors and part of their service is to assist with formulating a view on interest rates. The latest forecast on 7th November sets out a view that short, medium and long-dated interest rates will be elevated for some little while, as the Bank of England seeks to squeeze inflation out of the economy.

Link Group Interest Rate View	07.11.23												
	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26
BANK RATE	5.25	5.25	5.25	5.00	4.50	4.00	3.50	3.25	3.00	3.00	3.00	3.00	3.00
3 month ave earnings	5.30	5.30	5.30	5.00	4.50	4.00	3.50	3.30	3.00	3.00	3.00	3.00	3.00
6 month ave earnings	5.60	5.50	5.40	5.10	4.60	4.10	3.60	3.40	3.10	3.10	3.10	3.10	3.10
12 month ave earnings	5.80	5.70	5.50	5.20	4.70	4.20	3.70	3.50	3.30	3.30	3.30	3.30	3.30
5 yr PWLB	5.00	4.90	4.80	4.70	4.40	4.20	4.00	3.80	3.70	3.60	3.50	3.50	3.50
10 yr PWLB	5.10	5.00	4.80	4.70	4.40	4.20	4.00	3.80	3.70	3.70	3.60	3.60	3.50
25 yr PWLB	5.50	5.30	5.10	4.90	4.70	4.50	4.30	4.20	4.10	4.10	4.00	4.00	4.00
50 yr PWLB	5.30	5.10	4.90	4.70	4.50	4.30	4.10	4.00	3.90	3.90	3.80	3.80	3.80

TREASURY MANAGEMENT STRATEGY STATEMENT UPDATE

14. The Treasury Management Strategy Statement (TMSS) was approved by the Authority on 15 February 2023. There are no policy changes to the TMSS; the details in this report update the position in the light of the updated economic position and budgetary changes already approved.

CAPITAL PROGRAMME AND BORROWING

15. In preparing the capital programme, attention is given to understanding the potential liabilities and risks associated with the expenditure and funding of expenditure, in particular, the combined impact on the overall financial position of the Authority in terms of revenue and capital budgets. This is to ensure that such activity remains proportionate. There is a relationship in anticipating that borrowing will be required to fund the capital programme and the associated Minimum Revenue Provision and Interest Payable revenue costs.

16. The table below provides an indication of the capital programme, the resulting amount of annual borrowing required and the associated revenue financing costs over the next 3 years.

Table 1: Capital Expenditure Forecasts	2023/24 £000	2024/25 £000	2025/26 £000
Forecast Capital Programme	10,284	7,075	5,375
To be funded by new borrowing (estimate)	4,456	250	250
Estimated associated revenue cost of existing plus new borrowing (MRP & Interest Payable)	979	1,333	1,418

17. The Authority currently has a loan portfolio of £12.012m which includes external borrowing of £11m to finance the Training Centre project, secured from PWLB at favourably low fixed rates in March 2021 (£4m at 1.99%), July 2021 (£4m at 1.65%) and November 2021 (£3m at 1.63%).
18. The above table shows the amount of planned capital expenditure still to be financed by an additional borrowing requirement (around £5m), which is in addition to the additional borrowing requirement of £6.4m already incurred in 2022/23. The overall new borrowing requirement over the current financial planning period is therefore around £11.4m, which is in line with approved plans to finance the completed major estates project in Wilmslow, the in progress new Crewe Fire Station and the continuing modernisation of Service houses. Additional new borrowing will therefore be required over the period.
19. It should also be noted that there is currently no financial provision included in any plans relating to either Ellesmere Port or Warrington Fire Stations. If significant additional capital expenditure is approved in respect of these sites, it will be necessary to increase the future borrowing requirement and to recognise the impact of associated financing costs in the Medium Term Financial Plan.
20. Historically the Authority has financed the majority of its capital programme from reserves and capital grants. Looking ahead, it seems certain that there will be no future capital grant funding for fire authorities and capital reserves will be diminished as they help fund the existing programme. As a result, the ongoing requirement to fund an annual capital programme for essential vehicles, equipment and technology replacements along with future strategic building projects will require the Authority to allocate significant levels of revenue funding to the programme and/or to enter into new external borrowing.
21. The approved Treasury Management Strategy includes provision for £4m of new external borrowing during 2023/24, however in view of continuing high interest rates, together with reduced cashflow pressure from re-profiling of Fire Station Modernisation Programme expenditure into late

2023/24 and future years, the timing of this new borrowing is currently being deferred. Market rates and forecasts will continue to be kept under close review in order to secure the borrowing at the optimum point.

22. The Authority currently remains in an under-borrowed position, which means that decisions have been made to internally finance expenditure as opposed to entering into new external borrowing. As a result of deferring the approved 2022/23 and 2023/24 new external borrowing, the position at 31 March 2024 is now forecast to be around £13.9m internally borrowed. This is temporarily above the 2023/24 target of £10m, but consistent with the current strategy of increasing internal borrowing over the period of major estates projects delivery in order to minimise new long term external borrowing over this period. It will be achieved through careful cashflow management.
23. At this point increasing internal borrowing as detailed above, supported by short periods of temporary external borrowing if required, is considered to be manageable and a sensible short term target position in view of the current high cost of borrowing and forecasts that this will begin to reduce as the economy stabilises over the next two to three years. It is not, however, sustainable on a longer term basis as current reserve balances are used to support current financial plans, most notably the ongoing Fire Station Modernisation Programme. The position will continue to be monitored closely throughout the remainder of 2023/24 and reviewed again as part of the 2024/25 Treasury Management Strategy.
24. The following tables show the actual debt maturity profile of current borrowing as at 31 October 2023 and a comparison with approved Upper and Lower Limits.

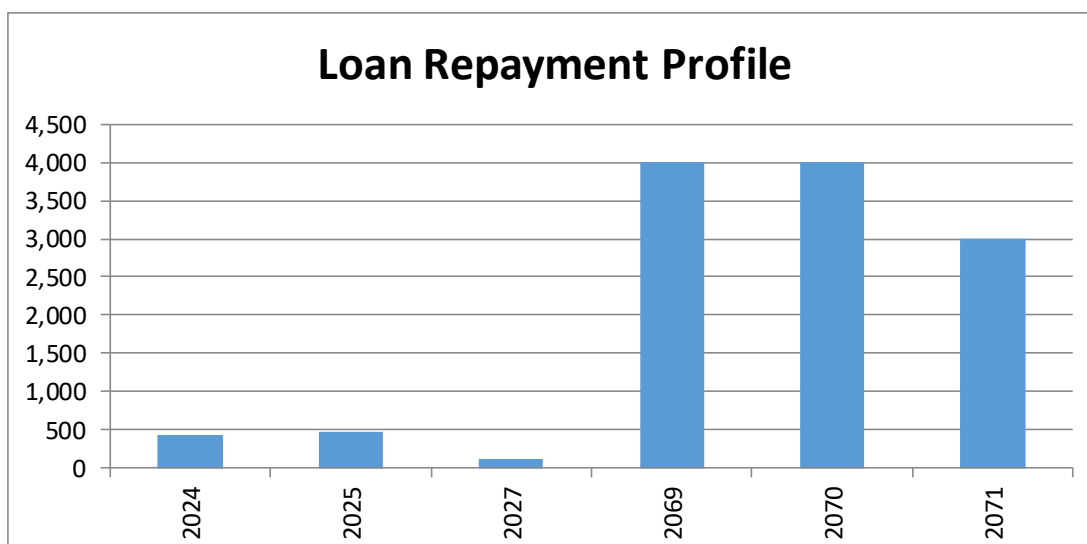


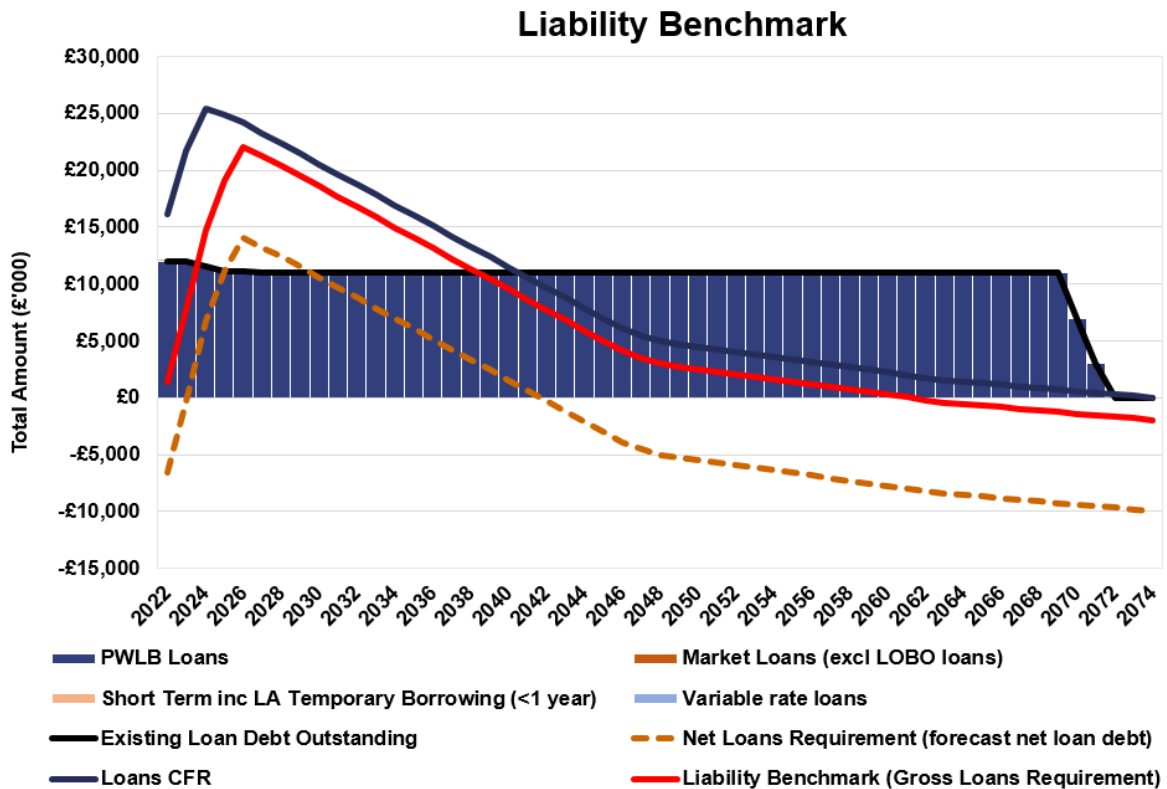
Table 2 Maturity Structure of Borrowing				
	Upper Limit	Lower Limit	Actual 31/10/23	Amount
	%	%	%	£000
Under 12 months	15	0	3	426
12 months and within 24 months	15	0	4	467
24 months and within 5 years	25	0	1	119
5 years and 10 years	25	0	0	0
10 years and above	100	50	92	11,000
Total			100	12,012

25. This indicator is designed to be a control over an authority having large concentrations of fixed rate debt having to be replaced at times of uncertainty over interest rates. The limits set represent sensible boundaries and are intended to draw attention to potential issues before they arise.
26. Advice has again been sought from the Authority's Treasury Management advisors on the potential for debt restructuring. They suggest that opportunities have been very limited in the current economic climate given the structure of interest rates and associated early loan repayment penalties. No debt rescheduling has therefore been undertaken or is anticipated in the current financial year.

LIABILITY BENCHMARK

27. A new prudential indicator from 2023/24 is the Liability Benchmark (LB). The Authority is required to estimate and measure the LB for the forthcoming financial year and the following two financial years, as a minimum. However, CIPFA strongly recommends that the LB is produced for at least ten years and should ideally cover the full debt maturity profile of a public body. The chart below covers the Authority's full debt maturity profile as recommended.
28. There are four components to the Liability Benchmark:
1. **Existing loan debt outstanding:** the Authority's existing loans that are still outstanding in future years.
 2. **Loans Capital Financing Requirement (CFR):** this is calculated in accordance with the loans CFR definition in the Prudential Code and projected into the future based on approved prudential borrowing and planned MRP.
 3. **Net loans requirement:** this shows the Authority's gross loan debt less treasury management investments at the last financial year-end, projected into the future and based on approved prudential borrowing, planned MRP and any other major cash flows forecast.

4. **Liability benchmark (or gross loans requirement):** this equals net loans requirement plus short-term liquidity allowance.



29. The aim of the LB is to minimise/reduce refinancing, interest rate and credit risks by informing the timing and duration of new external borrowing.
30. The position is largely unchanged from that reported in the Treasury Management Strategy and shows that the Authority's LB is currently rising sharply to a peak in around 2026 indicating the additional borrowing requirement associated with delivery of the currently approved major estates projects. This requirement then reduces as provision is made to repay outstanding borrowing via the annual MRP charge whilst no further Capital Expenditure financed by borrowing is currently planned beyond 2026.
31. In view of this, by around 2038 (one year earlier than the 2039 date previously anticipated due to the £0.5m underspend re: the completed Wilmslow estate project reducing the overall forecast borrowing requirement), the LB will have reduced back down to the level of the existing loan portfolio, indicating that although there is a significant short to medium term requirement for new borrowing, this borrowing would ideally be for a range of durations up to around 15 years, i.e. filling the white triangular period in the chart between 2023 and 2038 where the LB (red line) exceeds the current loan portfolio (black line/bar chart).
32. The chart continues to show that that the existing loan debt portfolio will be fully repaid by 2072 and that the requirement to borrow (CFR) will also be reduced to nil by 2074, indicating that the Authority's current MRP policy remains prudent and appropriate.

33. The chart then indicates that without any further new approved capital expenditure financed by borrowing beyond the period of the current Capital Strategy, the existing borrowing portfolio exceeds the LB after 2038. If this remains the case then it indicates either excess cash requiring investment or an opportunity to repay/restructure debt over this future period.

INVESTMENT PORTFOLIO 2023/24

34. The Annual Investment Strategy has the priorities of security, liquidity and yield. The aim is to achieve the optimum yield within the approved investment counter-parties which are scrutinised regularly for creditworthiness within the security principle. Liquidity is achieved within the forecast spending profile and cashflows.
35. Increasing interest rates and proactive cashflow management have enabled the Authority to secure significantly increased short to medium term rates of return over recent months and will again result in a surplus versus budget in 2023/24. It is however anticipated that the opportunity to generate ongoing investment returns at current levels will reduce significantly towards the end of 2023/24 as planned capital expenditure, and the continuing deferral of approved borrowing, has a significant impact upon cashflow balances available for investment. Interest on balances earned to date is £432k to 31 October, with final 2023/24 outturn currently forecast to be around £680k (£417k 2022/23) compared with the annual budget (£10k) for investment income in 2023/24.
36. The Authority has continued with a cautious approach to its choice of counterparties. As at 31 October 2023, the Authority's investments were with Lloyds Bank of Scotland, Santander, Federated Hermes Money Market Fund, Aberdeen Standard Liquidity Money Market Fund and NatWest, all of which are used regularly to manage day to day cashflows. Other investment counterparties used during the year are the UK Debt Management Office. The current investment counterparty criteria selection approved in the Treasury Management Strategy is meeting the requirement of the treasury management function.

Investments 31/10/2023	£'000
Natwest	1,180
Lloyds Bank of Scotland	2,000
Santander UK	5,000
Federated Hermes MMF	5,100
Aberdeen Standard Liquidity MMF	2,710
Total	15,990

37. There have been no known instances of non-compliance with approved Annual Investment Strategy limits during the year.

REVIEW OF COMPLIANCE WITH PRUDENTIAL INDICATORS

38. It is a statutory duty for those charged with governance to determine and keep under review a range of prudential indicators and treasury limits. During the financial year to date, treasury management activities have operated within the approved indicators and limits and in compliance with the Treasury Management Practices. The following table compares the estimated performance on key prudential indicators in 2023/24 against those approved by the Authority in February 2023.

Table 3: Prudential and Treasury Indicators			
Prudential Indicators	2023/24 Indicator £000	2023/24 Revised Estimate £000	Comment
Capital expenditure	9,592	10,284	Re-profiling of expenditure relating to Crewe new build and Fire Station Modernisation Programme, along with slippage relating to planned vehicle purchases from 2022/23 into 2023/24.
Capital Financing Requirement	25,925	25,454	
Annual change in capital financing requirement	3,301	3,719	
Gross borrowing requirement: (Under) / Over borrowing	(10,339)	(13,868)	Lower overall borrowing requirement due to £0.5m underspend re: Wilmslow project and deferral of £4m new external borrowing planned in 2023/24 (paragraphs 21-23 refer)
Ratio of financing costs to net revenue stream	2.07%	1.89%	Temporary deferral of new borrowing reduces in-year financing costs.

Treasury Indicators	2023/24 Indicator £000	2023/24 Revised Estimate £000	
Authorised limit for external debt	20,636	20,636	Set 15/2/23, no change planned during 2023/24.
Operational boundary for external debt	18,636	18,636	
Actual external debt			Current borrowing £12.012m less £0.426m to be repaid 2023/24 = £11.586m. New short term borrowing of £4m planned for 2023/24 now deferred until 2024/25 (paragraphs 21-23 refer).
- Borrowing	15,586	11,586	
- Other long term liabilities	0	0	
Total	15,586	11,586	
Upper limit of fixed interest rate exposure	100%	100%	
Upper limit of variable interest rate exposure	25%	Nil	No variable rate loans held or planned
Upper limit for principal sums invested for over 365 days	£nil	£nil	No longer term investments held or planned.

Financial Implications

39. The subject of this report is financial.

Legal Implications

40. The Local Government Act 2003 and the associated CIPFA Code of Practice for Treasury Management recommends that those charged with governance are updated on treasury management activities regularly by way of a strategy at the start of the year, followed by quarterly reviews and an outturn report.

Equality & Diversity Implications

41. There are no known equality and diversity issues arising from this report.

Environmental Implications

42. There are no known environmental issues arising from this report.

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BACKGROUND PAPERS: None

CHESHIRE FIRE AUTHORITY

MEETING OF: CHESHIRE FIRE AUTHORITY
DATE: 6 DECEMBER 2023
REPORT OF: TREASURER
AUTHOR: PAUL VAUGHAN

SUBJECT: DRAFT 2024-25 BUDGET;
COUNCIL TAX AND
MEDIUM TERM FINANCIAL PLAN 2024-29

Purpose of Report

1. To present the Authority's draft 2024-25 budget and the current Medium Term Financial Plan (MTFP) and to allow Members to consider whether officers should arrange a consultation in relation to the council tax precept for 2024-25.

Recommended: That Members

[1] note the information relating to the 2024-25 budget setting together with the Medium Term Financial Plan; and

[2] consider whether officers should arrange a consultation in relation to the council tax precept for 2024-25.

Background

2. The Authority is required to approve an annual budget and set a council tax precept by mid-February. As part of the budget setting process, the Authority must consider all relevant factors including the likely impact of policy options, the economic climate, funding and the demands on the Service.
3. This is the first of two budget reports with the final report being considered by the Authority in February 2024. This report provides the context in which the 2024-25 budget is likely to be set based upon information available at this point. It reviews the funding and spending assumptions and the potential impact of the current economic climate. It is written at a time of considerable uncertainty and therefore, it would not be surprising if some of the budget assumptions and elements of the MTFP will need to be updated before the final budget report in February 2024.

Information

Government Funding

4. The Chancellor delivered his Autumn Statement on the 23rd November 2023, updating the Government's plans for the economy based on the latest forecasts from the Office for Budget Responsibility
5. The Autumn Statement indicated that planned resource spending in government in future years would grow by 0.9% in real terms, although there was no direct mention of fire authorities. It remains unclear how resources might be allocated to

individual government departments, although the NHS remains a government funding priority.

6. The Authority receives a share of the business rates raised by its constituent local authorities. The Autumn Statement indicated that the standard business rates multiplier would increase by 6.7% in line with September CPI. This means that the Authority's funding from its share of business rates will increase but until the local authorities complete their own business rates estimates in January 2024, it remains unclear by how much this will be. Therefore, no increase has yet been factored in to the MTFP.
7. The Autumn Statement indicated that the government is again freezing the small business rates multiplier but will continue to compensate local authorities (including fire authorities) by way of Section 31 Grants for funding lost as a result.
8. The Authority also receives a top-up grant from government for business rates. It also remains unclear whether this will be increased in 2024-25.

Council Tax

9. The Authority is a precepting authority which means that part of the council tax bill for each of the four local authorities within Cheshire provides funding to the Authority. It is the responsibility of the Authority to set the level of precept as part of the budget setting process.
10. In addition to the precept rate, funding from council tax can also change due to fluctuations in the taxbase. The taxbase is the number of council tax bills issued by the local authorities, adjusted for benefits, discounts and debt etc. As new houses are built or adjustments are made, the taxbase changes, affecting funding to the Authority, irrespective of whether the actual precept rate increases or not. The MTFP includes an assumed increase in taxbase in line with the latest estimates provided by the local authorities.
11. The referendum limit for Council Tax (not including adult social care precept) for local authorities is assumed to be 2.99%, but the government has not confirmed that this will be the limit for fire authorities. A 2.99% increase to the Authority's Band D Council Tax would take it to £90.09 per annum, an increase of £2.61 on 2023-24. Given the latest taxbase forecast this would yield around an estimated additional £1.4m, compared to 2023-24. This has now been assumed in the MTFP, but it is possible, that, once again, the government will allow an increase of £5 per annum. This would raise the precept for a Band D property to £92.48 per annum, the equivalent of 5.72%, and yield an estimated additional £2.3m compared to 2023-24.
12. In order for the Authority to make a decision about the council tax precept in February 2024 it will need to consult. Whilst it is not clear, at present, what will be included in the consultation, it could be expressed in the same way as in it was in 2023-24, i.e. an increase of 2.99% versus an increase of £5.

Medium Term Financial Plan (MTFP)

13. Appendix 1 shows the current MTFP and is derived using the following assumptions for the year 2024-25:

Pay inflation 4%

Non pay inflation, selected items:

Insurance 12%

Computer Software/Licences and Cleaning 10%

Electricity/Gas 10%

Blue Light Collaboration and Business Rates 6%

In general, inflation for other items is 2%

In the years following 2024-25, in general, pay and non pay inflation is assumed to be 2%.

14. Funding assumptions are included in the paragraphs above. In addition, the local authorities are in the process of estimating the surpluses and deficits on their Council Tax and Business Rates Collection Funds. The latest total position is estimated to be a deficit of £364k. It is proposed to meet this deficit from the Authority's reserves.
15. The MTFP has been compiled based on the assumption that the savings required in each year are agreed and delivered in full. Any savings not achieved will add to the following year's savings requirement.
16. In recent months, officers have developed a list of budget requirements and savings for the 2024-25 budget. These are currently being scrutinised by the Service Leadership Team, and more details of these items will be presented to Members for scrutiny at their Planning Day in January 2024. Early indications show that there are £1,833k in budget requirements and £2,125k in inflationary pressures, totalling £3,958k. This potential increase in cost is offset by the removal of one-off cost from the 2023-24 budget of £1,668k, savings of £239k, use of reserves of £629k, and increased funding of £508k, totalling £3,044k. This means that at present there is an estimated shortfall in the 2024-25 budget of £914k. Officers are considering a number of options as they seek to bring the budget into balance.
17. There is a separate report later on the agenda in relation to North West Fire Control (NWFC). This includes some proposals with financial implications which will affect the MTFP, but as they are not agreed their impact has not yet been included. The proposal to revise the percentages which each of the authorities who contribute to the costs of NWFC make would lead to an increase in the Authority's base budget of approximately £112k. The proposal to replace the mobilising system, based on the latest NWFC estimate of the capital costs would cost the Authority around £1.2m as a one-off, but it is proposed that this would be met from the Authority's reserves. There would be a further approximately £40k to be included in the Authority's base budget. Further proposals to increase capacity and meet enhanced requirements in standards, personal development and to revise the operating model, would cost the Authority £92k as a one-off and add £34k to the base budget.

18. Members should also be aware that officers are considering how best to fund the proposed new fire stations at Ellesmere Port and Warrington in the lifetime of the new CRMP, which will impact significantly on the Authority's MTFP.
19. Members will see that the MTFP assumes a council tax increase of 2.99% from 2024-25 onwards. Obviously, this is only illustrative at this point, and whilst the MTFP in future years includes an allowance for budget pressures and inflation, these remain fairly speculative.

Capital Programme

20. Up to 2014, the Authority received capital grants from the Government in support of its capital programme. Since then, all capital investment has been funded from the Authority's own resources unless specific funding was available. Members will be aware that the Authority's current Treasury Management Strategy shows that the Authority's capital programme is funded by a mix of borrowing and by using the Authority's reserves, and updated versions of the Treasury Management and Capital Strategies will be considered by Members at the Authority meeting in February 2024.
21. Members will be aware that the current capital programme includes the rebuild of Crewe Fire Station, which has now been completed, the continuing Fire Station Modernisation Programme and the programme to refurbish the Authority's houses, as well as the acquisition of vehicles and equipment. As mentioned above, officers are also considering the rebuild of the fire stations at Ellesmere Port and Warrington and how these might be funded. An updated Capital Programme will be included on the agenda for the Authority meeting in February 2024.

Reserves

22. Section 25 of the Local Government Act 2003 requires the Treasurer to present a report assessing the adequacy of the unallocated reserves in the context of operational demands together with the corporate and financial risks facing the Authority. This will be presented as part of the budget report in February 2024.
23. While holding reserves is a recognised and recommended financial management tool, the levels of such reserves must remain prudent, appropriate to the level of risk and opportunity and neither too excessive nor too modest. Members need to balance the necessity for reserves against the cost to council taxpayers and arrive at a level that is both prudent and adequate given the current funding arrangements and proposed spend.
24. A Reserves Strategy was approved by the Authority in February 2023. This set out the reserves held and their intended usage. An updated version will be presented to the Authority in February 2024.

Risks

25. Whilst every effort is made to ensure that the assumptions used in the MTFP are reasonable, there will always be some risk of inaccuracy. When any material change takes place the MTFP is updated and reported to the Authority.

26. Although there are indications that the Government funding will be in line with the last spending review, it does not detail individual organisation's allocations so until the actual financial settlement is published each December, there remains a risk that the amount may change.
27. The four Local Authorities will not finalise the position on their taxbases and business rates until January. There is therefore a risk that the forecast for the taxbases used in the MTFP for council tax and forecasts for business rates allocated to the Authority may prove to be different.

Legal Implications

28. The Authority is required to approve a balanced budget and set its precept charge on the council tax by mid-February 2024.

Equality and Diversity Implications

29. This is a strategic report that does not contain detailed proposals that have any equality and diversity implications. a particular proposal may have such implications but will be identified as each is assessed.

Environmental Implications

30. This is a strategic report that does not contain detailed proposals that have any environmental implications. A particular proposal may have such implications but will be identified as each is assessed.

**CONTACT: DONNA LINTON, GOVERNANCE AND CORPORATE PLANNING
MANAGER**

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BACKGROUND PAPERS: NONE

Appendix 1

Cheshire Fire Authority

Medium Term Financial Plan.

	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
MTFP	£000	£000	£000	£000	£000	£000
Base budget	50,076	50,076	52,560	54,191	55,831	57,542
Inflation		2,125	1,145	1,172	1,199	1,229
Growth/Committed		1,512	500	500	500	500
One- off	1,668	322	0	0	0	0
Savings		(239)	0	0	0	0
Transfer to/ (from) rev reserves		(629)	0	0	0	0
Total expenditure budget	51,744	53,166	54,205	55,863	57,530	59,271
SFA (RSG and Business Rates)	(14,332)	(14,432)	(14,479)	(14,526)	(14,573)	(14,621)
Section 31 Business Rates	(2,388)	(2,388)	(2,388)	(2,388)	(2,388)	(2,388)
Council Tax	(34,396)	(35,796)	(37,324)	(38,917)	(40,581)	(42,314)
Other	(628)	364	0	0	0	0
Total funding	(51,744)	(52,252)	(54,191)	(55,831)	(57,542)	(59,323)
Budget deficit	0	914	14	32	(13)	(52)
Precept (Council Tax - Band D)	87.48	90.09	92.79	95.56	98.42	101.36
Forecast % increase	6.06	2.99	2.99	2.99	2.99	2.99

CHESHIRE FIRE AUTHORITY

MEETING OF: CHESHIRE FIRE AUTHORITY
DATE: 6 DECEMBER 2023
REPORT OF: HEAD OF COMMUNICATIONS AND ENGAGEMENT
AUTHOR: GRAEME WORRALL

SUBJECT: DRAFT 2024-28 COMMUNITY RISK
MANAGEMENT PLAN – CONSULTATION
UPDATE

Purpose of Report

1. To provide Members with an update on progress with the programme of consultation on the draft 2024-2028 Community Risk Management Plan (CRMP).

Recommended:

That Members note the report.

Background

2. The Authority is required to produce a CRMP (previously called an Integrated Risk Management Plan or IRMP) at least every three years. This sets out foreseeable fire-related risks in the community and how the Authority intends to mitigate those risks.
3. The CRMP must satisfy the requirements laid out in the Fire and Rescue National Framework for England. One such requirement is that the CRMP is produced through consultation with the local community.
4. A report was presented to the September 2023 meeting of the Fire Authority regarding the development of the draft CRMP and Members approved the launch of a 13 week programme of consultation, which began on 2 October 2023 and concludes on 2 January 2024.

The Consultation Programme

5. The consultation process was launched on Monday 2 October and runs for a total of 13 weeks, concluding on 2 January 2024. As with previous consultations, the programme covers three main strands of public, staff and partner consultation.
6. To-date, a total of 18 public roadshows have been held at a range of venues across Cheshire. This has resulted in engagement with over 2,500 people

who were provided with a copy of a summary draft CRMP and paper survey to complete.

7. A dedicated consultation page has been created on the Cheshire Fire and Rescue Service website. This page contains information including copies of the full and summary draft CRMP, supporting documents and explanatory videos on the proposals being consulted on.
8. The consultation programme has been supported by advertisement on social media, including a paid-for, targeted advertising campaign. In addition, a radio campaign was launched on Silk FM and ran for two weeks where a short advert was broadcast to the stations' listeners to encourage them to respond to the consultation.
9. The Authority has also been able to make use of the participation panels in the areas of Cheshire East and Cheshire West and Chester Councils, who have distributed consultation material on the Service's behalf to over 3,000 residents.
10. Staff consultation has involved a range of visits by senior officers to various teams across Cheshire Fire and Rescue Service, providing a standard presentation and seeking views on the proposals within the CRMP. Visits are scheduled for the remainder of the consultation programme.
11. This activity has also been supported by regular articles in staff newsletters, a holding page on the Service's intranet which directs staff to the website and consultation material, and all user emails. In addition, a management conference was held on 12 October in which the proposals within the draft CRMP were explained to managers and their feedback sought.
12. Partner consultation has focused on briefings for key stakeholders such as unitary and town/parish councils, and MPs; as well as direct emails/letters. A briefing has been provided to three of the four unitary authorities in Cheshire (with Warrington Council booked in), as well as several town and parish councils and five Members of Parliament.
13. Direct emails have been sent to all councillors and town and parish councils in Cheshire, as well as statutory and sub-regional partners, neighbouring fire and rescue services and partner agencies within the Cheshire Resilience Forum.

Initial Results

14. Initial results detailed below are based on online survey responses submitted as of 16 November, by which point a total of 195 responses had been received.

Identifying Risk

15. A total of 77.4% of respondents consider that the draft CRMP either completely or mostly identifies the key fire and rescue risks facing Cheshire, compared to 10.8% who think the draft CRMP either identifies few or no key risks.
16. When considering if the proposals in the draft CRMP address the key fire and rescue risks, 74.4% of respondents either agree or strongly agree that it does. A total of 11.8% of respondents felt that the draft CRMP either addresses few or none of the key risks identified.
17. To help inform future safety advice regarding lithium-ion battery products, respondents were asked what type of such items they possessed. Most (94.4%) own a small appliance such as a smartphone, laptop etc, while 71.2% said they own a personal product such as rechargeable toothbrush.
18. There was a range of preferences regarding what battery related issue respondents would prefer advice on, including safe disposal (63.9% of respondents), charging safely (54.9%), everyday use (49.2%) and ensuring products have the correct safety certification (35.3%).

Fire Cover Review

19. Regarding the proposed change to how the Service measures and reports its response times, 76% of respondents support this change compared to 10.9% who oppose it.
20. Respondents were then asked to what extent they support the proposed package of changes to the provision of emergency response across Cheshire. In total, 75.4% of respondents support the proposed package of changes, compared to 16.4% who oppose them and a further 8.6% who neither supported nor opposed, or did not know.

Reviewing the on-call duty system

21. Finally, respondents were asked to provide any suggestions to help shape a review into the on-call duty system to make it more effective and sustainable. A limited number of responses have been received to-date, with comments suggesting that on-call staff should be involved in the review and that the Service should consider making on-call roles more attractive to prospective candidates through increasing pay and providing additional benefits such as discounted or free gym memberships.

Working with The Consultation Institute

22. The Consultation Institute, a recognised independent provider of consultation assurance, training and guidance, has been contracted to provide advice and about quality assurance of the consultation programme. This has included advice on the pre-consultation activity as well as formal assurance for the consultation itself.
23. The work undertaken as part of pre-consultation was found to be sufficient for the Institute to issue a Certificate of Consultation Readiness ahead of the commencement of formal assurance.
24. An interim review with the Institute was held on 14 November and following this, confirmation was received that the consultation programme, to-date had passed the mid-point review. Work is continuing to ensure that the programme adheres to recognised standards of practice and a final review is scheduled for late December before the Institute makes a formal decision on the certification of quality assurance.

Financial Implications

25. The consultation and communications costs associated with the development of the CRMP will be met from one-off growth of £30,000, approved as part of the 2023/24 budget process, as well as from existing budgets.

Legal Implications

26. Publication of the CRMP 2024-28 will fulfil the Authority's statutory responsibility.
27. The Consultation Institute has been engaged to provide external assurance that the draft CRMP has been developed and consulted on in line with recognised best practice.

Equality and Diversity Implications

28. Equality Impact Assessments (EIAs) have been carried out on proposals within the draft CRMP and are publicly accessible via the Service website. In addition, there are specific methods of consultation which are being pursued to engage and consult with a diverse range of groups within Cheshire, covering a range of backgrounds and characteristics.

Environmental Implications

29. Opportunities to respond online will reduce the need for printed materials. Where they are required to support the consultation, they will be printed on recycled paper where possible.

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BACKGROUND PAPERS: NONE

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CHESHIRE FIRE AUTHORITY

MEETING OF: CHESHIRE FIRE AUTHORITY
DATE: 6TH DECEMBER 2023
REPORT OF: DEPUTY CHIEF FIRE OFFICER
AUTHOR: LEE SHEARS

SUBJECT: COLLABORATION STRATEGY

Purpose of the Report

1. To present Members with a Collaboration Strategy for approval.

Recommended: That Members:

- [1] Approve the Collaboration Strategy.

Background

2. The Policing and Crime Act 2017 contains a statutory duty to consider collaboration with other emergency services where two or more of the emergency services consider it would be in the interests of their efficiency or effectiveness to collaborate. A service is not required to collaborate if the service is of the view that the proposed collaboration would have an adverse effect on public safety or have an adverse effect on its efficiency or effectiveness.
3. The Fire and Rescue National Framework for England 2018 contains guidance to fire and rescue authorities in connection with the discharge of their functions. In paragraphs 2.12 to 2.17, the Framework refers to the statutory duty to consider collaboration and explains that the duty is deliberately broad to allow for local discretion in how it is implemented and recognises that local emergency services are best place to determine how to collaborate for the benefit of their communities.
4. The Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) report published in 2018 stated that the Service needed to improve the way it monitors, reviews and evaluates the benefits and outcomes of any collaboration. An Action Plan was prepared following the feedback within the HMICFRS inspection report which made reference to developing a Collaboration Strategy.
5. The Fire Authority approved the initial Collaboration Strategy, at its meeting on 12th February 2020. It was agreed that the document would be reviewed by the Fire Authority every two years.

Information

6. The draft Collaboration Strategy contained in Appendix 1 to this report was reviewed by officers, taking into consideration best practice from other fire and rescue services. It contains minor amendments to reflect the current position of collaboration activity within the Service.

Financial Implications

7. There are no financial implications arising from this report. However, improved monitoring and review could drive financial benefits.

Legal Implications

8. As described in paragraphs 2 and 3 of this report, the Authority has a statutory duty under the Policing and Crime Act 2017 to consider collaboration and it is also a requirement of the Fire and Rescue National Framework for England 2018. Beyond this legal obligation there are no other legal implications arising from this report.

Equality and Diversity

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

Environmental Implications

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

BACKGROUND PAPERS:

Report to Cheshire Fire Authority submitted on 12th February 2020.

Collaboration Strategy



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Version No	Page No	Issue Date	Amendment	Initiated By	Reason
1		Feb 2020	Initial Issue	Andrew Leadbetter	HMICFRS Report recommended
1.1	various	Feb 2023	Minor changes to wording Inclusion of shared estate Front Cover Added Version Control added	Lee Shears	Scheduled review
Collaboration Strategy Uncontrolled when Printed			Current Version February 2023 Next Review February 2025		

Introduction

1. The Blue Light services in Cheshire have a proud tradition of collaboration, from the day to day interaction at emergency incidents to the sharing of premises and joint procurement. Cheshire Fire and Rescue Service (CFRS) regularly works in collaboration for the good of the communities it serves and this document explains how CFRS approaches collaboration.

Why Collaborate?

2. Our vision is:

“A Cheshire where there are no deaths, injuries or damage from fires or other emergencies”.

3. Our mission is:

“To help create safer communities, to rescue people and protect economic, environmental and community interests”

4. By working in collaboration with others, we can achieve our strategic aims and fulfil our statutory duties, and this can also be an opportunity to drive efficiency and effectiveness, in the interest of public safety.
5. In certain circumstances we believe we are more likely to achieve our aims by collaborating with others.
6. We have a **statutory duty** to collaborate in certain circumstances.
7. The Policing and Crime Act 2017 contains a duty for emergency services to consider collaboration with other emergency services where it would be in the interests of the efficiency or effectiveness of that service and those other services to do so.
8. The Fire and Rescue Services Act 2004 requires Fire and Rescue Authorities to enter into mutual assistance schemes and mutual agreements in order to discharge certain statutory functions.

What have we been doing?

9. The following sections contain examples of different forms of collaboration that the service is engaged in. This list is not exhaustive.

Local Collaborations

10. In 2014 we entered into a regional collaboration with Cumbria, Lancashire and Greater Manchester Fire and Rescue Services to form a joint control centre,

North West Fire Control, based in Warrington for emergency call handling and mobilising.

11. We have worked with the NHS in creating gyms on fire stations which cardiac patients can use to support their recovery and rehabilitation.
12. We recently celebrated our thirtieth anniversary of working with the Prince's Trust, delivering courses for young people in Cheshire.
13. The Authority has entered into a Blue Light Collaboration arrangement, merging some support services with Cheshire Constabulary to form joint teams to support both organisations.
14. We have shared some of our fire stations with Police and Ambulance colleagues to create joint or tripartite stations such as at Frodsham and Poynton.
15. We have worked with the NHS and expanded our work concerned with fire safety in the home so that we are able to cover broader health issues when we deliver Safe and Well visits.
16. The Authority works with North West Ambulance Service to assist it in gaining entry to properties where there is a concern for someone's welfare.
17. The Authority is working with public sector partners to create a strategic road safety plan that will have a real impact on reducing the number of people killed or seriously injured on our roads.
18. As the Authority progresses its programme of modernising many of its fire stations it will consider opportunities to further collaborate with local partner agencies, sharing premises and working closer together to reduce costs and operate more efficiently.

National Collaboration

19. The Fire and Rescue National Framework for England 2018 requires all fire authorities to collaborate with other fire and rescue authorities and other emergency services to ensure interoperability in line with the Joint Emergency Services Interoperability Principles (JESIP).
20. We do this through membership of various National Fire Chiefs Council regional and national groups attended by officers in the Service. Membership at these groups facilitates exercising and cross-border working with other fire and rescue services in the region and those bordering Cheshire.
21. Interoperability with other Category 1 & 2 responders is achieved through membership of the Local Resilience Forum.
22. The Service has representation on the Cheshire Emergency Response Collaboration (CERC) which is a Blue Light group to ensure interoperability.

23. The Service has systems in place to ensure that it's National Asset (High Volume Pump) can be available to respond to national emergencies.

Cross Border Collaboration

24. For many years the Service has had agreements in place with all neighbouring fire and rescue services for cross border mutual assistance. Reinforcement and mutual-aid agreements (Section 13 & 16) are in place with all fire and rescue services that border Cheshire and local managers are encouraged to create local relationships with neighbouring stations to exercise and test operational compatibility.
25. Cross border regional exercises are regularly undertaken with neighbouring fire and rescue services.

Other Types of National Collaboration

26. The Service is a member of the Fire and Rescue Insurance Consortium (FRIC), an insurance mutual, which is an innovative way to provide insurance cover in conjunction with other fire and rescue services for a variety of risks.
27. In order to achieve value for money and ensure the most effective and efficient use of resources procurement activity is undertaken through nationally or regionally agreed framework arrangements.

How Do We Decide What We Will Collaborate On?

28. In some areas of our activity we can achieve a better result by collaborating with partners. This may be because of their greater knowledge and experience. It may be more cost effective to share the costs to achieve a common goal.
29. Before any collaboration activity we undertake a scoping exercise or feasibility study. This will include engaging with partners, to determine what they can contribute and what they want to achieve.
30. Key questions include:
 - Which strategic objectives will the collaboration support?
 - Will the initiative improve public safety?
 - Will the initiative improve efficiency and/or effectiveness?
 - Are the parties seeking to achieve similar aims and objectives?
 - What are the risks associated with the collaboration and how can the risks be managed?
31. The outcome of this scoping exercise /feasibility study is reported to the Service Management Team and in some cases, to elected Members of the Fire Authority and once the findings have been considered, a decision is made about whether to proceed with the collaboration.

Register of Collaborations

32. We maintain a central register of collaborations. This Collaboration Register draws together key information including the parties to the collaboration, the benefits and the arrangements for monitoring, evaluation and review.

How Do We Monitor, Review and Evaluate Collaborations?

33. In order to effectively review a collaboration, some or all of the following questions will be considered:
- What are the outcomes?
 - What has been the impact of the collaboration?
 - Has the initiative led to an improvement in efficiency?
 - Has the initiative led to an improvement in effectiveness?
 - Has the initiative improved public safety?
 - Are the initial outcomes from the collaboration being achieved?
 - What are the strengths and benefits of the collaboration?
 - What are the main achievements of the collaboration?
 - Are there any potential weaknesses and if so, are there any refinements/improvements that could be made?
 - Has the collaboration supported the strategic objectives and core values identified at the initiation stage?
34. The mechanisms for review will depend upon the type of collaboration.
35. Where collaboration projects are entered on the Cheshire Planning System the system will provide automated reminders for those involved in the collaboration to ensure that reviews are undertaken. Progress is monitored at the Performance and Programme Board on a quarterly basis and at the end of each project a Closedown and Evaluation report is completed. This report looks at the achievement of project outputs and outcomes, measurement of benefits, review of performance and lessons learnt.
36. Within the Prevention Department's Partnership Toolkit, which is also available on the Cheshire Planning System, there is a Partnership Review checklist and a Partnership Closedown document and the principles in these documents can assist in the review and evaluation of all collaborations.
37. Sometimes the Service will arrange external evaluation of a collaboration, for example the results of our programme of Safe and Well visits and some of its specific components have been academically evaluated.
38. Where collaborations have been captured in formal agreements and Memoranda of Understanding, these will contain provisions for review, variation, extension and termination.

39. The Cheshire Planning System is not always the most suitable mechanism for monitoring and evaluation and where other more appropriate methods are in place the Service will continue to use these.
40. Performance monitoring reports on significant collaborations are presented to elected Members. For example, annual reports on the performance of North West Fire Control are produced for the Performance and Overview Committee.
41. A Performance Management Framework has been designed for the Blue Light Collaboration with Cheshire Constabulary. Performance of this collaboration is overseen in a number of ways and ultimately is considered by the corporate services board.
42. The Fire and Rescue Insurance Consortium (FRIC) is overseen by the FRIC Board made up of representatives from the fire and rescue services involved in the consortium.

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CHESHIRE FIRE AUTHORITY

MEETING OF: CHESHIRE FIRE AUTHORITY
DATE: 6 DECEMBER 2023
REPORT OF: DIRECTOR OF GOVERNANCE
AUTHOR: DONNA LINTON

SUBJECT: MEMBER DEVELOPMENT STRATEGY 2024-26

Purpose of Report

1. To seek approval of the Member Development Strategy for 2024-26l.

Recommended: That

[1] The Member Development Strategy for 2024-26 be approved.

Background

2. The Member Training and Development Group (MTDG) works with officers to determine the future direction of member training and development and ensures that Member training and development programmes align with the Authority's Member Development Strategy and meets Members' and the Service's needs.
3. The Member Development Strategy sets out how the Fire Authority will further develop its elected Members to ensure that they are effective in fulfilling their roles and responsibilities. It provides a structured framework for the delivery of the Member Training and Development Programme, including the induction programme and helps promote continuous improvement.

Information

4. The MTDG had sight of the draft Member Development Strategy for 2024-26 and was invited to make comment. The MTDG felt that the Member Development Strategy should focus on maintaining the current training and development arrangements and also seek to introduce more virtual training opportunities, wherever possible.
5. A copy of the draft Member Development Strategy 2024-26 is attached to this report as Appendix 1 for Members to consider.

Financial Implications

6. The costs of implementing the Member Development Strategy will be met from within the existing budget. The budget has recently been reduced as a result of the Service-wide review of departmental budgets to identify savings. However, this has brought it into line with the actual annual spend, so Member training and development should not be affected.
7. The Strategy should help to ensure that resources are used efficiently to maintain the delivery of an effective Member Training and Development Programme that has been developed to meet Members' needs in order that they can carry out their roles and responsibilities for the Authority. The need for any additional training resources will be monitored.

Legal Implications

8. There are no specific legal implications arising from this report. However Member training and development is important in helping Members to make decisions that ensure the Fire Authority meets its statutory and other obligations.

Equality and Diversity Implications

9. An Equality Impact Assessment has been completed. There are no specific Equality and Diversity implications. However Equality and Diversity Training for Members is now included in the Induction Programme for new Members to be carried out within the first 6 months of them joining the Authority and as a core module on the Member Training and Development Programme.

Environmental Implications

10. There are no specific environmental implications arising from this report. Environmental Awareness Training for Members is now included in the Induction Programme for new Members and updates will be considered for inclusion in future Member Training and Development Programmes.

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Member Development Strategy 2024-26



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**Cheshire Fire Authority
Member Development Strategy
2024- 2026**

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- 5. Implementation and Review of the Strategy**
- 6. Outcomes**

Appendices

- A. Implementation Plan**

1. Introduction

The Member Development Strategy provides the framework for future Member training and development and an effective Member Induction Programme.

The Strategy aims to make a contribution to achieving the Service's Vision and the key aims and organisational objectives of the Community Risk Management Plan (CRMP). Members are an integral part of the progress made towards achieving the Service's Vision and it is important to ensure that Members are equipped with the skills required to fulfil their roles and responsibilities.

The Strategy will continue to focus on continuous development and improvement with consideration given to review the provision in light of the impact of changes to the Authority's membership.

2. Aims of the Strategy

The overall aim of the Strategy is to ensure that all Members have access to and undertake adequate training and development to better enable them to: fulfil their roles and responsibilities as Fire Authority Members; and engage with and have an impact within their communities.

Key aims of the Strategy include:

- **Provision of a clear framework for the training and development of Members based upon their individual needs and the needs of the Authority as a whole;**
- **Ensuring Members have the skills and knowledge necessary to meet their needs to fulfil their roles and are fully aware of their responsibilities and accountabilities;**
- **Supporting the continued training and development of Members;**
- **Ensuring a consistent approach to Member training and development.**

The Strategy confirms the Authority's commitment to learning and development for Members and sets out some of the main activities that will be undertaken to support Member development.

Fire Authority Members also have a responsibility to commit to undertaking training and development activities identified which will enable them to fulfil their roles and responsibilities.

3. Key Objectives

The purpose of this Strategy is to ensure that all Members are trained and developed to fulfil their roles on the Fire Authority and ensure that the following objectives are met:

- **Identify and prioritise Members Training and Development Needs through Personal Development Reviews;**
- **Review and refresh the Members Personal Development Review process to ensure that it remains effective for both experienced Members and new Members;**

- **Provision of an Annual Member Training and Development Programme that is in line with priorities identified and within available resources;**
- **Delivery of a comprehensive and effective Induction process for new Members;**
- **Ensure that Members have the opportunity to develop specific skills in line with particular Member Champion roles; and**
- **Ensure that there is an emphasis on continuous development and improvement for Members to align with any changes to the roles and responsibilities of the Fire Authority.**

The following actions will be undertaken to assist in the implementation of the key objectives in the Strategy:

3.1 Members Personal Development Plans (PDP)

All Fire Authority Members will complete an annual Personal Development Plan. This will be carried out within the Personal Development Review process.

Development needs that are identified will be prioritised and key themes that are identified will be fed into the annual Member Training and Development Programme.

3.2 Review of Members Personal Development Review (PDR) Process

A review and refresh of the process will be completed each year to ensure that the process remains effective for both experienced Members and new Members of the Authority.

3.3 Delivery of Member Development Programme

Members appointed to the Authority will already undertake Member Development Programmes within their own local authority. However, as a Member of the Authority, Members must undertake specific learning and development in connection with their roles on the Authority.

- **Member Training and Development Programme** – This will be drawn up based on inputs from several sources. These will include: formal learning needs analysis; Members' own Personal Development Plans; suggestions from officers/Members; budget and CRMP proposals; new legislation; central Government and local initiatives; partnership working; and other external influences. All training and development activities provided for Members will be consistent with, and support, the Authority's main priorities. The programme will be kept under review to ensure that it aligns with any specific development needs required to support the implementation of any changes introduced by the Government.
- **Members Planning Days** – The Authority holds a number of planning days each year which align with the corporate CRMP planning process to engage

with Members about the future direction of the Service and update Members on matters impacting the Service.

- **Monitoring** - Progress against the Strategy will be monitored by the Member Training and Development Group on a quarterly basis. The Group will also review the Member Training and Development Programme annually to ensure that it remains in line with the Authority's main priorities. Regular monitoring of the Programme will help to ensure that the changing needs of Authority Members are reflected in the Programme. The Member Training and Development Group will also ensure that activities, when proposed, meet Members' needs and are scheduled and delivered appropriately and effectively.

3.4 Delivery of Member Induction Programme

The Authority is committed to ensuring that all new Members are supported when they join the Authority through an effective induction process.

The induction process will include an Induction Programme for new Members which will be supported by the provision of a generic information pack. Feedback from new Members who have completed the Induction Programme has been very positive and the Programme is reviewed and, where necessary, revised on an annual basis to ensure it remains effective and appropriate.

- **Members Induction Programme** – This consists of a programme of sessions to provide an overview of Cheshire Fire and Rescue Service and the Fire Authority. Core modules for new Members such as Health & Safety and Equality & Diversity will also be included throughout the year to ensure that new Members are clear on their roles and responsibilities as Fire Authority Members in these key areas.
- **Members Information Pack** – This provides sufficient information for Members new to fire and rescue responsibilities to begin their role. It will include key contact details, information on the terms of reference and constitution for all the Authority's meetings, calendar of meetings, together with details of the various forms/declarations which Members are required to complete.
- **Buddy System** – the officer/Member Buddy system provides an alignment of elected Members to members of the Service Leadership Team (SLT), to provide information and support on a range of Service, policy and organisational issues. Officer buddies are available to Members for the purpose of developing their overall knowledge of fire and rescue. Where possible, buddies will provide answers to questions and queries themselves or do so after consulting colleagues.
- **Member Induction Handbook** – The Handbook gives Members a basic overview of Cheshire Fire and Rescue Service and Cheshire Fire Authority. It is updated annually to ensure the information that Members receive is up-to-date; accurate and relevant when they start their tenure with the Fire Authority.

3.5 Role of Member Champions

One of the key outcomes of the delivery of the Member Development Strategy should be that Members possess the appropriate skills, knowledge and experience to effectively fulfil their roles and responsibilities.

Members have been appointed to Member Champion roles which have been well established and valued. It is important that Members who are appointed to these roles have the opportunity to develop specific skills in line with these roles and are provided with the support required to maximise their impact within their individual Member Champion remit. The skills involved within each role are identified through the Member Champion role profiles which were developed by the Member Champion and lead senior officer and reviewed annually. Opportunities to develop these skills will be factored into Members individual Personal Development Reviews.

The Member Champion arrangements are reviewed by the Authority on an annual basis to ensure that they still support the Authority's overarching role in the changing environment in which the Authority operates.

3.6 Continuous Development

Review and Evaluation of Programmes

Member development activities need to meet the requirements of both Members and the Authority. Constant evaluation and review of the programmes offered should ensure that these requirements are being met. The Authority needs to ensure that value for money is obtained and the benefits/impacts for Members, the Authority and the community can be measured.

There are a number of processes in place to ensure that the programmes offered are reviewed and evaluated which include:

- Each Member will be asked to complete an evaluation form in relation to the training and development that has been undertaken. These forms will be collated and monitored by Democratic Services and a synopsis of the feedback will be presented to the Member Training and Development Group as a regular agenda item. Copies are also provided for relevant officers to help inform future training and development requirements.
- The Personal Development Review process provides Members with the opportunity to reflect on how the training they have received has impacted upon them and their performance. Where relevant, comments can be fed back to the Member Training and Development Group. The Leadership Development Advisor provides a summary of outcomes from the Personal Development Reviews to the Member Training and Development Group.
- The Member Training and Development group receive quarterly reports on the delivery of the Member Training and Development Programme and the implementation of the Member Development Strategy which enables them to monitor and review progress.

A Member satisfaction survey is carried out annually to provide more in-depth feedback on the service provided to Authority Members. The results should inform future development.

4. Role of Member Training and Development Group

The Member Training and Development Group is responsible for advising the Fire Authority on the development, monitoring and evaluation of the Strategy and also ensuring that the Programme is developed in line with the Strategy.

This cross-party group comprises of five Members and one independent (non-elected) member and reports directly to the Authority on matters relating to Member training and development. The Group presents an annual report to the Authority in respect of Member training and development activities.

5. Implementation and Review of the Strategy

A report on all appropriate aspects of the Member Development Strategy and Programme will be presented to and considered by the Member Training and Development Group on an annual basis. The Group will consider the effectiveness of all aspects of the implementation of the Member Development Strategy, its requirements and the need for any modifications. Any revisions which are required will be made following this review and reported to the Fire Authority.

An implementation plan for the Strategy has been developed and is attached as Appendix 1. The progress of the implementation plan will be monitored by the Member Training and Development Group.

The Member Development Strategy will be reviewed every two years by the Member Training and Development Group and will be approved by the Fire Authority.

6. Outcomes

The successful implementation of the Strategy, should lead to the following key outcomes being achieved:

- Highly motivated, trained and developed Members;
- Members possessing the appropriate skills, knowledge and experience to effectively fulfil their roles and responsibilities for the Authority;
- Equality of opportunity in the delivery of training and development.

Outcomes will be measured through the evaluation and monitoring of both the Strategy and Programme. Members training records and Personal Development Plans will also assist in evaluating the effectiveness of the Member Development Strategy.

Appendix 1

Member Development – Implementation Plan

The implementation plan is produced, managed and co-ordinated by the Democratic Services team and will be monitored quarterly by the Member Training and Development Group.

Objective	Key Actions	Responsible Officers	Target Date
1. Identify and prioritise Members Training and Development Needs	1.1 Complete Annual Personal Development Reviews and Development Plans for all Members	Human Resources/ Democratic Services	Dec 24/25
	1.2 Complete an initial Personal Development Review and check personal development plans for newly elected Members as part of the induction programme	Human Resources/ Democratic Services	Jul –Aug 24/25
	1.3 Carry out Training Needs Analysis based on outcomes of Personal Development Reviews and Members Personal Development Plans and develop a programme for delivery of needs based on priorities.	Human Resources/ Democratic Services	Oct 24/25
Review and refresh the Members Personal Development Review process to ensure that it remains effective for both experienced Members and new Members	2.1 Carry out a review of the current Personal Development Review process to ensure that it remains effective for experienced and new Members.	People and Development/ Democratic Services	Apr 24/25
3. Provision of an Annual Member Development Programme that is in line with priorities identified and within available resources.	3.1 Develop Annual Member Development Programme which complements the training needs identified	Democratic Services Manager/Member Training and Development Group (MTDG)	June 24/25
	3.2 Review the annual programme to ensure that it aligns with any future changes introduced by the Government.	Democratic Services Manager MTDG	Ongoing
	3.2 Produce a quarterly monitoring report on the delivery of the programme for submission to the Member Training and Development Group	Governance and Corporate Planning Manager	2024-25 2025-26 Jul Oct Dec Apr

Objective	Key Actions	Responsible Officers	Target Date
4. Delivery of a comprehensive and effective Induction process for new Members	4.1 Provision of Induction Programme for New Members	Governance and Corporate Planning Manager	Jun 24 Jun 25
	4.2 Provision of Information Pack for New Members (on appointment to Fire Authority)	Governance and Corporate Planning Manager	Jun 24 Jun 25
	4.3 Annually review the Member/Officer Buddy System to ensure it remains effective	Governance and Corporate Planning Manager MTDG	Oct 24 Oct 25
5. Member Champions	5.1 Review current roles and maximise opportunities for Member Champions to access support networks and development opportunities in line with their specific remit	Governance and Corporate Planning Manager MDTG	Dec 24 Dec 25
Continuous Development	6.1 Produce quarterly monitoring reports in respect of the Strategy's implementation plan for Member Training and Development Group	Governance and Corporate Planning Manager	2024-25 2025-6 Jul Oct Dec Apr
	6.2 Present an annual report on Member Development activities to the Fire Authority	Governance and Corporate Planning Manager MTDG	Jul 24 Jul 25
	6.3 Carry out an annual review of Member Development Strategy	Governance and Corporate Planning Manager MTDG	Oct 24 Oct 25
	6.4 Carry out a Member satisfaction survey to provide more in-depth feedback on the service provided to Fire Authority Members and inform future development	Democratic Services/ Communications MTDG	Apr 24 Apr 25

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CHESHIRE FIRE AUTHORITY

MEETING OF: CHESHIRE FIRE AUTHORITY
DATE: 6TH DECEMBER 2023
REPORT OF: CHIEF FIRE OFFICER AND CHIEF EXECUTIVE
AUTHOR: ANDREW LEADBETTER

SUBJECT: NORTH WEST FIRE CONTROL – CONTINUING
THE COLLABORATION

Purpose of Report

1. To update Members about the future of North West Fire Control (NWFC) to enable them to:
 - confirm the Fire Authority’s continuing commitment to NWFC;
 - determine the proportion that the Fire Authority should contribute to the collaboration;
 - agree the decision-making arrangements associated with a significant NWFC project; and
 - approve funding for the project and additional resourcing.

Recommended: That Members

- [1] Confirm the Fire Authority’s continued commitment to the NWFC collaboration.
- [2] Determine whether they are happy to increase the Fire Authority’s contribution to the collaboration as explained in the report.
- [3] Authorise the Chief Fire Officer and Chief Executive to make all necessary decisions associated with the new mobilising system on behalf of the Fire Authority.
- [4] Approve the magnitude of funding that is described in the report (new mobilising system and additional resourcing) so that it can be included in the budget and reflected in the Medium Term Financial Plan.

Background

2. North West Fire Control (NWFC) was created after the collapse of a national project to create nine regional control centres. The Government provided significant financial support to the North West fire control project (and continues to pay a substantial sum towards the rent of the building occupied by NWFC).
3. NWFC serves Cheshire, Cumbria, Greater Manchester and Lancashire. Staff at NWFC answer 999 calls, mobilise resources to incidents and assist operational staff with the management of incidents.

4. NW Fire Control Limited (the Company) is the legal entity that provides the services to the partner fire and rescue services. The Company is jointly owned by the fire and rescue authorities and liability is limited by guarantee. Each fire and rescue authority appoints two Directors to sit on the Board (from Cheshire it is the Chair and Deputy Chair). The Chief Fire Officers and some advisers also attend the Board, together with staff from NWFC.
5. NWFC started dealing with calls for Cheshire in May 2014. For those Members that have been appointed to the Fire Authority since NWFC came into being a copy of a report that was considered in September 2012 (less the appendices) is attached to this report as Appendix 1.

Information

General

6. Creating NWFC was a difficult and costly exercise. The parties to the collaboration were advised that it should be seen as a long-term and 'almost permanent' arrangement, due to the complexity and cost of ending it. Creating a separate fire control solely for one of the partners to NWFC would take at least two years (probably nearer to three) and involve: investment in a new mobilising system which would be likely to cost almost as much as the system utilised by NWFC; creation of a resilient control room; and recruitment of staff to be suitably trained in readiness for go-live.
7. Notwithstanding the significant challenge of creating a separate fire control, there have been recent questions about the future of the collaboration and some insight is provided in a report, with the same title as this, in Part 2 of today's Agenda. Thankfully, in the past few months the four Chief Fire Officers have been able to confirm the commitment of their respective organisations to NWFC until at least July 2033 (which is the date that the lease of the fire control building comes to an end). This is undoubtedly good news, with the partner fire and rescue services acknowledging the need to work diligently alongside the team at NWFC to ensure the continued success of the collaboration. This comes at a time when a new mobilising system is to be procured by NW Fire Control Limited and when a number of other pressures exist that have been impacting on NWFC need to be relieved.
8. *Members are asked to confirm the Fire Authority's continued commitment to the NWFC collaboration; it is a decision for Members as it is a long-term commitment.*

Sharing the Costs of NWFC

9. When NWFC was created there was a significant investment by the Government (which continues in the form of circa £1M per annum towards the lease of the NWFC building at Lingley Mere in Warrington). Almost all up-front costs to create NWFC were paid for by the Government.

10. NWFC is now paid for by the partners in proportions that were agreed before the original project was fully committed to. The proportions were intended to reflect the relative demand placed upon NWFC by the respective partners, i.e. call volumes were seen as a meaningful driver for establishing the respective shares of the costs. The proportions are recorded in various governance documents, with the Co-Operation Agreement between the fire and rescue authorities stating that the '*... proportions will be reviewed from time to time. Such reviews will take into account the relative benefits to the respective Authorities derived from the Services provided by the Company.*'
11. The percentage call volumes per partner have generally been extremely close to the proportions and therefore the partners have not sought to review them. More recently, however, the call volumes have changed to such an extent that at least for the time being they no longer align with the proportions.
12. The proportions have not changed since the original project was commenced and continue to apply at present. They are

Fire Authority	Proportion (%)
Cheshire Fire Authority	18
Cumbria Police, Fire and Crime Commissioner	8
Greater Manchester Combined Authority	48.5
Lancashire Combined Fire Authority	25.5

13. The discussions about the potential to leave the collaboration, the need to fund the new mobilising system and requirement for additional funding for NWFC, as well as the fact that the call volumes no longer align with the original proportions have led to a debate about the proportions that should be paid by the partners going forward. The Chief Fire Officers have reached a position which they feel able to justify to their respective fire authorities. For Cheshire this would see the proportion change from 18% to 19.8%, the impact of which is explained in the Financial Implications section of this report. This would be expected to take effect from 1st April 2024. It could be reviewed at a later date.
14. *Members are asked to determine whether they are happy to increase the Fire Authority's contribution to the collaboration.*

New Mobilising System

15. NWFC uses a computerised mobilising system which assists the control room operators when answering and handling emergency calls. The current system is now nearing 'end of life' and needs to be replaced. A project to achieve this has been active for some time, but has only recently commenced in earnest (now that the Chiefs have confirmed their commitment to the collaboration).
16. This project requires a significant investment by the partners (both time input and money) as well as from the team at NWFC. An important first step will be the agreement of an extension to the contract for the current mobilising system,

which will need to be available to NWFC until the new mobilising system is in place. The partner fire and rescue services are fully engaged in the project. Currently, the tender documentation is being prepared with involvement of a range of staff from the partner fire and rescue services, some staff from NWFC and external legal and procurement advisers.

17. During the project there will be a number of important decisions, which will need to be taken by the partner fire authorities and NW Fire Control Limited. For example, all parties will need to be satisfied with the procurement arrangements/tender documentation before the tender process can commence; and in agreement over the appointment of a supplier once the tender process has run its course. In addition, the Chief Fire Officer for each partner fire and rescue service will make the decision about 'going-live' onto the new mobilising system, once they are satisfied with the implementation work and readiness of the new mobilising system.
18. *Members are asked to authorise the Chief Fire Officer and Chief Executive to make all necessary decisions on behalf of the Fire Authority.*

Funding the New Mobilising System

19. There are two aspects to this. Unfortunately, at this point it is not possible to share firm figures with Members; these will only become clear as the project is delivered. There are, however, some estimates and assumptions that can be shared with Members.
20. The procurement and implementation of a new mobilising system is a large undertaking, encompassing work that will span three financial years (at least). For the purposes of illustration, the figures in the Financial Implications section assume that this stage will require a one-off investment of around £6m. This cost is shared by the partner fire authorities. Currently, Cheshire's share of the cost is 18%.
21. Once the system is live there will be recurring annual costs for licensing, maintenance, development etc. Currently, the cost is circa £800k. It is hoped that the recurring cost will not increase substantially, but given the recent impact of inflation on wage increases, there will undoubtedly be some uplift. It is probably prudent to budget for up to £1m per annum. Again this cost will be shared by the partner fire authorities.

Additional Resourcing

22. Since NWFC started handling emergency calls back in 2014 a number of things have changed. Firstly, the expectations of the partner fire and rescue services have risen. Secondly, the requirements placed upon the fire control have grown, e.g. as a result of recommendations from the Manchester Arena Inquiry. Thirdly, quite recently, a new Fire Standard aimed at fire control rooms has been published, which NWFC will need to comply with and prove that it does (if it cannot do so already).

23. The Chief Fire Officers have given a considerable amount of attention to NWFC in recent years. Various pieces of work have been commissioned and some investment has taken place. As a result, a form of business plan (with annual delivery plans) has been created which the Chiefs believe needs to be supported. For now, they have considered the support that is necessary for the next twelve months (2024-25) as well as building in some additional resource the cost of which they believe should be built into NWFC's base budget. Inevitably, there will be further resourcing requirements, because the delivery plan contains some challenging elements that NWFC cannot deliver from its existing establishment.
24. In 2024-25 the following matters are due to be progressed: a new training regime and system for capturing that training; an appraisal of and action plan which needs to be delivered associated with the fire control Fire Standard; a capacity review and work on a future operating model. These will require a project management team. Some elements will lead to permanent growth to be built into the base budget, e.g. additional operations managers and project management resource.
25. *Members are asked to approve the magnitude of funding that is described in relation to the new mobilising system and additional resourcing so that this can be included in the budget and reflected in the Medium Term Financial Plan.*

Financial Implications

26. Whilst NWFC has been a great success, saving the Fire Authority in excess of £3m, to-date, this report describes a number of necessary investments that need to be made by the partners to the collaboration. This will help to ensure the continued success of the collaboration until 2033 as well as helping the partners understand what happens from that date.

27. The costs are summarised in the following paragraphs

Current Budget

28. Current Cheshire Fire Authority budget for NWFC - £1.119M (18% of the overall cost).

The impact of increasing the Fire Authority's share of the cost of NWFC

29. If the Fire Authority's share increases by 10% of the current proportion, i.e. rises from 18% to 19.8% and for the purpose of illustration we use the current, 2023-24 budget for the Authority's share of NWFC (£1.119M) the cost to the Fire Authority would increase by £112k to £1.231M.

30. The table below provides details of the position reached by the Chief Fire Officers:

	Cheshire	Cumbria	Greater Manchester	Lancashire
Current Proportion (%)	18	8	48.5	25.5
Proposed Proportion (%)	19.8 (+1.8%)	8.8 (+0.8%)	43.35 (-5.15%)	28.05 (+2.55%)
Change – expressed as percentage of Current Proportion	+10%	+10%	-10.62% (rounded)	+10%

31. Members will see that each of Cheshire, Cumbria and Lancashire have offered to increase their proportion by ten percent of their current proportion; for Cheshire this is an actual increase of 1.8%. Greater Manchester will see a reduction in its contribution of just over five per cent.
32. It should be noted that the cost to Cheshire, even at 19.8% is a very significant saving on the sum that would be required for its own control function. It would be responsible for the considerable expenses described earlier in the report if it wished to set up its own control. This simply would not make financial sense.

New Mobilising System

33. The procurement and implementation costs, estimated to be in the region of £6M, will be payable over three years (2024-25, 2025-26 and 2026-27).
34. The share payable by Cheshire at 18% would be £1.080M, or at 19.8% would be £1.188M (an additional £108k). It is proposed that will be met from the Fire Authority's reserves.
35. Ongoing costs for the existing mobilising system are circa £800k. It would be wise to budget for these to increase from 2026-27 when the new mobilising system is expecting to go live and a figure of £1M has been suggested. This means that the cost payable by NWFC could increase by £200k per annum. This would be a long term commitment, i.e. until the end of the contract which is intended to run until July 2033. It may be index-linked; this will depend upon the tender process and contractual position.
36. The share of this increased ongoing cost (£200k) that would be payable by Cheshire at 18% would be £36k, or at 19.8% would be £39.6k (an additional £3.6k).
37. The Fire Authority already budgets to pay its share of the £800k ongoing costs for the current system within the sum that it pays towards NWFC at present.

Additional Resourcing

38. During 2024-25 the sum of £639k is needed to deliver those aspects of NWFC's business plan that will be contained in its annual delivery plan (with £466k of this being one-off costs and £173k becoming part of NWFC's base budget as it will be required in subsequent years).
39. The Fire Authority's share of the addition to the base budget of £173k at 18% is 31k, or at 19.8% is £34k (an additional £3k) and its share of the one-off cost of £466k at 18% is £84k, or at 19.8% is £92k (an additional £8k).

Legal Implications

40. The collaboration is captured in various legal documents which, thankfully, have stood the test of time. In reality they have not been needed as the partners have always worked towards the resolution of issues that have caused concern/tension.
41. NW Fire Control Limited will enter into the contract for the new mobilising system. Partner fire authorities can be assured that fire and rescue service staff are working with colleagues at NWFC to ensure that the arrangements are robust so that future provision of fire control services will be suitably supported by the new system.

Equality and Diversity Implications

42. There are no equality and diversity implications.

Environmental Implications

43. There are no environmental implications.

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BACKGROUND PAPERS:

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CHESHIRE FIRE AUTHORITY

MEETING OF : **FIRE AUTHORITY** **ITEM: 5**
DATE : **19 SEPTEMBER 2012**
REPORT OF : **CHIEF FIRE OFFICER**
AUTHOR : **PAUL HANCOCK**

SUBJECT : **NORTH WEST FIRE CONTROL**

Purpose of the Report

1. This report
 - Summarises progress since this matter was last considered by the Fire Authority and sets out the current position;
 - Explains the key elements of the Final Business Case;
 - Outlines the proposed governance arrangements;
 - Provides Members with details of the IRMP feedback relating to this proposal;
 - Seeks Member approval to progress the project to completion.

Recommended: That Members

- [1] Agree that the project to create a shared control should continue and move to the implementation phase**
- [2] Authorise the Chief Fire Officer to notify NW Fire Control Ltd that the Authority is satisfied with the Final Business Case in order that the company can proceed to award a contract for a new control and mobilising system (provided that the other three NW Fire and Rescue Services involved in the project also confirm that they wish to proceed and approve the award of contract)**
- [3] Authorise the Chief Fire Officer and Head of Legal and Democratic Services to settle the terms of and complete a Project Agreement between the Authority and the other Authorities involved in the project**
- [4] Instruct the Head of People and Development to work with colleagues from the other Services and NW Fire Control Ltd to secure the best outcome for staff affected by the project**

Background

2. The Fire Authority considered reports regarding NW Fire Control at its meetings in September and October 2011. At the September Fire Authority meeting Members resolved that:-

- [i] support for the delivery of a North West Fire Control be confirmed, subject to:*
- i) the outcome of the Integrated Risk Management Plan 9 (IRMP) consultation, which refers to the proposal;*
 - ii) the development of a robust final Business Case, following a procurement exercise; and*
 - iii) the support of the four other North West Fire and Rescue Services.*
- [ii] it was noted that a final decision about whether to proceed (when the final Business Case has been developed) is reserved to the respective North West Fire and Rescue Services.*
- [iii] Officers be authorised to take all steps necessary to proceed with the project up to the conclusion of the final Business Case.*
3. Subsequently, Merseyside Fire & Rescue Authority decided that it did not wish to continue to be a party to the project. The minutes of the October Fire Authority meeting appear below:-
- [i] support for the delivery of a North West Fire Control be confirmed, subject to:*
- i) the outcome of the Integrated Risk Management Plan 9 (IRMP) consultation, which refers to the proposal;*
 - ii) the development of a robust final Business Case, following a procurement exercise; and*
 - iii) the support of the three other North West Fire & Rescue Services that wish to participate in the project.*
- [ii] it was noted that a final decision about whether to proceed (when the final Business Case has been developed) is reserved to the respective Fire Authorities;*
- [iii] Officers be authorised to take all steps necessary to proceed with the project up to the conclusion of the final Business Case (including any matters related to, or ancillary to, North West Fire Control Limited arising from Merseyside Fire and Rescue Authority's withdrawal from the project).*
4. Members considered feedback from the IRMP 9 consultation relating to the project at the Fire Authority meeting in February 2012. Members decided:
- "... that feedback on the NW Fire Control is considered at the Authority meeting which decides on the final Business Case for the project."*
5. Appendix 1 contains extracts from the report on the IRMP 9 consultation

Information

Merseyside's withdrawal

6. Whilst this did not change the resolve of the remaining participants, there were practical and legal implications. Ultimately, Merseyside's withdrawal led to Cheshire officer's taking primary responsibility for legal and procurement advice to the Project Board and for legal advice to the Board of Directors of NW Fire Control Ltd. Changes were also made to the company's constitution to reflect the reduced membership.

Joint Working Agreement

7. The four Authorities entered into an Agreement in March 2012 which has and continues to govern the way that the project is run and sets out the responsibilities and liabilities of the parties.
8. The Agreement reserved to the Authority certain important decisions. These were included to provide protection to the respective Authorities, allowing them independently to satisfy themselves about the veracity of the Final Business Case before there could be a decision to proceed (including the award of contract by NW Fire Control Ltd).

Government Funding

9. The Department for Communities and Local Government (DCLG) committed to funding the project in the sum of £8.41 million (up to the end of March 2014, when it expects the project to have been completed). This project funding was confirmed in a letter in October 2011 (as reported to the October 2011 meeting of the Fire Authority referred to above). The letter contained no specific conditions. Payment of this project funding has already taken place with the sum held by Greater Manchester Fire & Rescue Authority as the accounting body for the project.
10. There is additional funding relating to the fire control building at Lingley Mere, Warrington. This equates to almost £27 million (£5.43 million to cover all costs of the building up to the end of March 2014 and £21.51 million to cover the equivalent of 66% of the rent payable under the lease of the building which runs until July 2033). This building funding is confirmed in a Memorandum of Understanding between DCLG and NW Fire Control Ltd. However, this document is not legally binding. In order to safeguard the position of the Authorities an additional document, a Transfer Option, has been completed which is legally binding. This provides NW Fire Control Ltd (which already holds the lease, having had it transferred from DCLG a few years ago) with the ability to "hand back" the building if the funding is withdrawn (by transferring its interest in the lease back to DCLG). To strengthen the position DCLG is required to give a minimum of 12 months' notice to NW Fire Control Ltd should it intend to withdraw funding. It is considered that this should provide sufficient time to relocate the control and mobilising function and thus

avoid the ongoing liability of the expensive fire control building. Given that DCLG has been unable to secure the sale of more than half of the other regional control centres that were built as part of the national project, the likelihood of it withdrawing funding and becoming responsible for the building in its entirety (and 100% of the rent) currently appears remote.

Procurement

11. One significant element of the cost of running a control centre is the control and mobilising system that is utilised. In order to complete the Final Business Case (and as authorised by the Authority) a procurement exercise has been carried out and is now nearing the point where a contract could be awarded.
12. The project team held various supplier engagement meetings in order to understand and test the market. It also considered the various options for the procurement and the level of risk that would be appropriate.
13. The Project Board decided that the Restricted Procedure should be used allowing the suppliers to be “sifted” before tender, i.e. a pre-qualification stage to restrict numbers. It also decided that the solution would need to be a proven solution to limit the risk. The definition of “proven” for these purposes is:

*An end to end solution that is capable of being demonstrated to be fully operational in an emergency service environment.
The end to end solution must work in a technical environment that is compatible with that available to the NWFC and the Authorities
The end to end solution must belong to a Contractor (with clear unambiguous access to any third party products required) and that Contractors will have an existing and proven presence in the emergency services market and is able to evidence a mature and proven track record in the delivery of the solution being proposed.
For the avoidance of doubt, the definition of an end to end solution is one where all of the component parts which are required for the solution are able to be clearly demonstrated as working seamlessly together in an integrated way and presented in a single interface for the users of the system.*
14. Eleven pre-qualification questionnaires were received from suppliers and the top five were invited to tender. The suppliers included the majority of the market leaders who were working in a range of consortia to meet the requirements.
15. Tenders were received on 19 July 2012 and have been evaluated against complex evaluation criteria. Whilst some issues are subject to further clarification it is highly likely that NW Fire Control Ltd could be in a position to award a contract in the near future. A company board meeting is scheduled for the 21st September and it is possible that such a decision could be made as early as that date.

Staffing Position

16. Staff working in existing Control Rooms will be covered by the Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE). In normal circumstances all staff would transfer to NW Fire Control Ltd at the point that it became responsible for handling calls and mobilising Authority resources. NW Fire Control Ltd would not require all of the staff and would then need to consider making some of them redundant.
17. In order to avoid a long period of uncertainty (and following advice from a leading Barrister related to the national project) there has been a great deal of time and effort put into the careful handling of staff-related issues and this will continue. These efforts are aimed at assisting staff to make informed choices and at securing sufficient staff for NW Fire Control Ltd to provide the service to the Authorities.
18. The Outline Business Case contained costings for a staffing structure for a North West Fire Control and these have been further refined. At the time of the Outline Business Case Cheshire, Cumbria, Greater Manchester and Lancashire disclosed a total of 142 staff deployed in their respective control rooms. This figure has reduced to 122 (due to changes within the individual Services and as a result of Cumbria closing its control room and having Cheshire take over its control and mobilising functions). NW Fire Control Ltd has finalised a staffing structure of 61.5 FTE.
19. NW Fire Control Ltd has recently confirmed the full package of terms and conditions that will apply to its staff. It has consulted with the representative bodies. The terms and conditions are in many respects comparable with existing terms and conditions, e.g. transferring staff will have no reduction in pay and pension provision will not change. There are, however, two elements of the terms and conditions that are different, namely performance related pay and rosters. Performance related pay remains relatively rare in the public sector and is not used by any of the Services for control room staff. However, the change to rosters appears to be the major issue for staff. It is the flexible approach to rostering that allows NW Fire Control Ltd to staff the control room effectively and at the same time reduce staff numbers (and costs).
20. If the Authorities give their approval to proceed the Authorities and NW Fire Control Ltd aim to ensure that existing staff are fully informed about the terms and conditions on offer, the staffing structure and the facility at Lingley Mere, e.g. open days are arranged for September.
21. Informal discussions have been taking place and staff have already indicated their preliminary views about their intentions. They are now to be asked to confirm in writing a preference as to whether they wish to pursue a role within NW Fire Control Ltd or seek to take advantage of the voluntary redundancy package that is on offer. The Authorities and NW Fire Control Ltd will work hard to ensure that the company has sufficient

staff to fill its structure and that those staff that do not wish to transfer and have chosen to take advantage of the voluntary redundancy package remain motivated until they can be allowed to leave.

22. Current indications are that compulsory redundancies are unlikely. The costs of voluntary redundancies would be covered by the project funding referred to in paragraph 9.

Final Business Case

23. The Outline Business Case explored the options available to the Authorities as a result of the closure of the national project. It contained a section entitled "Statement of Principles". These were:

- The overriding principle is that any solution must be cost effective and introduce savings as well as other benefits;
- Minimise project risk by using a proven technical system which must deliver a technical platform and capability that is at least as good as existing mobilising systems;
- The use of modern, efficient and viable T&Cs and rosters should be incorporated;
- Statutory duty remains with FRAs so any system must be able to adjust for variations in IRMPs, although effort would be made to achieve common ground where possible;
- Continue the momentum of convergence, collaboration in Ways of Working and procedures etc to drive further operational benefits and efficiencies.
- Any solution must offer a satisfactory level of operational resilience and fallback;
- Minimise duplication;
- Recognise existing investment cycle and different FRA positions;
- Minimise compulsory redundancies where feasible.

24. Eventually, the route chosen was referred to as Plan B; utilising the existing resilient fire control building at Lingley Mere and the company NW Fire Control Ltd to continue with a North West solution. This option was contingent upon securing Government funding for the project costs, solution purchase and maintenance costs, restructuring costs and a contribution towards the rental costs of the fire control building. The Final Business Case appears as Appendix 2 and the following paragraphs summarise the key issues.

Costs

25. Earlier sections deal with Government funding, the procurement and the additional work that has been carried out related to staffing. This activity has provided greater certainty about costs. There have been some changes to the figures in the Outline Business Case but these have not affected the projected savings.

26. The following tables compare the summaries of costs (for the project phase and until March 2023) at August 2011 (Outline Business Case)

and August 2012 (Final Business Case). These show an increase in projected costs of the project equivalent to almost £1m spread over the 12 year period.

Outline Business Case (August 2011)

	Project Phase			Operational Year 1	Operational Year 2	Total Cost up to Mar 2023
	2011/12	2012/13	2013/14	2014/15	2015/16	2011 - 2023
GM FRS	(£0.0m)	(£0.0m)	£0.43m	£1.66m	£1.93m	£19.8m
Cumbria FRS	(£0.0m)	(£0.00m)	£0.072m	£0.27m	£0.32m	£3.3m
Lancashire FRS	(£0.0m)	(£0.0m)	£0.23m	£0.87m	£1.0m	£10.4m
Cheshire FRS	(£0.0m)	(£0.0m)	£0.16m	£0.62m	£0.72m	£7.3m
Overall Total	£0.0m	£0.0m	£0.89m	£3.42m	£3.97m	£40.8m

Final Business Case (August 2012)

	Project Phase			Operational Year	Operational Year 2	Total Cost up to Mar 2023
	2011/12	2012/13	2013/14	2014/15	2015/16	2011 - 2023
GM FRS	(£0.0m)	(£0.0m)	£0.43m	£1.66m	£1.94m	£20.2m
Cumbria FRS	(£0.0m)	(£0.00m)	£0.072m	£0.27m	£0.32m	£3.34m
Lancashire FRS	(£0.0m)	(£0.0m)	£0.23m	£0.87m	£1.02m	£10.7m
Cheshire FRS	(£0.0m)	(£0.0m)	£0.16m	£0.62m	£0.72m	£7.5m
Overall Total	£0.0m	£0.0m	£0.89m	£3.42m	£4.00m	£41.74m

Savings

27. The following tables compare the annual costs and projected savings at 2014/15 rates in the Outline Business Case and Final Business Case. These show an ongoing annual saving of £360,000. These have been firmed up with clarity about Government funding; evaluated fixed tender prices; and refined staffing cost calculations. To put these figures into context, it is worth bearing in mind that the projected annual costs for Cheshire's control function (at 2014/15) is £1 million. This will be reduced by a third by moving to a shared control and there are options to increase the savings if the potential of the building and solution is maximised over time.

Provision of <u>Current Control</u> - Annual Costs for at 2014/15 rates					
2014/15 Costs	GM	Cumbria	Cheshire	Lancashire	NW Total
Based upon updated data in 2011 indexed forward to 2014/15	£2.54m	£0.57m	£1.0m	£1.43m	£5.54m
Provision of <u>New Control</u> in Year 1 - Annual Costs for at 2014/15 rates					
2014/15 Costs	GM	Cumbria	Cheshire	Lancashire	NW Total
Based upon predicted costs in 2011 indexed forward to 2014/15	£1.66m	£0.27m	£0.62m	£0.87m	£3.42m
Provision of <u>New Control</u> - Annual Savings for Year 1 & Year 2					
	GM	Cumbria	Cheshire	Lancashire	Total
2014/15	£0.88m	£0.30m	£0.43m	£0.55m	£2.16m
2015/16	£0.69m	£0.27m	£0.36m	£0.45m	£1.77m

Final Business Case

Provision of <u>Current Control</u> - Annual Costs for at 2014/15 rates					
2014/15 Costs	GM	Cumbria	Cheshire	Lancashire	NW Total
Based upon updated data in 2011 indexed forward to 2014/15	£2.54m	£0.57m	£1.0m	£1.43m	£5.54m
Provision of <u>New Control</u> in Year 1 & Year 2 - Annual Costs at 2014/15 rates					
	GM	Cumbria	Cheshire	Lancashire	NW Total
2014/15	£1.66m	£0.27m	£0.62m	£0.87m	£3.42m
2015/16	£1.94m	£0.32m	£0.72m	£1.02m	£4.00m
Provision of <u>New Control</u> - Annual Savings for Year 1 & Year 2					
	GM	Cumbria	Cheshire	Lancashire	Total
2014/15	£0.88m	£0.30m	£0.43m	£0.55m	£2.16m
2015/16	£0.67m	£0.27m	£0.36m	£0.45m	£1.75m

Adequacy of Solution

28. There is a well-developed market for systems that handle control and mobilising, deployed in a range of circumstances. The procurement only sought a proven system and tenders from market leaders have been received and evaluated. The project team is satisfied that it can recommend an award of contract.
29. Apart from the solutions being proven, they are sufficiently flexible to cope with the different requirements of the Services and can meet the aspirations of the Services and those set out in the Outline Business Case. The table from the Outline Business Case has been reproduced below. All 'missing' elements will be delivered as part of the project within the available budget.

	LANCASHIRE	CHESHIRE	GREATER MANCHESTER	CUMBRIA
STATUS	YES		YES	
MOBILE DATA TERMINAL (INTEGRATED TO AIRWAVE)	YES			
USE OF TALK GROUPS/ CCI PORTS	YES			
DYNAMIC MOBILISING				
AUTOMATIC VEHICLE LOCATION				
MOBILE PHONE CALLER IDENTIFICATION		YES		YES
PREMISE- BASED MOBS GAZETTEER		YES		
INTEGRATED GIS	YES	YES		YES

30. One previous concern about creating a shared control was the level of integration required to deliver a solution that could work with various systems within the different Services. Through careful description of the integration requirements of the project and an analysis of the tenderers' approaches and having considered current arrangements in place elsewhere the project team is confident that this element is properly understood and can be delivered by the suppliers.

Delivery/Performance

31. Whilst the Outline Business Case only mentions performance in passing this has been an important element of the procurement. The tenderers have, by and large, accepted the approach to delivery of the project and the ongoing performance of the solution. To this end, the project team has built in penalties. The suppliers chosen to provide the solution will be required to sign a contract that restricts cashflow by back-loading payments for implementation work (based around a limited number of milestones); and reduced ongoing support and maintenance payments if performance of the system falls below stringent standards. Obviously, the hope is that these provisions are never needed, but they are held in reserve to ensure that a supplier reacts appropriately to faults/problems.

32. The Outline Business Case assumed that a secondary control site would be created and be available should the primary site be unavailable. However, the project team, recognising that this probably wasn't required given the resilience of the building at Lingley Mere, sought innovative solutions from tenderers.
33. The question of resilience/fallback is to be considered further with the tenderers during technical workshops prior to contract award. However, discussions with other Services have already been fruitful and it is likely that the control and mobilising system's resilience will be achieved through the placing of equipment at another resilient site (one of the other regional control buildings is the favoured option).
34. It is highly likely that the solution on offer will be capable of being accessed remotely using the latest technology, making a secondary site an unnecessary expense.

Governance

35. The Joint Working Agreement (mentioned earlier – paragraphs 7 and 8) will cease to have effect upon award of contract (as the project then moves into a new implementation phase).
36. A contract will be formed between NW Fire Control Ltd and the chosen supplier. This will move the project to the implementation phase (i.e. award of contract to 'go live'). This phase will also be governed by a Project Agreement between the Authorities. Whilst this will carry forward a number of elements of the Joint Working Agreement, e.g. project management arrangements, there will be some significant differences. One of the most important differences will be the potential to withdraw from the project. It is fair to say that once the contract has been awarded it will be difficult and costly to end the project. As withdrawal of one party could jeopardise the project, the Project Agreement is only likely to allow withdrawal in very restricted circumstances. The Project Agreement should be completed by the Authorities at, or before the date of, the contract between NW Fire Control Ltd and the supplier. Members are asked to authorise the Chief Fire Officer/Head of Legal & Democratic Services to negotiate and complete the Project Agreement on behalf of the Authority.
37. During the implementation phase two further agreements will be completed; a Service Level Agreement (governing the relationship between NW Fire Control Ltd and the Authorities) and a Co-Operation Agreement (governing the relationship between the Authorities after 'go live'). Officers intend to report further on the Service Level Agreement and the Co-Operation Agreement in due course.

Risk

38. The Outline Business Case listed risks associated with the project together with a commentary and mitigation. This report deals with a number of risks, e.g. funding and certainty about other costs. However, it is worth commenting on some specific issues.

Employee Relations/Staffing

39. The respective Services' HR officers have been working closely with the project HR adviser and officers from NW Fire Control Ltd. There have been significant consultations with the trade unions involved. Whilst disputes cannot be ruled out, the work that has been carried out should reduce the risk.
40. Whilst staffing numbers were mentioned as a risk (would NW Fire Control Ltd have sufficient staff to handle calls) statistics relating to call volumes confirm a continuing downward trend. The staffing structure has remained static at a time when calls have reduced. Accordingly, this risk is reducing.

Finance

41. As mentioned elsewhere in this report the financial aspects of the project have been developed and refined to provide as much reassurance as possible. The tenderers have accepted a 'fixed price' approach which should provide certainty. Indeed, this is greater certainty than that which is available to any of the Services at present, as commonly contracts for ICT systems include a variety of 'uplifts' and 'refresh' charges that are not costed.

Integration/Transition

42. These are probably the areas of greatest risk for the project. It is important that as far as possible integration takes place as this simplifies matters and reduces the opportunity for mistakes. Given the respective Chief Fire Officers willingness to consolidate and pursue common practices there is already evidence of this happening and the risk will continue to reduce. That said, the systems on offer do offer flexibility where it is necessary.
43. The fact that Cheshire has taken over control and mobilising for Cumbria provided an opportunity to test out and better understand the issues that might be expected to impact upon transition. For example, there is a greater appreciation of the data migration requirements (the nature and extent of this important element of the project).
44. Whilst the project is not without its risks, these are well understood and mitigating actions can be taken so as to seek to avoid problems.

IRMP Feedback

45. The IRMP feedback that was presented to Members at the Fire Authority meeting in February 2012 is reproduced (as extracted from the larger IRMP report and supporting papers) in Appendix 1 to this report.
46. There is more support than opposition to the proposal from the public and partners, but more opposition than support from staff.
47. The main concern expressed by those responding to the consultation focuses on a loss of local knowledge leading to a poorer service. Whilst this appears to be a plausible issue, it does not stand up to scrutiny. It would require an acceptance that all control operators know the whole of the area that they cover. This is unrealistic and unreasonable. Thankfully, technology provides significant support to control operators, with gazetteers and scripts that assist in the accurate plotting of incidents. There may be occasions when local knowledge will impact upon the way a call is handled, but these are the exception rather than the rule.
48. Cheshire has been satisfactorily handling the calls for Cumbria Fire and Rescue Service for some months now. This supports the assertion above that local knowledge is not essential as is argued by opponents of the project.

Financial Implications

49. A project involving this complexity will require careful financial evaluation in order to present robust figures in a business case. The work that has taken place since the Outline Business Case was produced has sought to minimise the risk of the projected savings not being achieved.
50. The procurement has given certainty about the cost of the solution. The approach pursued by the project team will secure a fixed price for delivery of the project and the ongoing costs for up to a seven year term. This is within the original cost envelope.
51. The staffing structure has been further tested and the approach to rosters has been checked to ensure that it will work with the staffing numbers contained in the structure. This is within the original cost envelope.
52. Government funding is substantial and of paramount importance to the delivery of the project and savings. The safeguards in the Transfer Option appear to provide the Government with compelling reasons to continue its funding.
53. The apportionment of the costs of running the combined control centre have been reached using statistics related to call numbers and population. The outcome is acceptable in accounting terms and provided some flexibility is introduced into the governance arrangements (e.g. for fluctuation in call volumes), should continue to be appropriate.

54. The mechanism for investing in new business (e.g. taking responsibility for call handling for other organisations) and the benefits associated with that will need to be carefully considered. However, as the parties all appear to be sufficiently committed to the project and working in good faith there is no reason to believe that suitable arrangements cannot be agreed.

Legal Implications

55. There are various paragraphs in the report which deal with legal implications. However, the following paragraphs summarise the main legal issues.
56. Comments elsewhere in this report deal with the legal aspects of the funding arrangements. There should be sufficient safeguards against a withdrawal of funding causing the project, NW Fire Control Ltd and the Authorities undue risk.
57. A decision to proceed with this project will have long term implications for the Authority which will need to be suitably safeguarded in legal agreements.
58. NW Fire Control Ltd will be responsible for entering into a contract with the supplier for the control and mobilising system.
59. The governance arrangements that will be required are mentioned elsewhere in this report. These are essential to secure clarity about the responsibilities and liabilities of the respective parties.
60. TUPE will apply to control staff. However, the Authorities involved in the project are attempting to make arrangements which will avoid wholesale transfer of staff at the date that responsibility for the control function passes to NW Fire Control Ltd.
61. Given the proportion of female staff working in the respective Authorities' controls it is important that equality issues are handled appropriately. This should minimise the risk of discrimination.

Equality and Diversity and Environmental Implications

62. The Equality Impact Assessments relating to this project appear in Appendix 3 to this report. There is a continuing requirement to consider the equality issues relating to the project. However, at this stage it is important that Members are aware of the work that has already taken place.
63. The Assessments suggest that the new roster to be operated by NW Fire Control Ltd could pose problems for female staff with caring responsibilities. There is a risk that they will be adversely affected by the implementation of the proposed roster and have greater difficulty working

the system than other colleagues. Services continue to take steps to mitigate the effect of the project upon staff by offering potential redeployment opportunities (although this is extremely limited) and access to voluntary redundancy terms. NW Fire Control Ltd has mitigated the impact of the project by making adjustments to the roster in response to concerns raised by the representative bodies. In the context of the equalities agenda the Authority would have to show that the move to the North West Fire control could be justified as a proportionate means of achieving a legitimate aim (e.g. cost savings, improved resilience etc).

Conclusion

64. The closure of the national project was a turning point for the prospect of there being a joint control centre.
65. The North West project has gained impetus and confidence (notwithstanding Merseyside's withdrawal).
66. It has been possible to deliver the project thus far in compliance with the key principles set out in the Outline Business Case.
67. The Final Business Case is sound and the project can be delivered.

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BACKGROUND PAPERS:

CHESHIRE FIRE AUTHORITY

MEETING OF: CHESHIRE FIRE AUTHORITY
DATE: 6TH DECEMBER 2023
REPORT OF: GOVERNANCE AND CORPORATE PLANNING
MANAGER
AUTHOR: DONNA LINTON

SUBJECT: EXCLUSION OF THE PRESS AND PUBLIC

Exclusion of the Press and Public

Recommended:

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

Item 10

North West Fire Control – Continuing the Collaboration

Paragraph

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

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TEL: [01606] 868804

BACKGROUND DOCUMENTS: NONE

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of the Local Government Act 1972.

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