

CHESHIRE FIRE AUTHORITY

MEETING OF: GOVERNANCE AND CONSTITUTION COMMITTEE
DATE: 19th APRIL 2023
REPORT OF: HEAD OF FINANCE
AUTHOR: WENDY BEBBINGTON

SUBJECT: ANNUAL GOVERNANCE STATEMENT 2021-22
ACTION PLAN UPDATE

Purpose of Report

1. To present a progress update on the Annual Governance Statement (AGS) 2021-22 Action Plan.

Recommended: That

- [1] Members consider the attached progress update.

Background

2. Production of an AGS is a requirement under the Accounts and Audit Regulations (England) 2015 and helps to demonstrate that a reliable system of internal controls exists.
3. Each year some areas for action are identified and subsequently contained in the AGS. These are then covered in an Action Plan. The AGS Action Plan for 2021-22, with commentary added to provide an update, is attached to this report as Appendix 1.

Financial Implications

4. There are no financial implications arising from this report.

Legal Implications

5. There are no legal implications arising from this report.

Equality and Diversity Implications

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

Environmental Implications

7. There are no environment implications arising from this report.

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BACKGROUND PAPERS: NONE

Annual Governance Statement – Action Plan 2021-22

Areas for Action	Action	Action Owner	Action Progress Update – March 2023
The Authority does not have an asset management strategy in place	Develop an asset management strategy	Head of Service Improvement	A Fleet Management Strategy and a Capital Strategy for 2023-28 have now been agreed. The Ten-Year Equipment Strategy has also been further developed. These documents will be used as a base to create an overarching Asset Management Strategy.
The Authority's budget managers require development and support in managing their budgets.	Work with budget managers in formal and informal setting to improve budget management	Budget Management Board/SLT	The development of the budget for 2023-24 using the Budget Management Board ensured that Principal Officers and Heads of Department were fully involved in budget setting. The Medium Term Financial Plan (MTFP) is a standing item on Service Leadership Team (SLT) agendas and is used to cement understanding and generate debate. Finance Team members meet regularly with budget managers to review departmental budgetary positions. The Finance Team intends to work with budget managers to develop improved budget management and reporting and has held an initial meeting with Service Delivery managers to discuss potential improvements. The Team will also lead a review of the delivery of formal quarterly reports to Members.
The Authority should ensure that its MTFP has sufficient sensitivity analysis on future sustainability	Review the contents of the MTFP	Treasurer	The regular consideration of the MTFP at SLT meetings facilitates discussions on risks associated with and assumptions underpinning the Plan. The budget round for 2024-25 begins in July 2023 and initial work is being undertaking which will encompass more sensitivity analysis, especially in relation to the potential impact of different funding scenarios.

Areas for Action	Action	Action Owner	Action Progress Update – March 2023
The Authority has no formal Section 114 notice process in place	Create a Section 114 process	Treasurer	A procedure will be developed by June 2023.
The Authority's budget bid forms do not include sufficient information on options	Review option appraisal element of the budget bid form	Treasurer	Full business cases do include a section on options considered but the shorter budget bid forms used for initial consideration of growth items do not specifically include such a section. A section will be included in the 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	The draft White Paper on Reforming Fire and Rescue Services has been released and the Authority will need to respond to it	Chief Executive and Chief Fire Officer.	The Authority responded to the White Paper in accordance with the timetable.