



MINUTES OF THE MEETING OF THE FIRE AUTHORITY held on Wednesday, 6 December 2017 at Lecture Theatre - Fire Service HQ, Sadler Road, Winsford, Cheshire at 10.30 am

PRESENT: Councillors D Bailey, D Beckett, M Biggin, D Flude, P Harris, E Johnson, N Jones, D Mahon, D Marren, J Mercer, G Merry, K Mundry, S Nelson, R Polhill, B Rudd, J Saunders, T Sherlock, M Simon, J Weatherill and S Wright

1 PROCEDURAL MATTERS

A Recording of Meeting

B Apologies for Absence

Apologies were received from Councillors A Dirir, S Parker and M Tarr.

C Chair's Announcements

The Chair asked Members to note the content of the Chair's announcements, which included details of the Authority's achievements and events that Members had attended since the last Fire Authority meeting in September 2017.

D Declaration of Members' Interests

There were no declarations of Members' interests.

E Minutes of Fire Authority

RESOLVED:

That the minutes of the meeting of the Fire Authority held on 20th September 2017 be approved as a correct record.

F Questions from Members of the Public

Questions submitted by members of the public from within the area covered by the Fire Authority were dealt with at this point in accordance with procedural rules 4.47 to 4.54. The questions and responses are annexed to these minutes.

G Minutes of Performance and Overview Committee

RESOLVED:

That the minutes of the Performance and Overview Committee meeting held on 6th September 2017 be received, for information.

H Minutes of Performance and Overview Committee

RESOLVED:

That the minutes of the Performance and Overview Committee meeting held on 22nd November 2017 be received, for information.

I Minutes of Governance and Constitution Committee

RESOLVED:

That the minutes of the Governance and Constitution Committee meeting held on 8th November 2017 be received, for information.

J Minutes of Estates and Property Committee

RESOLVED:

That the minutes of the Estates and Property Committee meeting held on 1st November 2017 be received, for information.

K Minutes of Brigade Managers' Pay and Performance Committee

RESOLVED:

That the minutes of the Brigade Managers' Pay and Performance Committee meeting held on 1st November 2017 be received, for information.

L Minutes of Staffing Committee

RESOLVED:

That the minutes of the Staffing Committee meeting held on 30th October 2017 be received, for information.

M Notes of the Member Training and Development Group

RESOLVED:

That the notes of the Member Training and Development Group meeting held on 5th October 2017 be received, for information.

N Notes of the Risk Management Board

RESOLVED:

That the notes of the Risk Management Board meeting held on 17th October 2017 be received, for information.

O Notes of the Pension Board

RESOLVED:

That the notes of the Pension Board meeting held on 28th November 2017 be received, for information.

2 DRAFT INTEGRATED RISK MANAGEMENT PLAN 2018-19 (IRMP 15) - INITIAL FEEDBACK

The Policy and Transformation Officer presented the report which provided initial feedback on the consultation programme that was being carried out into the Authority's draft Integrated Risk Management Plan for 2018-19 (IRMP 15). The consultation programme ends on 2nd January 2018 and the information contained within the current report was based on views and comments received up to 20th November 2017.

He informed Members that the consultation programme consisted of a number of public roadshow style events, direct contact with a range of local partner organisations and stakeholders and a programme of internal consultation events for staff. He provided an update on the number of responses received from the public (over 460) and explained that this figure would provide a significant degree of confidence in the results of the consultation. He also provided an update on the number of responses received from staff (approximately 105). This was a significant increase compared to the response rate of 49 members of staff at the same stage during last year's consultation.

A Member queried whether there had been any issues concerning access to the online consultation survey. The Policy and Transformation Officer informed Members that details about the consultation had been a feature on the Service's website homepage since the consultation opened and would continue to be until the consultation closed. A Member queried whether feedback from the consultation that was received after the closing date would be fed back to Members for their consideration. The Policy and Transformation Officer confirmed that Members would, as always, have an opportunity to see all feedback.

A Member queried whether comments raised on public forums (e.g. the Service's Facebook and Twitter pages) were taken into consideration during the consultation process. He also queried whether a petition from the MP for Crewe and Nantwich, concerning the second appliance at Crewe fire station, would be included as part of the consultation process. The Chair informed Members that MPs were welcome to approach him or the Chief Fire Officer and Chief Executive to discuss any matters concerning the Authority. The Chief Fire Officer and Chief Executive informed Members that comments raised on public forums were not included in the formal response to the consultation but the Service ensured officers were made aware of them. He also continued that any petitions or comments concerning the second appliance at Crewe Fire Station would be considered as part of the review process which was scheduled to be reported back to Members at the meeting of the Authority in February 2018.

RESOLVED: That

[1] the interim feedback on the consultation programme for the draft 2018-19 Integrated Risk Management Plan be noted.

3 2018-19 DRAFT BUDGET, COUNCIL TAX AND MEDIUM TERM FINANCIAL PLAN

The Head of Finance introduced the report which provided an update on the Authority's draft 2018-19 budget and the current approved Medium Term Financial Plan (MTFP). The Authority was required to approve an annual budget and set a council tax precept by mid-February. Members were informed that this was the first of two budget reports and that the final report would be considered by the Authority in February 2018.

She highlighted changes since the setting of the budget for 2017-18. Changes included:

- the Authority's decision to delay implementing changes at Crewe and Ellesmere Port pending a review, with the shortfall in savings being funded from reserves;
- Approval from the Authority for the training centre programme and Sadler Road requirements subject to successful procurement being undertaken at an estimated cost of £9m;
- A 2% pay award for firefighters from July 2017 (and a further 3% from April 2018 offered but not yet agreed with the trade union).

The Head of Finance also informed Members that very little had been mentioned concerning fire and rescue services in the Chancellor's autumn budget. She highlighted that there was no indication of further funding for the pay awards from the Government.

She informed Members that the estimated £9m cost for the training centre project, alongside the annual replacement and maintenance capital schemes, would utilise all reserves earmarked for capital purposes within the next few years. She advised that the alternative option would be for Members to borrow and that Item 6 – Capital, Reserves and Borrowing contained further information on this option.

A Member queried whether further details could be provided for Members concerning the savings listed in the overview of the MTFP 2016-17 to 2020-21, attached as Appendix 1 to the report. The Head of Finance confirmed that further details would be included in the February 2018 report to Members.

A Member referenced the 2% pay award and highlighted that members of the Fire Brigades Union did not want the Fire Authority to pay for these increases. The Chair informed Members that this point had been made nationally and that MPs were lobbying in relation to the funding of pay increases.

RESOLVED: That

- [1] the information relating to the 2018-19 budget setting together with the MTFP be noted.**

4 ANNUAL AUDIT LETTER FOR CHESHIRE FIRE AUTHORITY: YEAR ENDED 31ST MARCH 2017

The Director of Governance and Commissioning informed Members that representatives from Grant Thornton had sent their apologies for the meeting and that he would present the report in their absence. He explained that the Annual Audit Letter provided an overall summary of the audit carried out by the External Auditors. The letter summarised the key findings which had been highlighted at the September meeting when the Audit Finding Report was prepared by Grant Thornton.

RESOLVED: That

- [1] the Annual Audit letter for Cheshire Fire Authority for the year ended 31st March 2017 be noted.**

5 TREASURY MANAGEMENT - MID YEAR REPORT 2017-18

The Head of Finance introduced the report which provided an update on performance against the Authority's Treasury Management Strategy and sought approval from the Authority for the revised limits to borrowing activity as detailed in paragraphs 14 to 18 of the report.

She informed Members that the Authority's treasury portfolio at the end of September 2017 was in line with expectations. The Authority continued to maintain high levels of cash which were suitably invested. She highlighted that the Authority had investments with Lloyds (£7.05m), Goldman Sachs (£10m) and Santander UK (£5m).

Consideration was now being given to financing the recently approved training centre project from new borrowing, rather than from cash reserves. In view of this, it was recommended that Members amend the currently approved 2017-18 borrowing limits as per the tables in paragraph 16 and 17 of the report to enable new borrowing of up to £9m.

RESOLVED: That

- [1] the Treasury Management – Mid Year Report 2017-18 be noted; and**
- [2] the revised limits to borrowing activity as detailed in paragraphs 14 to 18 be approved.**

6 CAPITAL, RESERVES AND BORROWING

The Head of Finance introduced the report which outlined the Authority's capital and reserves position. The report also explained the current borrowing context and

sought approval from Members for officers to borrow up to £9m from the Public Works Loan Board (PWLB), when appropriate, using the best available loan option at the time of borrowing.

The Head of Finance drew Members' attention to information within the report concerning capital. She highlighted that the Authority had not received an annual capital grant from the Government since 2014 and that it was unlikely that such a grant would be reintroduced under the current financial constraints. She informed Members that it was estimated that the current level of regular capital expenditure that was required (for fire appliances and operational equipment – with no allowance for IT replacement costs) was circa £1.5m to £2m at current costs.

In relation to capital investment, the Authority had allocated £9m for the training centre project at Sadler Road and the Authority's regular capital expenditure over the next four years was expected to be in the region of £7m. Between £3.5m and £5.5m per new build (at current costs) was also needed to replace two or three of the Authority's existing fire stations. She highlighted that a significant proportion of this capital investment would need to be funded by borrowing.

The Head of Finance drew Members' attention to the Authority's reserves and informed Members that, based on the anticipated levels of capital investment, the reserves set aside for such purposes would be exhausted in 2019-20. She explained that there was still a demand on the capital programme to keep investing to carry out work such as station refurbishments.

She informed Members that the Authority's outstanding debt at 31st March 2017 was £1.9m. She stated that interest rates were increasing and, with no annual capital grant funding, borrowing would be required. She advised that the PWLB offered favourable interest rates and that there were three types of PWLB loans available: annuity, equal instalments of principal (EIP), and maturity. The cost of each type of loan for the sum of £9m was contained within a table in the report, with interest rates included which were applicable as of 20th November 2017. A Member queried whether the interest rates would be fixed and the Head of Finance confirmed that they would.

A Member queried whether officers had considered leasing as an option. She also asked when officers would consider was the right time for the Authority to borrow. The Head of Finance informed Members that leasing was an option officers considered and utilised when viable. Officers were monitoring interest rates daily and were seeking permission from the Authority to borrow now so that a loan could be taken out at the optimum time. She informed Members that she anticipated that it would be before the end of the financial year. A Member indicated that the Authority must take the opportunity to borrow at the appropriate time and that she was satisfied that officers could be authorised to do so.

The Chair concluded that Members had expressed their views and Members were asked to vote on the recommendations. The recommendations were unanimously approved by Members.

RESOLVED: That

- [1] the use of borrowing to fund the training centre project (and associated works) at Sadler Road to preserve reserves for other matters requiring capital expenditure be approved; and**
- [2] the Head of Finance, in consultation with the Chief Fire Officer and Chief Executive, be authorised to borrow up to £9m from the Public Works Loan Board when the time is right and using the best available option at that time.**

7 WRITE OFF OF ASSETS

The Director of Governance and Commissioning introduced the report which requested approval from Members for the write off of assets prior to the commencement of the programme of works at Sadler Road (training centre, vehicle workshop etc.).

A Member queried what officers were going to do with the assets once they were written off. The Director of Governance and Commissioning informed Members that officers would be tasked with securing any potential value from the assets and identifying any items that could be donated.

RESOLVED: That

- [1] the write off of assets valued at £39,896.15 be approved.**

8 CHANGES TO FINANCIAL REGULATIONS AND SCHEME OF DELEGATION

The Director of Governance and Commissioning introduced the report which confirmed the intended arrangements for the provision of financial advice to the Authority. The report sought approval from Members to changes to the Financial Regulations and Scheme of Delegation. Appendix 1 to the report contained the updated Financial Regulations and Scheme of Delegation.

The Director of Governance and Commissioning explained that, following a successful recruitment process, the Authority now had a part-time Treasurer (Section 151 Officer). Members welcomed the new Treasurer who was observing the meeting.

RESOLVED: That

- [1] the arrangements for the provision of financial advice to the Authority be noted;**
- [2] the changes to the Financial Regulations and Scheme of Delegation (attached as appendix 1 to the report) be approved; and**
- [3] the Director of Governance and Commissioning be allowed to make such changes to the Financial Regulations and Scheme of Delegation as**

are necessary to allow the efficient operation of the new arrangement for the provision of financial advice to the Authority.

9 REPLACEMENT OF CHESTER FIRE STATION

The Director of Governance and Commissioning introduced the report which provided an update about the situation concerning the creation of a new fire station on the existing Chester Fire Station site. The report provided the opportunity for the Authority to confirm its intention to create a new fire station on part of the existing Chester Fire Station site and to agree to the marketing of the surplus part of the site.

RESOLVED: That

- [1] the Authority's intention to create a new fire station on the existing Chester Fire Station site be restated; and**
- [2] the marketing of the Authority's land to be released from the redevelopment of the Chester Fire Station site be agreed.**

10 DRAFT PROGRAMME OF MEMBER MEETINGS 2018-19

The report provided Members with details of the proposed programme of Member meetings for 2018-19 for approval.

Meetings were scheduled to tie in with relevant dates for budgetary and policy requirements and to satisfy the requirements of the Fire Authority's constitution. The 2018-19 timetable also included dates for a number of additional Member meetings and planning days to assist Members with diary planning for the coming year.

Members requested that dates be scheduled in the programme of meetings for 2018-19 for the Estates and Property Committee.

RESOLVED: That

- [1] the programme of Member meetings for 2018-19 (attached as Appendix 1) be approved; and**
- [2] dates be added to the programme of meetings for 2018-19 for the Estates and Property Committee.**

Annex - Questions from Members of the Public and Responses

Annex to minutes of Cheshire Fire Authority 6th December 2017

1F Questions from Members of the Public

In accordance with procedural rules no 4.47 to 4.54 questions had been submitted by members of the public from within the area covered by the Authority. The following questions were asked and responded to at the meeting.

Michael Jones:

Could the Chairman please confirm that the accountability in law, regarding any failures to adhere to the Fire and Rescue Services Act, rests fully with the Members of the Fire Authority and that it is they and not the Chief Fire Officer, who would face prosecution, should any criminal charges result, consequent of their decision making, should Cheshire suffer a serious incident.

Furthermore, as the Chief Officer is appointed by the Fire Authority as it's Professional Adviser (a point that is regularly made) does the Authority not have a Vicarious Liability resulting from the acts or omissions of any appointee?

Response:

The Fire Authority is responsible for securing compliance with the obligations in the Fire and Rescue Services Act 2004. The duties and powers contained in the Act are supplemented by the Fire and rescue national framework for England, which contains a requirement to hold the Chief Fire Officer and Chief Executive to account for the delivery of the fire and rescue services.

It is difficult to provide a meaningful response in relation to the other legal points raised and I don't propose to speculate about such matters.

In accordance with the Constitution the questioner asked a supplementary question summarised as follows:

As the Fire Authority, almost in it's entirety is in attendance today; could I ask through the chair if each and every individual member is not only fully conversant with but also equally comfortable with their legal responsibilities, under the Fire Service Act 2004; with regards the provision of Fire Services to the whole of Cheshire, Halton and Warrington. For the avoidance of doubt, perhaps the Chairman could request a show of hands from members in this regard?

The Chair stated that he did not propose to ask Members to provide a response at the meeting. He confirmed that a written response would be provided in due course.

Andy Spencer:

The below question relates to the proposal to down grade Ellesmere Port Fire Station to 1 Appliance, Whole Time Crew, and 1 On Call Crew.

On how many occasions, in the last 12 Months, have each of the nearest On Call Stations to Ellesmere Port Fire Station failed to provide cover or be available. As a percentage of available time but also the number of occasions please for each Station. (Malpas, Frodsham, and Tarporley)

Currently Chester and Ellesmere Port whole time Appliances cover the deficiencies at the above Stations demonstrating that the On Call Model is not a viable proposition for Ellesmere Ports second appliance as this pump regularly supports the above detailed on call pump deficiencies. The attempts to recruit on call personnel for Ellesmere Ports proposed On Call Pump have proven unsuccessful, to date, as in other areas of the County.

The On Call Model is simply not fit for purpose and is not a viable option at Ellesmere Port given the associated risk register.

Response:

I set out below some statistics which I hope answer your question about the percentage of time and occasions that the on-call appliances at Frodsham, Malpas and Tarporley were not available. The statistics cover the 12 month period ending on 31st October 2017.

For the purpose of compiling these statistics an appliance is deemed to be available whenever there are at least three firefighters capable of being mobilised to an incident. For the majority of the time that an appliance is available there will be at least four firefighters capable of being mobilised to an incident. Whenever three firefighters are available the appliance cannot be mobilised to the full range of incidents.

Table 1: Percentage of time the appliance was not available.

Time period	Station	% Time Not Available
<i>Nov 2016 – October 2017</i>	<i>Frodsham</i>	<i>24.19%</i>
<i>Nov 2016 – October 2017</i>	<i>Malpas</i>	<i>19.14%</i>
<i>Nov 2016 – October 2017</i>	<i>Tarporley</i>	<i>30.86%</i>

Table 2: Number of occasions that the individual appliances were not available.

Time period	Station	Count of occasions	Total period
Nov 2016 – October 2017	Frodsham	331	2,119 hours
Nov 2016 – October 2017	Malpas	411	1,676 hours
Nov 2016 – October 2017	Tarporley	565	2,703 hours

These figures are, in themselves, not particularly meaningful as the occasions are not of equal duration. In order to provide further context a column has been added which shows the total length of time that the appliances have not been available. These figures can be worked back to the figures in Table 1.

In accordance with the Constitution the questioner asked a supplementary question summarised as follows:

CFRS Standard Operational Procedures indicate an immediate 4 pump Attendance to Cloudburst incidents under CIMA and COMAH regs. How can the Authority guarantee such an immediate attendance given the significant reduction in Whole time Appliances.

The Community Risk Register identifies a significant number of Sites in the Ellesmere Port area 7 in total.

The Chair indicated that a written response would be provided in due course.

A list of questions had been submitted by Victoria Allman. She did not attend the meeting. The Chair confirmed that response would be sent to Ms Allman. The questions and responses appear below:

1. I note from your financial statement that the authority has approximately £18 million in short term investments. I would be grateful for a full explanation of:
 - a) Why the authority feels it should tie up £18million in short investments?

The Treasury Management Strategy was approved by the Authority at its February meeting and all investments are within the approved Strategy. This emphasises the security of any investment.

- b) Why the Authority has invested in short term investments?

When funding is received it does not always match the dates spend is incurred. To maintain a steady cash flow and to earn interest on funds not immediately required, any surplus funds are invested to earn interest until needed which may only be later in the month to cover pay for example. On 31 March 17 the date of the Statement of Accounts, the Authority held £18m which was invested on this basis in short-term investments (i.e. up to one

year). This also allows for flexibility over interest rates and minimises exposure to risk.

c) What are the types of short term investments and with whom?

Santander UK PLC	2,506,130.14
Goldman Sachs	8,018,050.96
Bank of Scotland (Lloyds)	8,052,732.13
	<u>18,576,913.23</u>

d) What is the purpose of these short term investments?

To earn interest on funds until they are required and spread the risk of cash held over a number of counter-parties.

e) Why are you not using this £18million reserve to mitigate the effects of loss of grant from central government?

The £18m is not a reserve but cash held on 31 March 2017. This cash is used for the day to day running of Cheshire Fire and Rescue Service. The level of cash held on any day is dependent on when income is received and when payments, including pay and pensions, are made.

f) What financial advice did the authority seek before making these short term investments?

Warrington Borough Council acts as the Authority's advisor on Treasury Management. The suggested Treasury Management Strategy for 2017/18 is informed by Warrington Borough Council treasury officers' views on interest rates and other financial matters, supplemented with leading market forecasts provided by Warrington Borough Council's external treasury management advisor (Capita/Link).

2. I further note that the merging of the support staff has incurred an additional £1million increase compared to last year's cost of support services.

The merger of the Support Services has not cost an additional £1m. During 2016/17 only IT Services fully merged and savings were achieved. The remaining services will transfer during 2017/18. The Statement of Accounts is prepared under the International Financial Reporting Standards and includes both actual and notional costs as explained in answer to question 2b.

a) Is the additional £1 million a one off cost or an ongoing year on year cost?

Both

b) What is the breakdown of this extra £1million expenditure?

The main areas are:

<i>Facilities</i>	<i>+</i> £200k	<i>One-off expenditure including air conditioning for station end IT equipment £88k & Asbestos Removal from Stations £99k</i>
<i>People and Development</i>	<i>+</i> £215k	<i>Introduction of the apprentice scheme + £98k / staff costs +£87.5k higher than 2015/16 cost (less vacancies and development of WM programme) / training costs +£19k</i>
<i>IAS19</i>	<i>+</i> £600k	<i>This is a notionally calculated figure showing potential pension cost but it is not actual expenditure. It is included in the accounts as a statutory pension cost adjustment per the IAS 19 actuarial valuation.</i>

There are other minor over and underspends within support services.

c) Why has the merging of support staff produced an addition cost rather than a savings as one would expect?

The support services line within the accounts referred to only includes ICT where the service is provided by Cheshire Police from November 2016. There was a saving in this area for 2016/17.

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