

CHESHIRE FIRE AUTHORITY

MEETING OF : FIRE AUTHORITY **ITEM: 3**
DATE : 15th JUNE 2016
REPORT OF : HEAD OF PERFORMANCE, PLANNING AND
COMMUNICATIONS
AUTHORS : CHRIS ASTALL / PAUL VAUGHAN

**SUBJECT : END OF YEAR FINANCIAL AND
PERFORMANCE REVIEW 2015-16**

Purpose of report

1. To present the Quarter 4 (end of year) position of organisational (Authority) performance against 2015-16 Service plans and budgets.

Recommended That:

- [1] Members note the information presented in this report and request further detail on any matter if required.

Background

2. The Authority's vision, plans, policies, and organisational structures are all focused on ensuring the Service can deliver the improvements in safety outcomes that matter to the communities of Cheshire East, Cheshire West and Chester, Halton and Warrington. This Quarter 4 report forms part of the quarterly corporate reporting schedule.
3. The report provides a summary of the Service's financial performance, details progress against 2015-16 corporate projects and includes a brief summary from Heads of Departments on their Quarter 4 progress against their 2015-16 Service Plans (**Appendix 3**).

Information

Financial Performance

Revenue

4. Appendix 1 shows the outturn position of the Authority compared to the revised budget. Key variances are briefly explained in Appendix 1 with additional information contained in the departmental summary reports in Appendix 3. Appendix 1a shows a more detailed breakdown of the financial position for Members' information.

5. A budget monitoring report is presented to the Performance and Overview Committee on a quarterly basis. This focuses on an anticipated outturn position, and revisions are made within the overall budget to allow for anticipated changes.
6. In quarters 1 to 3 the accumulated anticipated underspend was £1,098k. The draft annual accounts (which will be signed off by the Head of Finance and presented to Members for discussion at the Closure of Accounts meeting in June) show an additional £941k underspend. The key reasons for this are explained below.
7. Service delivery is underspent against revised budget by £295k, largely as a result of lower than budgeted costs on On Call activity.
8. ICT is underspent against revised budget by £75k as a result of reduced software and hardware costs. Some of these savings are now reflected in the budget for 2016-17.
9. Fleet has underspent as a result of lower than anticipated fuel costs.
10. The corporate contingency has not been used during the year and this has therefore resulted in an underspend of £250k. In the savings agreed in the 2016-17 budget, half of this has been recognised. The impact of this will be monitored with a view to reducing the corporate contingency further in 2017-18.
11. The Authority has a budget of £200k to mitigate against the risk of a failure by Local Authorities to collect Council Tax and Business Rates. This reflects the Authority's potential exposure to volatility in the collection of Council Tax and Business Rates, which is kept under review. In 2015-16 the total amount charged against this budget was £74k, leading to £126k of the budget being unused. Other budgets are marginally underspent or on target against the revised budget.
12. The Authority spent around £350k in additional costs in dealing with the Bosley incident. These costs have been borne from within existing budgets.
13. The Authority will be formally asked, at its meeting in September 2016, to agree a transfer of the £941k underspend against the revised budget as well as the previously reported mid-year underspend of £1,099k to its reserves to offset the future costs of delivering the IRMP and capital funding.

Capital

14. The position on the capital programme is attached at Appendix 2, showing progress against each current scheme. Of particular significance are the station build schemes. The position and likely outturn on each are considered in the following paragraphs.

15. Alsager was officially opened in August 2015. Outstanding costs at 31st March 2016 relate mainly to professional fees associated with our final BREEAM assessment and certification. A final underspend of around £11k is anticipated.
16. Lymm remains on target for the build phase to be completed in March 2017. There is a projected overspend at this time of £33k which relates mainly to the provision of an electric vehicle charging point (£8k), a fibre link between server rooms (£10k) and under slab cable ducts for the safety centre fit out (£13k).
17. Penketh remains on target for the build phase to be completed in July 2016. There is a projected overspend at this time of £52k which relates mainly to the provision of an electric vehicle charging point (£6k), an increase in the allowance for site security costs (£20k) and a greater landscaping requirement than envisaged being requested by the planning department (£30k).
18. Powey Lane build phase remains on target with completion anticipated towards the end of September 2016. There is a projected overspend at this time of £5k which relates almost entirely to the provision of an electric vehicle charging point (£6k).
19. The approved budgets for the station build schemes include a number of contingency and risk items which are still to be finalised at this point. The potential for additional costs is reducing as the schemes progress towards completion. The main area of uncertainty is the safety centre due to its complexity and the relationship between the build contract and the fit-out works. The aim is still to complete the programme within the overall budget allocation of £17.425m. In the event that this is not possible, the call on the earmarked general 5% contingency for the project will be minimised as far as possible. It will be kept under close review by the Land and Stations Working Group which is chaired by the Head of Legal and Democratic Services.
20. In respect of other IRMP projects spend, the bulk is on the purchase of appliances. The Appliance Replacement Programme for 2014-15 has now been completed with a saving against budget of £110k. The hydraulic platform originally planned for 2014-15, has been delivered in early 2016-17, with a saving against budget of £112k. The delay has been due to the Fleet Manager ensuring that the specification was robust and entirely suitable for the Authority's needs. The remaining 2014-15 schemes are complete with a small underspend on the HQ boiler replacement.
21. With regard to schemes originally programmed for 2015-16, the Appliance Replacement Programme for 2015-16 included three appliances, and these are now out to tender. The second hydraulic platform is shortly to be delivered and is likely to cost a similar amount to the one referred to in the previous paragraph, therefore generating a further saving against budget. The line rescue vehicle, the driver training

vehicle and the support vehicles have been ordered and will cost slightly more than budget, but this will be covered within the overall programme. The purchase of a new minibus is on hold pending a review of the travel needs of the Prince's Trust.

22. For non-vehicle replacement schemes, the replacement of Mobile Data Terminals on appliances is complete, and is expected to be within budget, and work on systems and servers has been put on hold in light of the Blue Light Collaboration Programme.
23. Original capital approvals for station builds anticipated earlier completion dates than has proved possible, so the programmes of spend have been revised to reflect these new dates. There has been some slippage on the purchase of new appliances whilst the Fleet Manager has reviewed the specification of appliances, but this thorough review has resulted in vehicles which are fit for purpose and economic, and the Authority is now in a position to move more quickly on replacing appliances. It is anticipated that the bulk of the outstanding variance will be spent in 2016-17.

Debtors

24. Debt outstanding at 31st March 2016 was £162k. At the time of writing this report, £81k of this debt has been paid. Almost all of the debt is with other public bodies, representing a low credit risk.

Risk and sensitivity analysis

25. The Authority's risk management process considers all risks on a regular basis, including financial risks. Key risks such as those in relation to government funding, council tax levels, business rates and inflationary and other growth pressures are considered in the Medium Term Financial Plan. The assumptions in the Plan reflect the estimated impact of these risks. The Authority's reserves strategy considers risk in relation to identifying funding available should catastrophic or other risks occur.
26. The Authority's Medium Term Financial Plan is frequently reviewed, with another review due to be shared with Members during the summer. This will consider whether assumptions about risk and the assumptions underpinning estimates continue to be appropriate.

Integrated Risk Management Plan (IRMP) Programmes and Projects

27. A number of programme and project proposals were set out in the Authority's IRMP for 2015-16. The IRMP is the twelfth to be produced since the Government first began requiring fire authorities to produce local risk plans in 2003. Set out below is **headline** commentary on the Quarter 4 position for projects and programmes.

Developing the Organisation

28. Organisational and Service Wide Systems Reviews

Phase 1 of the organisational reviews is now complete and has produced annual revenue savings of £900k. A project closedown report for the systems review programme was approved by IRMP Programme Board in May 2016 and further organisational reviews are on hold pending final decisions on the Blue Light Collaboration Programme.

29. Launch Firefighter Apprenticeship Scheme

Warrington Collegiate have been successful in working with the Service as the partner college and meetings are in place to discuss and approve Service Level Agreements. Recruitment materials are in the process of being finalised with an external design company. Recruitment for the Apprentice Coordinator is scheduled to commence at the beginning of May.

Protecting Local Communities

30. There are a number of campaigns and initiatives both at a national and local level. A brief summary is provided below:

31. Campaign to require landlords to fit smoke alarms in all private rented homes

The Service played a leading role in a three year campaign to achieve Government commitment to bring in new safety legislation making it compulsory for all landlords to fit smoke alarms on every floor of a rented property. In 2015 the Authority saw the successful culmination of the campaign when Parliament approved the new legislation and the Authority played a leading role in marketing and promoting the new requirements to both private landlords and their tenants. The project was approved to proceed to formal closedown by IRMP Programme Board in January 2016. The campaign has been nominated for a national CIPR Excellence Award.

32. Sprinkler Campaign

A presentation was delivered to Members of the Performance and Overview Committee on the current status and future of the project. The Committee recommended that the issues are discussed further at the next Members Sprinkler Group Meeting. There has also been success in Chester West and Chester where Sanctuary Housing has installed sprinklers in the common areas and 16 of the 70 flats in Rowland Heights in Chester, with the intention to fit sprinklers in other flats as they fall vacant. Corporate Communications and Protection staff have offered Plus Dane support in liaising and engaging with residents of Joseph Groome Towers in Chester, with a view to getting the sprinkler system re-commissioned. There has been some recent interest from Wulvern

Housing in Cheshire East considering a sprinkler system for Waverley Court Crewe.

Programmes, Partnerships and Collaboration

33. Complex Dependencies Programme

The work to integrate a fire service officer within each local authority front door team is progressing well. Three people have been recruited and will take up posts at the end of May 2016 and will be based in Cheshire East, Halton and Warrington local authority front door teams. These roles will build on the excellent work which started in Cheshire West and Chester where a dedicated fire service resource remains within the Troubled Families Unit. Cheshire East and Halton have agreed to match fund the costs of the posts and a decision is expected from Warrington shortly.

34. Blue Light Collaboration programme

On 8th April the Blue Light Collaboration Programme Board approved the overall programme and transition schedule for departments joining together and locating at Clemonds Hey. Engagement with Managers and Heads of Service across both organisations has taken place. The final draft of the people strategy is now complete and work is underway to develop the underpinning processes and procedures along with staff guidance. Stakeholder engagement and communications is increasing with the launch of the joint Extranet and the programme is in the process of setting up a network of Change Champions to support the change process. In April 2016 Fire ICT department co-located to Clemonds Hey and lessons learned workshops are being scheduled to capture any key learning ahead of other department moves. Options are being explored in relation to the Operational Training requirements, for both organisations; this project is being led by DCFO Mark Cashin who will report back to the Chief Officers Group in July.

Responding to Emergencies

Emergency Response Programme (ERP 1)

35. Construction Progress

Alsager

The fire station is fully operational. A final BREEAM assessment is awaited for formal certification.

Penketh

Construction of the fire station is proceeding to plan. Out of hours security guard is now on site and there have been no further incidents reported. The on-call cohort have completed their initial training and plans are in place for the shadow appliance to mobilise from Widnes Fire

Station from 2 May 2016. The project is on target for the on-call to operate from the new station from the end of August 2016.

Powey Lane (M56)

Building work at Powey Lane is progressing well, no issues reported in relation to site security. Due to poor ground conditions and drainage issues the landscaping design has been amended to include water loving plants. There are currently discussions in place in relation to station boundaries. The station is anticipated to be operational from November 2016.

Lymm Fire Station and Safety Centre

Building work on track for both the fire station and safety centre. A small amount of ground contamination has been identified but this is not expected to cause any delays. The station is anticipated to be operational from March 2017.

Safety Centre

The tender process to appoint a creative installation specialist has now gone live with a view to appointing by 13 June 2016. Key Stage 2/3 programmes have been agreed, with more detailed activity development underway. Adult programme development is scheduled for later in the year. An information session for Fire Authority members interested in becoming trustees of the Safer Cheshire charity has been scheduled for 25 May 2016. The website and social media channels are now live and well used.

On Call Recruitment

36. Alsager and Penketh on-call recruitment is progressing well. It is anticipated that a number of Day Crewing staff will undertake on-call roles at Knutsford and Stockton Heath thus increasing the numbers prior to Lymm becoming operational. The recruitment process is continuing at Crewe and Ellesmere Port but is proving more challenging. The project team continues to review its approach and will be increasing efforts during the next quarter.

Emergency Response Review (ERP 2)

37. The ERP2 project is making steady progress and future proposals for the operational configuration will be presented to Members at the Planning Days in June and July.

Corporate Scorecard

38. The performance commentary provided in this section accompanies the Corporate Performance Scorecard (**Appendix 4**). This reflects the year end position against targets set at the start of the year for the organisation's Key Performance Indicators (KPIs).

Protecting local communities

39. There were six fire related fatalities in 2015-16, 3 as a result of the incident in Bosley, 2 in accidental dwelling fires and 1 in an outdoor fire. There were 46 recorded injuries against a target of 35, however, year on year decreases have been recorded.
40. Accidental dwelling fires ended the year over target by just 3 incidents, however, this is the second lowest number ever recorded. There has been a slight increase in the percentage of accidental dwelling fires starting in kitchens, with the actual number increasing by just one incident. In line with the targeted delivery of Home Safety Assessments (HSAs), the percentage of incidents in dwellings involving residents over pensionable age has decreased year on year. In the HSA customer satisfaction survey, 99% of respondents were either very pleased or pleased with the HSA they received.
41. The number of deliberate fires increased compared to 2014-15, when unusually low numbers of incidents were recorded. In 2015-16 recorded figures for deliberate fires were lower than any year prior to 2014-15. Prevention teams continue to work with local authorities and business owners to reduce the occurrence of these incidents.
42. Indicators relating to fires and Automatic Fire Alarms (AFAs) in non domestic premises performed well in 2015-16, with the lowest figures ever recorded for both indicators. Overall 47% fewer attendances were made to AFAs in non domestic premises in 2015-16 compared to 5 years ago.
43. Year on year improvements have also been made in the number of HSAs delivered to heightened risk homes and those completed from our most prioritised addresses. All homes on the highest risk dataset were offered an HSA and 66% accepted the offer.

Responding to emergencies

44. Performance against the 10 minute standard ended the year over target, with a 2% increase in incidents meeting the standard when compared with 2014-15. The figure for dwelling fires was 91% while for Road Traffic Collisions (RTCs) was 77%. The variation is largely due to the lack of precise location information for some RTCs together with occasional access problems for motorway incidents. Although On Call availability remains under target, the availability of emergency response vehicles as a whole is positive especially considering lower than average number of workshop technicians for part of the year.
45. There were slight decreases in resident satisfaction levels for response times, however, figures remain high and overall satisfaction levels were static year on year.

Developing the Organisation

46. Sickness is at its lowest ever level, with an average of just 3.46 days lost per person. This equates to a 17% reduction compared to 2014-15 and a 41% reduction compared to five years ago. The number of working days lost to injury was also at an all time low, with 42 days lost as a result of injuries.
47. The number of unique visitors to the Service website was at an all time high in 2015-16, with numbers of visitors more than doubling over the past five years. Increases have been attributed to members of the community visiting the website to gain information on major incidents such as Bosley and the M56 tanker fires, targeted safety campaigns and On Call recruitment.
48. Carbon use has recorded an increase, however, it is believed that this new figure represents a more accurate representation of carbon use. Fuel consumption from vehicles has been used to give an accurate picture of vehicle usage and therefore carbon emissions. The long term target will still be met and an assurance can be made that reporting will be reliable moving forward.
49. Core Skills training has been delivered as scheduled. Performance has exceeded the target set as there was higher than planned attendance at these training events with 82 more delegates than forecast attending events.

Legal Implications

50. The Authority is charged with securing appropriate governance and pursuing effective performance. The Fire & Rescue Services Act 2004 provides the statutory authority for the Fire Service National Framework and requires fire and rescue authorities to have regard to the Framework in carrying out their functions, particularly in relation to accessibility of comparable data and information on performance.
51. There are no issues to report for Quarter 4 that would affect the Service's ability to meet its statutory or other legal obligations.

Equality & Diversity Implications

52. Each department provides relevant key monitoring information on equality and diversity issues as part of their quarterly reporting. Individual projects and activities are required to have equality impact assessments completed in accordance with the organisation's approved Project Management Framework.

Environmental Implications

53. Projects are individually assessed for environmental implications by the relevant project managers in accordance with the organisation's Project Management Framework.

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BACKGROUND PAPERS:

Appendix 1, 1a & 2 – Capital and Revenue budget estimated outturn
Appendix 3 – Heads of Department Quarter 4/end of year summaries
Appendix 4 – Corporate Scorecard