

CHESHIRE FIRE AUTHORITY

MEETING OF: PERFORMANCE AND OVERVIEW COMMITTEE
DATE: 24 AUGUST 2016
REPORT OF: CHIEF FIRE OFFICER AND CHIEF EXECUTIVE
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SUBJECT: QUARTER 1 - FINANCIAL AND PERFORMANCE REVIEW 2016-17

Purpose of Report

1. The report provides a summary of the Service's financial performance, details progress against 2016-17 corporate projects and includes a brief summary from Heads of Departments of Quarter 1 progress against 2016-17 Service plans.

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 1 report forms part of the quarterly corporate reporting schedule.

Information

Financial Performance

Revenue

3. At this stage of the financial year, it is too early to anticipate significant year end change. Those possible changes which have already been identified are outlined below (paragraphs 4-21).
4. Appendix 1 shows the anticipated outturn for each department compared to the original budget. Appendix 1a is a more detailed analysis.
5. As can be seen from Appendix 1, there have been some additional costs pressures in Operational Policy and Assurance leading to a projected overspend. As part of the ERP1, the Authority has identified a need to

expand swift water rescue training and this will cost around £68k in the current financial year. In addition, an additional technical support officer has been recruited as a precursor to the retirement of one of the current technicians at a cost in the current year of around £16k.

6. There are continued vacancies in the Protection department, leading to an estimated underspend of around £79k, offset by some anticipated costs relating to training for the Primary Authority Scheme. In addition, some development work on the key information system (CFRMIS) will be funded from an earmarked reserve.
7. The slippage against the original timelines for the development of the Safety Centre means that there is a slight anticipated underspend in the Safety Centre budget of around £30k.
8. As Members will be aware, the Chief Fire Officer and Chief Executive is acting as Chief Fire Officer for Cumbria FRS. The Authority will receive £60k in the current financial year as reimbursement. In addition the post of Assistant Chief Fire Officer has not been filled and will be deleted and shown as a saving in 2016-17, but will show as an underspend in the current year (net of some small virements). The cost of support which the Authority has been providing to the Home Office and in particular the Fire Minister is also included here, but is in part offset by a Group Manager vacancy.
9. Included in the Authority budget are a number of items which will be funded from reserves. There are some additional items which will be funded from reserves which were not included in the original budget. Key amongst these is the cost of the new apprenticeship scheme which the Authority approved at its meeting in March 2016. The cost of this in 2016 -17 is estimated to be £140k. This will be funded from the Authority's training reserve.
10. Some additional one-off revenue costs on Blue Light Collaboration (BLC) will also be met from reserves, outside the programme costs which are being shared with the Police. At present, this is anticipated to be in the region of around £100k, and covers additional resources in People and Development and support to the Head of Legal and Democratic services, but this may rise as the programme gathers momentum.
11. The estimated outturn on the Prince's Trust Programme is showing a £45k deficit against budget, which will be met by the use of the Prince's Trust reserve.
12. Other additional costs to be funded from reserves are those to cover the cost of the integration of the new National Operational Guidance into the Authority's policies and procedures, and the costs of new duty rig for firefighters.
13. Overall, whilst Appendix 1 shows an anticipated underspend of £119k, it must be emphasised that it is early in the financial year, and it is likely that the situation will change as we go through the year. The Mid-Year Review

at the end of September, which is used to inform the early stages of the budget preparation for the following year, will be presented to this Committee at its November meeting. Subject to Fire Authority approval, any underspends will be transferred to earmarked reserves as part of the final accounts process.

Capital

14. Appendix 2 shows the latest position and anticipated outturn on the Authority's capital programme.
15. The first section of the Appendix deals with the Emergency Response Programme. As can be seen there is a projected overspend overall on the programme of around £270k. This programme is the subject of close scrutiny by the Land and Stations Working Group, and the reasons for the overspend can be categorised as follows.

	Omissions / Re-measurements	Unforeseen Issues / Costs	Scope Changes / Additions	Total
Alsager	-11	0	0	-11
Lymm	14	0	87	101
Penketh	24	80	6	110
Powey Lane	18	47	6	71
Total	45	127	99	271

16. The main items in each of these categories are:
 - a. Omissions/re-measurements:
 - Inclusion of a petrol interceptor to the drainage at Penketh (£24k)
 - Additional vehicle chargers at Powey Lane (£15k)
 - b. Unforeseen issues/costs:
 - Cable diversion at Penketh (£30k)
 - Additional landscaping at Penketh (£30K)
 - Site security at Penketh (£20k)
 - c. Scope changes/Additions:
 - Specialist changing facility at Lymm (£25k)
 - ICT issues at Lymm (£23k).
 - Treatment to wood cladding at Lymm (£31k)
17. Members should be aware that the overall overspend remains well within the contingency agreed when they approved the final capital expenditure. In addition, there are provisional sums and contingencies within each scheme which could help reduce the overspend. At the time of publication of this report the risk of additional costs being incurred at Penketh and Powey Lane has significantly reduced, with both sites very near to

completion. There will be greater clarity about the budget position at Lymm by the date of the next report to this Committee.

18. Of the prior year approved schemes shown in the next block in Appendix 2, the purchase of the Hydraulic Platforms for 2014-15 and 2015-16 is now complete with a total underspend against budget of £220K. The purchase of the driver training vehicle and two support vehicles is also complete with a small overspend. The three new appliances approved for 2015-16 are now being built with a view to a March 2017 delivery, while the minibus is now being procured. The Line Rescue Vehicle is expected to be more expensive than originally anticipated and will probably require further consideration by Members. Of the two ICT related items, the purchase of new servers remains on hold due to BLC as this work will form part of that programme (data centre move to Clemonds Hey), and similarly the new systems development item is also not now required.
19. Of the schemes approved for 2016-17, the three scheduled appliances and one additional are now on order with an estimated completion date of summer 2017. The planned four wheel drive vehicle replacement is in procurement, with the additional four wheel vehicle no longer required. Other vehicles are being specified and should be procured in the current financial year.
20. The new cutting gear is in procurement, while the defibrillators are now purchased with a saving of around £26k against budget.
21. Overall the capital programme is now picking up pace as the new fire stations are handed over, and the new appliances are fully specified and more efficiently procured.

Debtors

22. On the 30th June 2016, the Authority had a total general debt amount of £189k. Of this, £154k was in relation to Prince's Trust. At the time of writing this report, around £18k of the total debt has been paid. As previously reported the debtors' position is manageable as there is little risk of the vast majority of the outstanding sums not being paid.

Risk and sensitivity analysis

23. 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 is intended to ensure that funds are available should catastrophic or other risks occur.
24. The Authority's Medium Term Financial Plan has recently been updated and presented to the Members' Planning Day in June 2016.

IRMP Programmes and Projects

25. A number of programme and project proposals were set out in the Authority's IRMP for 2016-17. The IRMP is the thirteenth to be produced since the Government first began requiring fire authorities to produce local risk plans in 2003. Below is the headline summary on the Quarter 1 position for key programmes and projects.

Launch of the Firefighter Apprenticeship Scheme

26. The project is progressing well with 122 applications received when the recruitment campaign closed in June. There were 32 candidates invited for interview and 13 of those candidates have been appointed, with a start date of September.

Sprinkler Campaign

27. There has been progress with a couple of the projects, including Joseph Groom Towers in Cheshire West and Chester, where switch on of the system was planned for 22nd July subject to testing. Currently, 90 out of the 152 flats have been fitted with sprinklers. At Rowlands Heights, sprinklers have now been commissioned within the building in all common areas and 17 out of the 60 flats. The remaining flats will be fitted out as and when they become vacant.
28. Protection officers met with Ron Rampling (Local Project Director - Education Funding Agency) to discuss how the Service can influence the installation of sprinklers in Priority School Building Programme (PSBP) schools. Due to funding issues, realistically, sprinklers will only be considered on a capital funded project if the local planning authority insist on sprinklers being fitted. Therefore, meetings will be set up with local authority planners to continue the lobbying process.
29. The Service is also currently responding to the consultation on the proposed changes to BB100 - Fire Safety Design for Schools guide. This appears to propose downgrading the current priority rating for sprinkler protection, so the Service will be emphasising the importance of sprinkler installation in its response.

Complex Dependencies Programme

30. The programme is progressing well in Quarter 1 with three fire service engagement officers now in post at Halton, Warrington and Cheshire East. They joined their respective local authority 'front door teams' at the beginning of August.

Blue Light Collaboration programme

31. Considerable progress continues to be made in preparing for the co-location and eventual transfer of staff to the new joint corporate service teams at Clemonds Hey. Key elements include consultation on draft people transition processes and specifying the reconfiguration work necessary at Clemonds Hey. Staff 'Change Champions' to support two-way feedback on the programme are now established across both organisations. As Members are aware, a review is underway to agree the best option on delivering operational training in the future in light of the Blue Light Collaboration Programme.

Emergency Response Programme (ERP 1)

32. As highlighted earlier in the report, good progress is being made on all three construction sites. Penketh was formally handed over by the contractor on 29 July with fit-out work and snagging now underway. Powey Lane (M56) is slightly ahead of schedule and is expected to be handed over on 26 August.
33. The Lymm Fire Station and Safety Centre build programme remains on track with an expected completion date of the fire station and safety centre in March 2017. Following a robust tender process, York-based Paragon Creative have been appointed to design, fabricate and install scenery and special effects in the safety centre, with a planned fit-out completion date of June 2017.

Emergency Response Programme (ERP 2)

35. A detailed review about how frontline emergency response services could be configured in the future was initially discussed at Member Planning Days on 24 June and 8 July. Feedback is now being used to inform options which will be set out in the draft IRMP for 2017-18. This will be presented to the Fire Authority meeting on 21 September, prior to the start of a formal three month/12 week consultation period. A number of internal policy proposals including uniform, swift water rescue and on call pay and reward have recently been approved by the Policy Approval Group (PAG). There is ongoing discussion and consultation with representative bodies prior to formal implementation later in the financial year.

Corporate Scorecard

36. The performance commentary provided in this section accompanies the Corporate Performance Scorecard (**Appendix 3**). This reflects the Quarter 1 (Q1) against targets set at the start of the year for the organisation's Key Performance Indicators (KPIs).

Protecting local communities

37. There was one fire fatality in Q1, as a result of an accidental dwelling fire. The number of injuries in primary fires is above the target and further investigation is underway to make sure there has been consistency in the way these have been recorded.
38. The indicator relating to accidental dwelling fires has started the year over target, however, the percentage of those starting in kitchens has decreased slightly. Although there has been a slight increase in the number of incidents in the homes of residents over pensionable age, incidents remain low overall.
39. There has been a 33% decrease in deliberate fire activity compared to Q1 last year, partly due to continued prevention work and partly due to the early Easter school holidays falling in last year's Q4.
40. Indicators relating to fires and Automatic Fire Alarms (AFAs) in non domestic premises are both marginally over target at Q1, however, incident volumes are significantly reduced compared to the previous five year averages for Q1 activity.
41. HSA delivery has begun the year positively over target and with good uptake of the HSA offer at the highest risk 'platinum' addresses.

Responding to emergencies

42. Performance against the 10 minute standard has begun the year positively over target by 7%. The figure for dwelling fires was 93% while for Road Traffic Collisions (RTCs) it was 78%. 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 by 17%, the availability of emergency response vehicles as a whole is positive.
43. There were slight decreases in resident satisfaction levels for response times. However, figures remain high and are in line with other resident satisfaction indicators.

Developing the Organisation

44. Sickness levels and the number of days lost to injury ended 2015/16 at their lowest ever levels and although there have been quarterly increases compared to last year for both these indicators, figures remain low compared to longer term trends. Variations can be expected due to the relatively low numbers involved.
45. The number of unique visitors to the Service website was at an all time high in 2015-16, thus a target was set based on increases to the average performance over the past five years. This target has been exceeded and year on year quarterly figures have also increased.

46. Core Skills training completed is positively over target, continuing the trend of previous years. Training is delivered to all available crew members, not just those scheduled to attend, thus attendance figures are often higher than planned.

Departmental Performance

47. **Appendix 4** contains a summary of departmental performance against the Service Plans during Quarter 1.

Financial Implications

48. Details of the current budget position are contained within Appendices 1, 1a and 2.
49. Specific financial and budget matters are detailed in paragraphs 3 to 24 of the report.

Legal Implications

50. There are no issues to report for Quarter 1 that would affect the Service's ability to meet its statutory or other legal obligations.

Equality & Diversity Implications

51. 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

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

BACKGROUND PAPERS:

- Appendix 1, 1a & 2 – Capital and Revenue budget estimated outturn
- Appendix 3 – Corporate Scorecard
- Appendix 4 – Departmental Performance summaries