



MINUTES OF THE MEETING OF THE CHESHIRE FIRE AUTHORITY held on Wednesday 9th December, 2015 at Fire Service Headquarters, Winsford at 10.30 a.m.

PRESENT: Councillors P Booher, D Bailey, M Biggin, P Carey, R Daniels, S Edgar, D Flude, P Harris, J Joyce, D Mahon, D Marren, J Mercer, G Merry, L Morgan, S Nelson, S Parker, R Polhill, B Rudd, T Sherlock, M Simon, J Weatherill, N Wright and S Wright.

PART 1 – MATTERS CONSIDERED IN PUBLIC

1 PROCEDURAL MATTERS

A RECORDING OF MEETINGS

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

B APOLOGIES FOR ABSENCE

No apologies for absence were received.

C CHAIR'S ANNOUNCEMENTS

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

D DECLARATION OF MEMBERS' INTERESTS

There were no declarations of interest.

E MINUTES OF THE FIRE AUTHORITY

RESOLVED:

That the Minutes of the Fire Authority meeting held on 23rd September 2015 be confirmed as a correct record.

F MINUTES OF THE POLICY COMMITTEE

RESOLVED:

That the Minutes of the meeting of the Policy Committee held on 8th October 2015 be received, for information.

G MINUTES OF THE GOVERNANCE AND CONSTITUTION COMMITTEE

RESOLVED:

That the Minutes of the meeting of the Governance and Constitution Committee held on 7th October 2015 be received, for information.

H MINUTES OF THE PERFORMANCE AND OVERVIEW COMMITTEE

RESOLVED:

That the Minutes of the meeting of the Performance and Overview Committee held on 18th November 2015 be received, for information.

I MINUTES OF THE BRIGADE MANAGERS PAY AND PERFORMANCE COMMITTEE

RESOLVED:

That the Minutes of the meeting of the Brigade Managers Pay and Performance Committee held on 30th September 2015 be received, for information.

J MATTERS ARISING – SAFETY CENTRE MEMBERS’ SOUNDING BOARD

Councillor Nelson drew Members attention to the briefing sheet in respect of the development of the Safer Cheshire charity which had been provided in group rooms. He explained that the document had been produced following a request from Members on the Safety Sounding Board that all Members be updated on the work being undertaken to establish the charity.

K MEMBERSHIP OF THE FIRE AUTHORITY, COMMITTEES AND SUB-COMMITTEES

An updated version of the membership of the Fire Authority and committees and other bodies for 2015-16 was provided with the agenda following the appointment of Councillor S Edgar by Cheshire East Council. The Chair also informed Members that Councillor Sherlock would be replacing Councillor Flude on the Policy Committee for the remainder of 2015-16.

RESOLVED:

[1] That the updated version of the membership of the Fire Authority and committees and other bodies for 2015-16 be noted (including the change to Policy Committee membership with Councillor T Sherlock replacing Councillor D Flude).

2 ANNUAL AUDIT LETTER FOR CHESHIRE FIRE AUTHORITY: YEAR ENDED 31ST MARCH 2015

The Head of Finance informed Members that representatives from Grant Thornton had sent apologies for the meeting and 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 Audit and drew Members attention to the key messages. He explained that an unqualified audit opinion had been issued together with an unqualified value for money opinion in the Audit Findings report presented to Members on 23rd September 2015 and no further recommendations had been made in the Annual Audit Letter.

The Finance Member Champion highlighted the section of the report on the Value for Money conclusion which summarised the sound approach that the Authority was taking and suggested that the comments from External Audit should be publicised more widely.

Members thanked the Head of Finance and his team for all their hard work and specifically for the open and transparent way in which all Members were briefed on the budget throughout the budget-setting process.

RESOLVED: That

[1] the Annual Audit Letter for Cheshire Fire Authority for the year ended 31st March 2015 be noted.

3 2016-17 DRAFT BUDGET, COUNCIL TAX AND MEDIUM TERM FINANCIAL PLAN

The Head of Finance presented this report which advised Members that the Authority was required to approve a budget and set the Council tax precept for the year commencing 1st April 2016. He informed Members that, for the budget to be approved, the Authority must have regard to all relevant factors. These included the likely impact of policy options on the fire and rescue service, the prevailing economic climate and the impact of future grant reductions during the Comprehensive Spending Review period which commenced in 2016-17. He advised that this was the first of three budget reports, another to be considered at Policy Committee on 27th January and the final report by the Authority on 10th February 2016. In addition Members would be asked to consider a range of options to be built into the 2016-17 budget at the Members Planning Day scheduled for 15th January 2016.

He advised that the report provided background on the financial position of the Authority, referred to the national context and identified some of the risks that the Authority should take into consideration. He brought Members attention to the following key areas within the report:

- Comprehensive Spending Review (CSR): The Chancellor announced the results of the CSR on 25th November 2015. This indicated that reductions in government spending would continue and, as Members would be aware, the Department of Communities and Local Government (DCLG) was not a department which had its budget protected from cuts. There were a number of changes to the way in which local government would be funded with a reduction in Revenue Support Grant but an increase in Baseline Funding (the Authority's share of business rates). The future of the funding regime was not clear and the announcement of the detailed settlement was expected to be made available around 18th December. This made it difficult to make an informed assessment of the future financial position of the Authority.
- Medium Term Financial Plans (MTFP): At this stage it was considered prudent to include three MTFPs for Members consideration, two of which were based on a best interpretation of the information contained in the CSR (one assuming an increase in precept and the other no increase) and a further one which assumed a position based on deeper cuts in government

support. This assumed a 40% cut in Settlement Funding Assessment over the life of the MTFP, in line with the MTFP agreed by Members in September.

- Council Tax: The Head of Finance updated Members on the availability of Council Tax Freeze Grant and explained that it had been confirmed that it would not be available for 2016-17. He also informed Members that the cap on precept increases of 2% or more was still in place and if Authorities wished to increase their precept by 2% or more, then they would be required to carry out a referendum.
- Capital Programme: Business cases for capital spend proposals would be brought to the Members Planning Day on 15th January 2016 for scrutiny before they were presented to Members at the Fire Authority meeting in February 2016.
- Reserves: As at 31st March 2015 the Authority had a General Reserve of £6.5m. It also had substantial earmarked reserves but it was noted that this position should be considered in light of the demand on reserves from the delivery of the Emergency Response Programme (ERP) as detailed in the report. The budget report to Members in February 2016 would include more details about the position on reserves, and a risk assessment relating to the general reserve.

The Head of Finance concluded that the report reflected the continuing climate of austerity in which public sector bodies operated and the difficulty in planning for the future given the level of uncertainty about funding. The estimated savings required over the life of the latest MTFP ranged from £5.6m to £7.5m. The ERP would continue to deliver up part of these savings, and a further £900k was identified for 2016-17. Officers were also considering further savings proposals which would, if pursued, involve difficult decisions in future years.

Members thanked the Head of Finance for the comprehensive report and the Finance Member Champion noted that although Cheshire were in a better position than other authorities Members needed to be mindful that up to £7.5m of savings would be required over the next four years to balance the budgets. He added that the Authority should carry on with the current strategy which, as highlighted in the External Auditors report, was working effectively.

A Member queried whether the outcome of the recent case in respect of firefighters pensions would impact upon the Authority's budget. The Head of Finance explained that there were a number of pension issues around and he could not confirm at the present time that they would not have any impact. However where previous cases had led to additional pension costs they had been met by the top up grant received from central government.

A Member asked for reassurance that DCLG would not call upon the Authority's reserves to use for other initiatives. The Head of Finance explained that officers were working on the Reserve Strategy to ensure it was robust and that there was a clear plan of where the reserves would be used to deliver the Authority's IRMP proposals. This would be presented to Members as part of the budget report in February 2016. He added that he could not give an absolute guarantee as he could not predict what future proposals the Government might introduce.

RESOLVED: That

- [1] the report and information relevant to the setting of the 2016-17 budget and Medium Term Financial Plan be noted.**

4 INITIAL FEEDBACK – DRAFT INTEGRATED RISK MANAGEMENT PLAN 2016-17 (IRMP 13)

The Head of Planning, Performance and Communications presented the report to Members which provided initial feedback in respect of the consultation programme which was being carried out on 'Making Cheshire Safer', the Authority's draft annual action plan for 2016-17 (IRMP13). He advised that the consultation programme ran until 28th December and the information contained in this report was based on views and comments received up to 27th November 2015.

He informed Members that the consultation programme consisted of face to face briefings with key stakeholders, directly contacting a comprehensive database of partner organisations and carrying out a number of community consultation roadshows. Promotion and publicity for the consultation included the use of the Authority's annual report, press releases to local media and extensive use of the Service's website and social media channels. The programme had been scaled back compared to last year due to the more limited scope of the proposals. He provided an update on the number of responses received from the public (over 400) and explained that this figure would provide a significant degree of confidence in the results.

The Head of Planning, Performance and Communications informed Members that a number of staff roadshows had been held but, despite extensive internal publicity and promotion, responses from staff to date had been limited (although they were slightly higher than at this point last year). The more limited scope of operational proposals in next year's plan was thought to be a factor behind the low response. In addition the recent staff satisfaction survey had been used extensively by employees to give feedback on a range of issues.

The Head of Planning, Performance and Communications highlighted some of the emerging themes from the initial feedback received so far and explained that the final consultation report containing full details of all responses would be presented to the Authority at its meeting on 10th February 2016.

A Member highlighted the initial findings on Blue Light Collaboration (BLC) where 68% of the public supported the proposal to join up some support services but there was less backing for the plan to share Headquarters (36% in support). She commented that the Authority needed to be mindful of these views if a decision was made to go ahead with the collaboration programme. She also queried the staff responses received in respect of BLC. The Head of Planning, Performance and Communications explained that a detailed analysis of the initial responses from staff had not yet been completed. He added that although there were clearly staff concerns about the future there was a general recognition that change was on the horizon. He concluded that early staff involvement in the programme would be a key factor going forward. The Chief Fire Officer and Chief Executive added that the BLC People Strategy would be a key priority as the programme developed.

The Chief Fire Officer and Chief Executive informed Members that IRMP13 included the last of the Emergency Response Programme (ERP) Phase 1 proposals and options for ERP Phase 2 would start to be presented to Members in April/May 2016 for consideration.

RESOLVED: That

- [1] **the interim feedback on the consultation programme for the draft 2016-17 Annual Action Plan (IRMP13) be noted.**

5 PROGRAMME OF MEMBER MEETINGS 2016-17

The report provided Members with details of the proposed programme of meetings for the Fire Authority for 2016/17 for approval, together with a copy of the remaining meeting dates for 2015/16, for information.

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 2016-17 timetable also included dates for a number of additional Member meetings and planning days to assist with diary planning for the coming year.

RESOLVED: That

- [1] **the programme of Member meetings for 2016-17 be approved.**

6 BLUE LIGHT COLLABORATION PROGRAMME

The Assistant Chief Fire Officer introduced the report which provided Members with further information about the Blue Light Collaboration (BLC) programme involving Cheshire Constabulary (CC). He explained that Members' approval was sought to proceed with the BLC programme and the development of a legal commitment to the BLC programme. Agreement on future decision-making and Member involvement was also sought.

The Assistant Chief Fire Officer provided a commentary about the issues covered in the report and referenced the recommendations that Members were being asked to agree at the meeting. He provided the following summary:

Rationale for BLC – There were a number of reasons for change including the current financial climate which impacted on the Authority's budget. There were concerns that further staff reductions would make it very difficult for some departments to continue to deliver the level of service that would meet the Authority's expectations and working with another organisation should provide resilience and ensure that fire related knowledge and expertise was maintained. The need to reduce support service costs as far as possible would help to protect front line services.

Collaboration with CC was viewed as appropriate for a number of reasons including; the commitment to maintain the 'Cheshire footprint'; the fact that the two HQs are in the same town, making amalgamation easier and allowing the creation of teams that were physically joined rather than virtual; and the likelihood of access to funding through the Police Innovation Fund.

Appendix 1 of the report contained details of the benefits identified in the business case.

Scope of the BLC Programme – the programme formed part of a wider piece of work on blue light collaboration which included all three emergency services. The BLC programme was concerned with the areas where joint working would be most beneficial and the first tranche included:

- Relocation of CFRS headquarters functions to Clemonds Hey;
- Creation of a joint vehicle workshop and associated parking;
- CFRS joining the MFSS;
- The creation of joint back office departments delivering functions to both organisations;
- The identification and agreement of opportunities for co-location across the operational estate;
- Decommissioning of appropriate organisation systems;
- The re-provision of all remaining business areas currently provided at CFRS HQ.

The report also detailed the areas which were outside the scope of the BLC programme.

BLC Programme Plan – It was intended that the BLC programme would be completed by April 2018 and a high level plan showing key milestones was attached as appendix 2 to the report.

Relationship – There were a number of matters detailed in the report that it was essential to ensure were properly documented prior to legal commitment in order to deliver the BLC programme and to maintain the relationship between the parties involved. Members were referred to recommendation 7 of the report which sought authorisation for the Chief Fire Officer and Chief Executive, the Head of Legal and Democratic Services and the Head of Finance to finalise the documentation required. It was anticipated that this would be completed by the end of the financial year.

BLC Programme Governance and Decision-Making – Details of the governance arrangements which would be utilised to progress the programme were summarised in the report together with details of the matters reserved to the Fire Authority (and the Police's Management Board). Members would be asked to confirm that they were satisfied with these arrangements.

Shared Headquarters – The ACFO drew Members attention to the commitment that Clemonds Hey would be remodelled to ensure that it met the needs of all its users and that the delivery of the Authority's requirements was not just about space but the experience of staff and Members who would use the shared headquarters.

Human Resources – The development of a People Strategy to ensure that there were fair, transparent processes and that staff would be able to consider their options at the earliest opportunity was a key piece of work as staff were

the Authority's most important asset. An independent HR adviser had been engaged to provide support to the programme.

Financial Aspects of BLC – The ACFO drew Members' attention to a number of areas in this section of the report where decisions were required.

He referred to the breakdown of the activities in the implementation budget of £6.6m and the approach to the funding of the programme (to be shared 75% to the Police and Crime Commissioner and 25% to the Authority).

The approach to the apportionment of the costs and resultant savings were also highlighted.

Correspondence had been received from the PCC offering an interest (referred to as 'equity') in Clemonds Hey intended to match the current value of the Authority's HQ.

Audit Assessment – The draft report on the outcomes of the audit assessment of the Business Case into the BLC programme carried out by the Mersey Internal Audit Agency (MIAA), had been provided for Members in group rooms prior to the meeting.

The Chair stated that this was a very important issue for the Fire Authority to consider and he felt that this was the best option available. The Fire Authority would continue, operational staff would be protected and we would demonstrate to the Government that locally agreed collaboration was possible. He congratulated the ACFO for the work he had done to date bringing the Authority to this particular point. He added that the Chief Fire Officer and Chief Executive (CFO and CE) and the Chief Constable had approached the collaboration in the right way and that this option would assist the Authority in determining its own destiny. He then invited Members to speak.

A Member queried why the Chair was not listed in recommendation 7. The CFO and CE confirmed that, whilst officers would prepare the documents, Members would make any key decisions required. The Chair added that recommendation 6 which referred to governance allowed Members to determine their involvement.

A Member queried whether there was any further clarity on the vetting process and what would happen to staff if they did not meet the requirements. The ACFO explained that careful consideration of the process was required and this was recognised as an issue to be resolved. The CFO and CE added that this issue would be considered and included when developing the People Strategy.

A Member commented that he had been very sceptical about the proposals originally but following discussions would be supporting the recommendations although he did still have some reservations about the final outcome. He commented that it was the staff that made the Service and that the importance of retaining CFRS staff was a key issue. He drew Members attention to MIAA's audit assessment which suggested there were some issues to be resolved and a lot of work still to be done. He queried how the 'equity' in Clemonds Hey would be achieved as it was a PFI site.

The Chair responded that it was right that Members should express their concerns. He also explained that there was a guarantee from the PCC about Clemonds Hey. The Head of Legal and Democratic Services provided further information on the 'equity' proposal and explained that this was one of the elements he would need to look at in detail when drawing up the legal agreements. He informed Members that there were three issues to be considered; security of tenure (which would be achieved by a sub-lease agreement); protection against PFI costs (this could be written into a legal agreement); and how to secure an interest that would adequately reflect the value of HQ. This final matter was the most complex but certainly not an insurmountable issue. He added that he was intending to employ external solicitors to assist with some of the work drawing up the legal agreements particularly as this work was scheduled to be completed by the end of March 2016.

A Member commented that the savings seemed small for such big changes to service provision. She queried whether the fire station and houses, ambulance station and police station adjacent to HQ were included in the proposal to dispose of HQ. The ACFO clarified that the Business Case was based on the sale of the HQ site only. This would not preclude Members from considering expanding the area to be sold at a future date but it was not being considered today.

A Member stated that the site visit to Clemonds Hey last week had been useful as was the MIAA report received today. He added that the programme was not just about the cash savings that would be made but about future working and relationships. He asked for clarification on the lists of matters reserved for the Fire Authority to agree and queried whether the People Strategy should be added to this list given the importance of staffing matters which Members had highlighted as a key issue. The CFO and CE confirmed that the People Strategy would be added to the reserved matters list and key decisions would be made by the Fire Authority.

A Member explained that he did support the recommendations in the report but requested more detailed figures on the financial aspects in future reports. He wanted to be certain that the headline figures provided were robust. He added that future reports should also include the mechanics of how these savings had been achieved. A Member added that the programme costs and savings should be monitored and regular feedback should be provided on projected savings to provide reassurance to Members. The CFO and CE stated that the BLC programme would be tracked and progress monitored through the Performance and Overview Committee in line with the Authority's other programmes /projects.

RESOLVED: That

- [1] the information contained in the report be noted;**
- [2] the scope of the BLC Programme as set out in paragraph 16 be approved;**
- [3] the implementation budget for the BLC Programme (paragraph 60) be noted;**

- [4] the approach to the funding of the BLC Programme as set out in paragraph 64 be approved;**
- [5] the approach to the apportionment of the costs and resultant savings from the BLC Programme as set out in paragraph 61 and 68 be approved;**
- [6] the decision-making arrangements and Member involvement, (determining how decisions reserved to the Fire Authority are to be made as the BLC Programme progresses), be confirmed (as set out in paragraphs 25 and 26 and Appendix 3 of the report subject to the People Strategy becoming a matter reserved to the Fire Authority/Management Board; and**
- [7] the Chief Fire Officer and Chief Executive in conjunction with the Head of Legal and Democratic Services and Head of Finance be authorised to complete such documentation as is necessary to secure the delivery of the BLC Programme.**