



MINUTES OF THE GOVERNANCE AND CONSTITUTION COMMITTEE held on 1 April 2015 at Fire Service HQ at 10:00 am.

PRESENT: Councillors H Mundry (Chair), M Biggin, R Polhill and T Sherlock

Independent members: Mr R Garner, Mr M McBride, Mr W Ravenscroft

PART 1 – MATTERS CONSIDERED IN PUBLIC

1 PROCEDURAL MATTERS

The Chair reminded Members that the meeting was being audio-recorded.

A APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors J Houlbrook and B Livesley.

B DECLARATION OF MEMBERS' INTERESTS

There were no declarations of Members' interests.

C MINUTES OF THE GOVERNANCE AND CONSTITUTION COMMITTEE

RESOLVED: That

the minutes of the meeting of the Governance and Constitution Committee held on Wednesday 28th January 2015 be confirmed as a correct record.

ITEMS REQUIRING DISCUSSION / DECISION

2 PREPARATION OF STATEMENT OF ASSURANCE 2014 - 15

The Head of Planning, Performance and Communications introduced this report which provided Members with the timelines and process for the preparation of the Statement of Assurance 2014-15. He reminded Members that the publication of an Annual Statement of Assurance was one of the requirements of the Fire and Rescue National Framework for England (2012) and that the Authority had agreed to combine the Annual Governance Statement with the Statement of Assurance. He explained that this streamlined process brought together all the information into a single annual document which was easily understood by and accessible to members of the public.

The Head of Planning, Performance and Communications drew Members' attention to the process and timelines for the preparation of the Statement of

Assurance detailed within the report. He explained that a copy of the draft Statement of Assurance would be available to circulate to Members of the Governance and Constitution Committee for consideration prior to its presentation to the Closure of Accounts Committee in June. The final copy of the Statement of Assurance would be presented to the Fire Authority at its meeting in September at the same time as the Final Accounts are to be considered.

He concluded by referring to the recent Addendum to the National Framework which related to firefighter fitness brought in by the Government in January 2015, with the aim that a consistent approach be applied across all fire and rescue services. He confirmed that evidence highlighting the Service's compliance with this Addendum had already been included within the Statement of Assurance and made reference to the appointment of a Fitness Advisor.

RESOLVED: That

- [1] the timelines and process for the preparation of the Statement of Assurance be noted.**

3 REVIEW OF FINANCIAL REGULATIONS

The Head of Finance reminded Members that, at its meeting in March 2013, they considered an amended set of Financial Regulations (the Regulations) which they approved for consideration by the Fire Authority. The Fire Authority subsequently approved the Regulations on 18th September 2013. He advised Members that, following a recent review of the Regulations, this report set out four proposed changes/additions to the Regulations for their consideration.

The Head of Finance referred Members to each of the proposed changes/additions which were detailed within the report.

Members discussed each proposal and had a number of queries for the Head of Finance. Members felt that the change to the approval of additional capital programmes in any financial year up to a maximum of £100k (jointly approved by the Chief Fire Officer and the Head of Finance) was sensible and ensured officers had the relevant powers of authority to carry out their duties on a day to day basis. They queried how any such decisions would be reported back to Members and the Head of Finance confirmed that any additional approved capital programmes would be reported to the Performance and Overview Committee as part of the quarterly financial and performance reporting they received. It was suggested that reference to the quarterly reporting be included within the proposed wording to be inserted into the section of the Regulations dealing with Capital.

Members referred to the proposed additional paragraph to be inserted into the Regulations in relation to the process for writing off unpaid debtor balances. They queried the length of time for which a debt was recoverable and the court process if a debtor was taken to court for payment. The Head of Finance confirmed that the Service normally had the right to recover a debt for 6 years. The Head of Legal and Democratic Services continued by confirming that the number of

debtor cases referred to the Service's legal department was extremely low and no court cases had been necessary in recent years.

RECOMMENDED: That

- [1] the proposed changes/additions to the Financial Regulations be recommended to the Fire Authority for approval (including the additional wording suggested by Members).**

4 PENSION BOARD – FIREFIGHTERS' PENSION SCHEMES

The Head of Legal and Democratic Services introduced this report which provided Members with further detail about the establishment of a Pension Board for the Firefighters' Pension Schemes.

The Head of Legal and Democratic Services advised Members that following the report presented to this Committee in January and the subsequent decision by the Fire Authority to establish a Pension Board the Pension Scheme (Amendment) (Governance) Regulations 2015 (the Regulations) had been laid before Parliament on the 5th March and would come into force on the 1st April 2015. He explained that a number of changes had been made to the draft Regulations that had previously been available and he had briefly outlined the notable changes within the report.

The Head of Legal and Democratic Services referred Members to the Appendix attached to the report which was a draft Terms of Reference and associated rules of the Pension Board for their consideration. He explained that he proposed to insert the Terms of Reference at the end of the Authority's Constitution as an additional section.

Members discussed the draft Terms of Reference and associated rules. A member asked for clarification as to whether the meeting would be able to take place if the Chair was unable to attend and whether an alternative Chair could be appointed. The Head of Legal and Democratic Services confirmed that he would further develop the wording in the Terms of Reference to allow the other Employer member of the Board to sit as chair should the appointed Chair be unable to attend.

A member noted the proposed frequency of the Pension Board meetings and requested that attendance be included as part of the annual monitoring report concerned with Member attendance. The Head of Legal and Democratic Services advised that the frequency of meetings would be monitored over the next 6-12 months and would be increased/decreased as necessary.

Members acknowledged the need to alter the wording concerned with 'Membership of the Board' to allow pensioners to be pension members (as well as current employees).

RESOLVED: That

- [1] the Terms of Reference for the Pension Board be approved, subject to minor changes recommended by the Committee.**

5 GOVERNANCE ARRANGEMENTS – NORTH WEST FIRE CONTROL

The Head of Legal and Democratic Services referred Members to a number of previous reports considered by the Fire Authority in relation to the North West Fire Control project. In particular he referred to a decision on the 11th December 2013 which authorised the Chief Fire Officer, Head of Legal and Democratic Services and the Head of Finance to settle and enter into legal agreements which would safeguard the Authority's position and provide suitable governance arrangements. He explained that the report was intended to provide reassurance to Members in relation to the governance arrangements associated with North West Fire Control Limited (the Company) which was jointly owned by the Cheshire Fire Authority, Cumbria County Council, Greater Manchester Fire and Rescue Authority and Lancashire Combined Fire Authority (the Authorities).

He referred Members to those sections of the report which provided an overview of the relevant documentation and key provisions and controls that were in place (or would be shortly). They included the Articles of Association, Members Agreement, Joint Working Agreement, Project Agreement, Agreement for Services and Co-Operation Agreement. He explained that each of the four owners had an equal stake in the Company and that two Directors had been appointed to the Board by each Authority. He referred to the requirement for 'unanimous consent' of the Authorities on a number of key decisions. He advised that each Authority entered into an Agreement of Services with the Company which came into effect when the Company took over the call handling and mobilising activities in May 2014. He referred Members to Appendix 2 of the report which described the services and mentioned the kind of standards set out in the Agreement for Services. It had been agreed by the Fire Authority that performance would be reported to the Performance and Overview Committee.

The Head of Legal and Democratic Services concluded by drawing Members' attention to Appendix 1 of the report which was an extract from a report to the Fire Authority on 11th December 2013 and provided Members with a 'checklist' of issues that they should be satisfied have been covered in the various documents detailed in this report designed to deliver appropriate governance arrangements.

Members discussed their concerns in relation to the cost of future changes in technology and potential changes caused by future collaborations and how this would impact the Authority and the Company. The Head of Legal and Democratic Services confirmed that, if changes were being considered to the systems used by the Company, agreement would need to be sought from all four Authorities. He felt that collaboration, offered an opportunity, not a threat as the Company was in a strong position as it was unique and had great potential to further develop.

A member noted that the profits, if received, would be shared in the same proportions as the costs of running fire control. He queried whether losses would be covered in the same proportions. The Head of Legal and Democratic Services confirmed that the Authority currently funded 18% of the costs, and that it would pay that proportion of any increase in costs. He confirmed that the Company was required to produce a budget for the Board of Directors to review and any major fluctuations would be identified by the Board. This meant that with ongoing reporting on Company performance there were unlikely to ever be any surprises for the Authorities.

Members were satisfied that formal reporting would be provided to Performance and Overview Committee and key decisions reserved to the Fire Authority.

RESOLVED: That

- [1] the content of the Governance Arrangements – North West Fire Control report be noted.**