



**MINUTES OF THE POLICY COMMITTEE held on Wednesday 25 June 2014 at Fire Service Headquarters, Winsford at 10 a.m.**

**PRESENT:** Councillors J Joyce (Chair), M Biggin, P Carey, E Johnson, L Jones, G Merry, B Rudd and D Topping.

**PART 1 – MATTERS CONSIDERED IN PUBLIC**

**1 PROCEDURAL MATTERS**

**A MEMBERSHIP OF COMMITTEE**

Members were asked to note the appointment of a Chair, Deputy Chair and membership of the Committee for 2014/2015, as agreed by the Fire Authority at its annual meeting on 18 June 2014 and listed below:

Councillors: J Joyce – Chair  
S Nelson – Deputy Chair  
M Biggin  
P Carey  
E Johnson  
L Jones  
G Merry  
B Rudd  
C Thorley  
D Topping

**B APOLOGIES FOR ABSENCE**

Apologies were received from Councillor S Nelson and Councillor C Thorley.

**C DECLARATION OF MEMBERS INTERESTS**

There were no declarations of Members interests.

**D MINUTES OF THE POLICY COMMITTEE MEETING**

**RESOLVED: That**

**the Minutes of the meeting of the Policy Committee held on 29 January 2014 be confirmed as a correct record.**

## **E NOTES OF THE RISK MANAGEMENT BOARD**

**RESOLVED: That**

**the notes of the meeting of the Risk Management Board held on 1 April 2014 be received, for information.**

## **2 TREASURY MANAGEMENT ANNUAL REPORT 2013-14**

The Head of Finance introduced this report which provided a review of the Authority's treasury management activities during 2013-14. The report also provided information about compliance with the Authority's Treasury Management Practices during the year.

The Head of Finance highlighted the key areas of the report and provided details on the following:

- a) the Authority's loans portfolio position at 31 March 2014;
- b) the Authority's investment portfolio position at 31 March 2014;
- c) a summary of performance for the year 2013/14; and
- d) the Authority's performance in 2013-14 against the key Prudential Indicators.

Members reviewed the report and, in particular, the difficulties with the small number of counterparties which were considered secure enough to invest with leading to problems ensuring that the Authority's Treasury Management Practices were always complied with.

The Head of Finance explained that the current market conditions meant that the Authority had continued with a cautious approach and a limited number of counterparties. A Member commented that it was useful to have indicators to highlight key factors, he also stated that the Authority should constantly review its investment portfolio although it was appreciated that it was difficult in the current market. Members were satisfied with the content of the report and the explanatory notes provided.

**RESOLVED: That**

**[1] the report on Treasury Management activities for 2013-14 be noted.**

## **3 RISK MANAGEMENT BOARD ANNUAL REPORT**

The Head of Planning, Performance and Communications presented this report to Members. He explained that the annual Risk Management Board (RMB) report was presented to Policy Committee for review and assurance and provided a summary of the key activities and decisions of RMB during 2013-14.

The Head of Planning, Performance and Communications highlighted the key areas of the report and provided a brief explanation of each of these key

areas. He informed Members that the RMB had responsibility for reviewing the Service's Crisis Management Plan on an annual basis and the refreshed version was presented to RMB in April 2014. A number of improvements had been identified and added to the plan as a result of the thorough testing of the Service's business continuity arrangements during the national strike action undertaken during 2013/14.

The Chair requested that the Committee's thanks be recorded for those Officers who had operated throughout the strike action to ensure that services were maintained.

**RESOLVED: That**

**[1] the content of the report be noted.**

#### **4 INTERNAL AUDIT ANNUAL REPORT 2013-14**

The Head of Planning, Performance and Communications introduced this report and explained that this would be the final report to this Committee from Baker Tilly as the Authority's internal auditor. The report provided a summary of the implementation of the internal audit plan for 2013-14 and included the reported assurance opinion and headline findings from Baker Tilly who delivered the internal audit function for the Service for 2012-13.

The Head of Planning, Performance and Communications informed Members of the changes to internal audit provision from 1<sup>st</sup> April 2014 and explained that the new internal auditors (Mersey Internal Audit Agency) would be reporting on internal audit at future meetings. He also explained that, as a consequence of the VFM reviews, the management of internal audit had been re-aligned to the Head of Finance.

Members discussed the report and were pleased that there were no major issues identified. The Chair commented that this was the over-arching annual report and the Performance and Overview Committee would receive the detailed quarterly reports.

**RESOLVED: That**

**[1] the content of the Internal Audit Annual Report 2012-13 be noted.**

#### **5 REVIEW OF OPERATIONAL ASSURANCE AND PEER TEAM : CLOSEDOWN REPORT**

The Head of Planning, Performance and Communications introduced this report which provided an overview of the progress made on the action plan which had been developed following the outcome of the 2012 Peer Review. The Peer Review team's findings and the associated action plan were reported to the Fire Authority in February 2013. Members were asked to note that all the actions had been undertaken and delivered.

The Chair commented that the findings report had been well received when it was published and was recognised nationally. A Member queried what the lessons learnt were from participating in the review and if the Service would participate in the future.

The CFO explained that the recommendation from CFOA and the LGA was that Services should be subject to a Peer Review every 3 years. Therefore the next Peer Review for Cheshire should take place in 2015. Officers felt that there were lessons learned from the review and benefits in being involved in the process. It was noted, however, that the 2015 date may have to be re-scheduled if, as a result of national policy, revised governance models were proposed.

The ACFO explained that CFOA were reviewing the Peer Review process and he was a member of the working group which had the responsibility for this review. He asked Members to inform him if they had any specific views on the process that they wished the working group to consider.

**RESOLVED: That**

**[1] the completion of the work in the action plan be noted.**

**AGENDA ITEMS 6-9: HR POLICIES**

The Head of Legal and Democratic Services made a presentation to Members which provided an overview of the key issues that had led to/influenced the preparation of the reports and policies to be considered on the agenda.

**6 RE-EMPLOYMENT AND PENSION ABATEMENT POLICY**

This report sought Member approval for the proposed changes to the Authority's Re-employment Policy, which was now titled 'Re-employment and Pension Abatement Policy', that had been made as a result of The Firefighters' Pension Scheme (Amendment) (No2) (England) Order 2013 and HMRC Guidance on Protection Pension Age.

The Head of Legal and Democratic Services clarified the extent of the authorisation, if approved, that the Head of People and Development would have in respect of minor changes to the HR policies. He explained that this would cover minor drafting changes and any significant changes would be re-submitted to the Committee for approval. He also explained that the Policy had been amended so that re-employment to any role (except that of an on-call firefighter), following retirement or voluntary redundancy would only occur in exceptional circumstances and with the approval of Members through the Staffing Committee. The Chair stated that no offers of employment should be made to individuals until the Committee had made a decision.

A Member requested that the Staffing Committee receive a report on the % of staff that were re-employed on an annual basis and this request was noted by Officers.

**RESOLVED: That**

- [1] the Re-employment and Pension Abatement Policy be approved; and**
- [2] the Head of People and Development be authorised to make minor changes to the Policy as necessary without further reference to Members.**

**7 PAY AND RECOGNITION POLICY**

This report sought Member approval for the proposed changes to the Pay and Recognition Policy which were suggested as a result of legal opinion on the application of pay protection to allowances and the enactment of The Firefighters' Pension Scheme (Amendment) (No 2) (England) Order 2013. Only extracts of the policy were included as appendices to the report due to its considerable length and Members were asked to consider the issues covered in the report in respect of the relevant sections.

The Head of Legal and Democratic Services drew Members attention to the sections which Members were asked to consider as follows:

- Section 9.4 – Temporary Promotion
- Section 9.7 – Additional Responsibility Allowance
- Section 9.8 – Training (Instructor) Officer Allowance
- Section 9.12 – Day Crewing Duty System
- Section 11.8 – Workshop Mechanics
- Section 12.1 – Recognition Award Scheme
- Section 12.3 – Pay Protection

**RESOLVED: That**

- [1] the sections of the Pay and Recognition Policy contained in the appendix to the report be approved; and**
- [2] the Head of People and Development be authorised to make minor changes to the Policy as necessary without further reference to Members.**

**8 REORGANISATION AND REDEPLOYMENT POLICY**

This report sought Member approval for the changes to the Reorganisation and Redeployment Policy that had been proposed as a result of legal opinion on the application of pay protection to allowances and from lessons learned from the Macclesfield Assignment and Redeployment exercise. The report provided an overview of the proposed amendments which were highlighted in the revised Policy (attached as an appendix).

A Member requested further information on the changes as a result of lessons learned from the Macclesfield exercise. The HR Advisor explained that there had been some changes to the policy to remove any ambiguity over the definition of substantive postholder.

**RESOLVED: That**

- [1] the changes to the Reorganisation and Redeployment Policy be approved; and**
- [2] the Head of People and Development be authorised to make minor changes to the Policy as necessary without further reference to Members.**

9 **RETIREMENT POLICY**

This report provided details of the Retirement Policy that had been produced to provide employees with detailed information about the types of retirement and processes involved.

The Head of Legal and Democratic Services explained that the policy was written prior to the introduction of the 2014 LGPS scheme and Members were asked to note that some elements would require further revisions to ensure that the information reflected the new scheme. It was also noted that the FBU had requested that more detailed information be provided in relation to provisions within the Firefighters' Compensation Scheme and it was proposed that this work would be completed with the work on the 2014 LGPS revisions.

A new section had been added to the policy as a result of The Firefighters' Pension Scheme (Amendment) (No 2) (England) Order 2013 which gave the Service discretion to increase the amount of pension lump sum that a member of the Firefighters' Pension Scheme could receive (referred to as a commutation) and Members were asked to consider the addition of this discretion. Members sought clarification on Member involvement in the decision-making process in relation to the use of the discretion. The Head of Legal and Democratic Services stated that, if Members were agreeable, he would review decision-making roles in light of the discussion at the meeting to ensure that Member involvement was appropriate. He could then consult with the Chair of the Committee to agree any changes to the policies.

Members also discussed the current policy on retirement gifts and the value of retirement gifts. The Head of Finance informed Members he would provide further information on the costs of the current scheme.

**RESOLVED: That**

- [1] the Retirement Policy with regard to pension lump sum discretion be approved;**

- [2] the Head of Legal and Democratic Services review the policies to ensure that the decision making arrangements were appropriately devolved and to agree any changes to the policies with the Chair;**
- [3] the further work required to be undertaken to review the Retirement Policy in light of the new 2014 LGPS Scheme and to included more detailed reference to the Firefighters' Compensation Scheme be noted; and**
- [4] the Head of People and Development be authorised to make minor changes to the Policy as necessary without further reference to Members.**

## **PART 2 – BUSINESS TO BE DISCUSSED IN PRIVATE**

NONE