



MINUTES OF THE POLICY COMMITTEE held on Wednesday 20 June 2012 at Fire Service Headquarters, Winsford at 10 a.m.

PRESENT: Councillors J Joyce (Chair), D Brickhill, L Jones, J Kerr-Brown, J Leather, G Merry, S Nelson, B Rudd, C Thorley 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 2011/2012, as agreed by the Fire Authority at its annual general meeting on 13 June 2012 and listed below:

Councillors: J Joyce – Chair
S Nelson – Deputy Chair
D Brickhill
L Jones
J Kerr-Brown
J Leather
G Merry
B Rudd
C Thorley
D Topping

B APOLOGIES FOR ABSENCE

No apologies were received.

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 14 March 2012 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 7 June 2012 be received, for information.

2 END OF YEAR REPORT OF PROGRESS AGAINST INTERNAL AUDIT PLAN 2011-12

The Corporate Intelligence Unit Manager provided a brief overview of the report and introduced the Internal Audit representative, Shauna Mallinson from RSM Tenon, who was in attendance at the meeting to present the report.

The Internal Auditor explained that the report provided a summary of work undertaken over the last 12 months and the Internal Auditors opinion to assist the Authority in preparing its Annual Governance Statement.

The Internal Auditor outlined the Internal Audit Assurance Statement for 2011-12 which provided a positive opinion on the adequacy and effectiveness of Cheshire Fire Authority's arrangements for governance, risk management and control. She commented that both governance and risk management arrangements continued to be robust.

The opinion on internal control did include one limited assurance opinion during the review of Estates Management – Planned and Reactive Maintenance. It was noted, however, that where recommendations had been made, management had responded positively and the recommendations did not impact adversely on the Auditor's overall annual opinion of the Authority's system of internal control, which remained positive.

Members discussed the content of the report and a query was raised on the recommendations highlighted in the Estates Management Audit. The Assistant Chief Fire Officer provided an update on the implementation of the recommendations and explained that of the 6 recommendations made 5 had been implemented and work was underway on the outstanding recommendation. He also explained that the outcomes of the audit had been used to assist with the review of the Asset Management Strategy which was also an item for approval on the Policy Committee agenda.

RESOLVED: That

the content of the Internal Audit Annual Report 2011-12 be noted.

3 RISK MANAGEMENT BOARD ANNUAL REPORT

The Corporate Intelligence Unit Manager presented this report to Members. She explained that the responsibility for Risk Management at Member level had been delegated to the Policy Committee. The Authority also appointed two Risk Management Champions who attended meetings of the Risk Management Board twice a year.

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 decision of RMB during 2011-12.

The Corporate Intelligence Unit Manager highlighted the key areas of the report and also provided an update for Members on the outcomes of the 2012 ALARM Benchmarking Club self-assessment. The Service had now achieved an overall performance level of 'driving' which was the highest level that could be awarded. The action plan at Appendix 6 of the report provided details of the work undertaken to achieve this level of performance.

Members discussed the report and a Member queried whether the Service broadened its crisis management exercises to ensure that correlated risks were identified. The Assistant Chief Fire Officer explained that the exercise was a comprehensive two day event and included a large amount of planning and preparation work to ensure that the scenarios presented were as authentic as possible, He also commented that he would welcome Members input and involvement in the process.

Members were also given the opportunity to feedback comments to Risk Management Board and a Member commented that the Board should review the risks involved in the position regarding retained firefighters joining the pension scheme as this could have a major financial impact on the Authority. The Head of Finance commented that this had been identified as a risk, along with a number of other financial risks associated with pension payments.

RESOLVED: That

the content of the report be noted.

4 CORPORATE PLANNING, CONSULTATION AND REPORTING TIMETABLES – 2012-13

The Corporate Intelligence Unit Manager presented this report which sought Members approval for the proposed timetable for corporate planning, budget and consultation for the development of IRMP 10 and related Service plans together with the proposed timetable for IRMP 9 quarterly performance reporting.

The timetables were designed as an annual step-by-step process integrating all the Service's key planning dates into a simple format that enabled delivery of the IRMP. The in-year reporting stages had been split to create a planning timetable for IRMP 10 and a separate reporting timetable for IRMP 9. The Chief Fire Officer explained that the timetable provided Members with a detailed view of the Service's corporate planning processes and highlighted the key steps for Members.

RESOLVED: That

the integrated planning, consultation and budget setting timetable be approved

5 TREASURY MANAGEMENT ANNUAL REPORT 2011-12

The Head of Finance introduced this report which provided a review of the Authority's treasury management activities during 2011-12. He informed Members that Fire Authorities should produce an annual Treasury Management report after the year end. The report also advised on whether the organisation's Treasury Management Practice Statements had been complied with 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 2012;
- b) the Authority's investment portfolio position at 31 March 2012;
- c) a summary of performance for the year 2011/12; and
- d) the Authority's performance in 2011-12 against the key Prudential Indicators.

The Head of Finance informed Members that the position at the end of March 2012 did highlight that the Authority had 100% of its investments with one counterparty. The current version of the Treasury Management Practices indicated that the Authority should have no more than 70% of its investments with a single institution. However given the current Government support to banks this position was not considered to be one of undue risk. Also one of the Authority's investments was due to mature in early June and further consideration would be given on how best to deal with this in the context of the overall strategy.

RESOLVED: That

[1] the Treasury Management Annual Report 2011-12 be noted.

6 ASSET MANAGEMENT STRATEGY 2012-16

The Assistant Chief Fire Officer presented this report to Members which sought Members approval for the revised Asset Management Strategy for the Authority for 2012 to 2016. He provided an overview of the Asset Management Strategy and explained that it set out the Authority's overall approach to asset management going forward. This approach assisted the Authority in targeting resources effectively and investing appropriately to ensure that these assets contributed towards the continuous improvement of Service delivery and supported the need to realise savings over the duration of the Authority's four year strategy and beyond.

The Strategy was underpinned by detailed Asset Management Plans for each asset group (Land and Property, Transport, Operational Equipment and ICT hardware and software). Members had received details of the plans for the asset groups the previous year with the exception of the ICT plan. The ICT (hardware and software) plan had now been produced as part of the ICT programme of change. The other 3 plans had also been refreshed with further work undertaken to link the plans to future capital and revenue spend.

RESOLVED: That

- [1] the revised Asset Management Strategy 2012-16 be approved; and**
- [2] the production of a new Asset Management Plan for ICT (hardware and software) and the on-going development of the Asset Management Plans for Land and Buildings, Transport and Operational Equipment be noted.**

7 BIDDING FOR CAPITAL FUNDING 2013-15

The Head of Community Safety presented this report which provided details of the proposed approach to the submission of a capital bid to the Department of Communities and Local Government (DCLG) for Member approval.

As part of the Spending Review 2010 DCLG secured capital grant funding for Fire and Rescue authorities in England of £70m per annum for years 2012-15 (£210m). £70m per annum had been distributed using the current distribution method for 2011-12 and 2012-13. This method was changing for 2013-14 and 2014-15 when it would be based on a combination of:

- An efficiency fund, administered as a capital grant via a bidding process; and
- A pro-rata distribution rate using the current distribution method.

The capital funding distributed to Cheshire Fire and Rescue Service for 2012-13 (using the current distribution method) was £1.4m. The split between the two methods for 2013-14 and 2014-15 was not stated and the amount allocated by competitive bidding would be dependent upon the quality of the bids. This left significant uncertainty about what would be paid to Authorities and Cheshire Fire and Rescue Service needed to protect its position by submitting a compelling bid to access the efficiency fund.

The Head of Community Safety provided details of the scope of the proposed bid for capital funding and outlined the main objectives and risks. He explained that the Authority would request £4.5m of grant from DCLG with the Authority's contribution anticipated to be £1.5m to deliver the proposals.

Members discussed the content of the report and were generally supportive of the approach being taken. Members also discussed the financial risks as substantial cuts in funding were anticipated over the next few years. The Head of Finance explained that the Authority had sufficient funds to include the funding allocation of £1.5m from its own resources.

The Head of Community Safety explained that the detailed bid would need to be submitted by Friday 29th June 2012 and Members were asked to agree that the Group Spokespersons be authorised to agree the final content.

RESOLVED: That

- [1] the Authority's approach to the submission of a Capital Bid to the Department of Communities and Local Government be approved;**
- [2] Group Spokespersons be authorised to settle the final content of the bid.**

8 JOINT USE OF POYNTON FIRE STATION

The Operational Risk Planning Manager introduced this report which asked Members to consider whether they wished officers to further pursue proposals for the joint use (by the Service and Cheshire Police) of the site of Poynton Fire Station. Members had received a number of presentations in relation to a variety of proposals for joint use of Authority premises/sites. This report provided more specific proposals for the site of Poynton Fire Station.

The Operational Risk Planning Manager provided details of the proposal and the financial arrangements proposed. He also highlighted the anticipated benefits and risks which were detailed in the report.

Members discussed the proposals presented to them and a number of queries were raised regarding consultation with the public. A Member commented that it would be useful to consult with the Town Council on the proposals. The Assistant Chief Fire Officer informed Members that the Town Council had already published an item in its Community Letter regarding the proposals. Officers would continue to monitor and address any feedback received as the proposal was finalised.

RESOLVED: That

Officers be authorised to fully develop a proposal for the joint use of Poynton Fire Station with a view to reporting to the Fire Authority in September 2012.

PART 2 – BUSINESS TO BE DISCUSSED IN PRIVATE

NONE