

CLEVELAND FIRE AUTHORITY

MINUTES OF EXECUTIVE COMMITTEE MEETING

26 NOVEMBER 2021



PRESENT

CHAIR

Councillor Paul Kirton – Stockton on Tees Borough Council

HARTLEPOOL BOROUGH COUNCIL

Councillor Tim Fleming

STOCKTON ON TEES BOROUGH COUNCIL

Councillors Luke Frost, Lynn Hall, Jean O'Donnell

REDCAR & CLEVELAND BOROUGH COUNCIL

Councillor Mary Ovens

AUTHORISED OFFICERS

Chief Fire Officer, ACFO – Community Protection, Treasurer, Legal Adviser & Monitoring Officer

MAZARS

Audit Director (minute number 75.1 only)

APOLOGIES:

Councillor Teresa Higgins – Middlesbrough Council

ACFO – Strategic Planning & Resources

73. DECLARATION OF MEMBERS INTERESTS

It was noted no Declarations of Interests were submitted to the meeting.

74. MINUTES

RESOLVED - that the Minutes of the Executive Committee on 9 July 2021 and Executive (Appeals) Committees on 9 July 2021 and 30 July 2021 be confirmed.

The Chair agreed to consider this report first on the agenda, as requested by the Audit Director, Mazars.

75. REPORT OF THE TREASURER

75.1 The Final 2020/21 Financial Report and Audit Completion Report

The Treasurer presented the Final 2020/21 Financial Report, as detailed at Appendix C, and informed Members that it had been scrutinised by the Audit & Governance Committee on 19 November 2021.

The Audit Director (AD) outlined the key areas of the Audit Completion Report at Appendix A which covered:

- Executive Summary
- Status of the Audit
- Audit Approach
- Significant Findings
- Internal Control Recommendations
- Summary of Misstatements
- Value for Money

75.1 The Final 2020/21 Financial Report and Audit Completion Report cont.

The AD reported that the delays experienced by Mazars in completing the audit were due to recruitment and retention challenges experienced across the sector where only 9% of accounts were completed nationally by the 30 September deadline.

In order to address these issues, he confirmed that Mazars was in the process of a recruitment drive which he was confident would put them back on schedule for the 2021/22 audit cycle.

The AD thanked the Treasurer and his team for their cooperation in working to the adjusted timeframes and confirmed that they were still awaiting assurance from the Teesside Audit Fund, which was required prior to sign off.

He informed Members that while he was not in a position to sign off the whole audit due to changes to the Value for Money reporting and awaiting guidance on the Whole of Government Accounts work, he expected this to be completed by the end of December / early January and did not anticipate any significant weaknesses in the Authority.

Members thanked the Treasurer, Auditor and their teams for producing the reports.

RESOLVED – That in accordance with the delegation approved by the full Authority on the 30 July 2021, Members:

- (i) Noted that the report was considered by the Audit & Governance Committee on the 19 November 2021**
- (ii) Noted the matters raised in Mazars' Audit Completion Report detailed in Appendix A;**
- (iii) Noted that the Chairman will sign the Letter of Representation attached at Appendix B;**
- (iv) Approved the final 2020/21 Financial Report attached at Appendix C, which incorporates the changes agreed with Mazars.**

75. REPORTS OF THE CHIEF FIRE OFFICER

75.1 Annual Statement of Assurance 2020/21

Members considered the Annual Statement of Assurance 2020/21, outlined at Appendix 1, which contained details relating to financial, governance and operational matters. The CFO reported that this document was a statutory requirement produced in line with the requirements of the Fire and Rescue National Framework for England 2012 and had been scrutinised by the Audit & Governance Committee on 19 November 2021.

RESOLVED – that, as recommended by the Audit & Governance Committee on 19 November 2021, the Annual Statement of Assurance 2020/21 be approved.

75.2 Mental Health at Work Commitment

The CFO outlined the Mental Health at Work Commitment which builds on the foundations established by the now expired MIND Blue Light Programme and has received the full support of the National Fire Chief Council.

This collaborative and inclusive effort is endorsed by the Royal Foundation and aims to encompass the additional impact of the pandemic on the mental health of emergency responders. The CFO referred Members to the six standards of the pledge detailed at paragraph 5.4 of the report and reported that in making the commitment each fire service is required to produce a gap analysis and action plan to focus their commitment.

Members supported publicly committing to this pledge and the Brigade's ongoing commitment to Mental Health and wellbeing for staff.

RESOLVED – that Members support the MIND Mental Health at Work Commitment and approve the signing of the pledge.

75.3 Immediate Detriment Framework

The CFO provided Members with details of an agreed Framework drafted by the Local Government Association (LGA) for pension scheme members affected by Immediate Detriment. He provided the background to the issue which covered:

- Memorandum of Understanding (Appendix 1)
- Feasibility of Adoption of the Framework
- Financial Risks and Implications
- Risk Management
- Legal Implications

The CFO tabled an update from the Fire Brigades Union (FBU) relating to making lump sum payments for some members who retired more than 12 months ago authorised and urged authorities to prioritise calculations for all cases approaching 12 months anniversary. The FBU confirmed it will continue discussions with the LGA on this issue so not to delay the adoption of the Framework by fire authorities.

The CFO noted the complexities of the issue and informed Members that he had held a series of webinars to support operational personnel in understanding the implications. He added that the dilemma for the Authority in adopting this Framework is weighing up the associated financial risks against the legal risks of not adopting it.

RESOLVED:-

- (i) That the Immediate Detriment Framework be adopted by the Authority (the Scheme Manager of the Authority's Firefighter Pension Schemes).**
- (ii) That the Scheme Manager be:**
 - a. the authorised signatory for any 'Record of Agreed Compensation and Remedy' ('Compensation Record') on behalf of the Authority; and**
 - b. authorised to agreed with Scheme members variations to the timescales for dates of payments when in the interests of the Scheme Manager and the Scheme member to do so.**

75.4 Building Safety Bill Update

Members received details on the programme of work emanating from the Building Safety Bill which was published in draft in July 2021. The Bill establishes a Building Safety Regulator within the Health & Safety Executive to implement a range of building safety measures and encourage competence among the building industry and inspectors. Fire and Rescue Services (FRS) and local authority building control and environmental health teams will be responsible for delivering the regime for high-risk buildings via Multi-Disciplinary Teams (MDTs).

The CFO outlined the Bill in detail covering:

- Key Features
- Concerns
- Funding and Operating Model
- Protection Staffing
- Risks
- Opportunity Cost Estimates
- Financial Implications
- Timescale
- Implementing the Bill

The CFO confirmed that the Brigade was working with the NFCC to help identify additional resource requirements to inform recruitment, development and training of additional fire safety inspecting officers and fire safety engineers.

The Assistant Chief Fire Officer – Community Protection (ACFO-CP) highlighted the emerging issue of retention of fire safety staff in the fire service due to a shortage of competent inspectors in the industry and competitive private sector salaries.

RESOLVED – That the update be noted.

75.5 Provision of Financial Management Services

The Treasurer left the meeting for this item.

The CFO informed Members that the current provision of financial management services from Hartlepool Borough Council (HBC) was due to expire on 31 March 2022 and he sought an extension to this contract for two years to allow for a thorough assessment of the market place and detailed options appraisal, which had not been possible due to the impact of COVID-19.

The CFO confirmed that the current arrangement with HBC continued to deliver value for money for the Authority and the arrangement to extend was fully compliant under Regulation 72 of the Public Contract Regulations 2015.

RESOLVED - That the extension of the current arrangement for the provision of financial, payroll and audit services via a Service Level Agreement with Hartlepool Borough Council from 1 April 2022 to 31 March 2024, be approved.

The Treasurer returned to the meeting.

76. JOINT REPORT OF THE CHIEF FIRE OFFICER AND TREASURER

76.1 Medium Term Financial Strategy 2022/23 to 2023/24

Members received an update on the Medium Term Financial Strategy (MTFS) and the timetable for approving the 2022/23 budget and council tax level. The Treasurer outlined the report in detail which covered the 2021 Spending Review and Local Planning Assumptions 2022/23 onwards.

He reported that the current MTFS for 2021/22 to 2023/24 was prepared against an uncertain financial background with a forecast deficit of £775k based on: annual pay awards and non-inflation of 2%; Annual Council Tax increases of 1.9%; recovery of the Council Tax base from Covid impact; freeze in Government funding and Business Rates income for three years; Employers' National Insurance increase being funded; and Pension grant of £1.409m maintained or mainstreamed at this level.

He reported that the Chancellors 2021 Spending Review indicated: increased spending across all government departments; removal of the Public Sector pay pause; Council Tax increases will continue to fund increases in spending power; and the plan to increase Business Rates Retention from 50% to 75% will not be implemented.

The Treasurer concluded that while the forecast was more positive than anticipated, national pay awards and inflation remained an increasing risk and would need to be assessed and managed when setting the 2022/23 budget.

Councillor Frost asked whether the budget incorporated the reduction in income from Stockton Borough Council following its introduction of a Council Tax Reduction Scheme for 2022/23. The Treasurer confirmed that the tax base forecast for 2022/23 had been prudent owing to the unknown impact of the pandemic and he was confident that the overall tax base would be more than predicted.

RESOLVED:-

- (i) That the report be noted**
- (ii) That Members noted that the 2022/23 Provisional Local Government Finance Settlement is not expected to be announced until December 2021**
- (iii) That the proposed strategy to address the 2022/23 budget deficit detailed in paragraph 5.7 be noted.**
- (iv) That the proposal to submit budget reports to the Executive Committee on 21 January 2022 and the full Authority on 11 February 2022 to set the 2022/23 Budget and Council Tax be approved.**
- (v) That Members noted that the MTFS will be rolled forward to 2024/25 once the 2022/23 Provisional Local Government Finance Settlement is announced.**

77. LOCAL GOVERNMENT (ACCESS TO INFORMATION) (VARIATION ORDER) 2006

That under Section 100(A) (4) of the Local Government Act 1972, the press and public be excluded from the meeting for the following items of business, on the grounds that it involves the likely disclosure of exempt information as defined in paragraphs 1, 2 & 3 of Part 1 of the Schedule 12A of the Local Government Act 1972 as amended by the Local Government (Access to Information) (Variation) Order 2006” namely information relating to an individual; and information that is likely to reveal the identity of an individual; and information relating to the financial or business affairs of any particular person (including the authority holding that information.”

78. CONFIDENTIAL MINUTES

RESOLVED - that the Confidential Minutes of the Executive Committee on 9 July 2021 and Executive (Appeals) Committees on 9 July 2021 and 30 July 2021 be confirmed.

79. CONFIDENTIAL REPORT OF THE CHIEF FIRE OFFICER

79.1 Procurement Update Report

Members received details relating to contract letting procedures, exemptions to contract procedure rules and future procurement plans.

79.2 Provision of Liquid Fuel - Tender Acceptance

Members considered the results of the Brigade analysis of the tenders received for the Provision of Liquid Fuel.

**COUNCILLOR PAUL KIRTON
CHAIR**