

CLEVELAND FIRE AUTHORITY

MINUTES OF AUDIT & GOVERNANCE COMMITTEE MEETING



23 FEBRUARY 2024

PRESENT:

CHAIR:- Councillor Jim Beall – Stockton-on-Tees Borough Council

MIDDLESBROUGH
Councillor Kabuye

STOCKTON BOROUGH COUNCIL
Councillors John Gardner, Stefan Houghton

INDEPENDENT PERSONS
Mr Steve Harwood
Mr Paul McGrath

AUTHORISED OFFICERS
Chief Fire Officer, Legal Adviser & Monitoring Officer, Treasurer
Assistant Chief Fire Officer - Strategic Planning & Resources
Acting Assistant Chief Fire Officer - Community Protection

MAZARS
Mr Gavin Barker - Audit Engagement Lead
Mr Ross Woodley - Audit Director

IN ATTENDANCE
Head of Risk & Performance
Head of Finance & Procurement

APOLOGIES FOR ABSENCE: Cllrs Steve Kay, David Taylor – Redcar & Cleveland Borough Council

83. APPOINTMENT OF CHAIR

The Legal Adviser and Monitoring Officer (LAMO) informed Members that as both the Chair and Vice Chair had submitted apologies, a Chair would need to be appointed for this meeting. Councillor Jim Beall was subsequently proposed and seconded.

RESOLVED – That Councillor Jim Beall be appointed Chair of the Audit & Governance Committee for this meeting.

84. DECLARATION OF MEMBERS INTERESTS

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

85. MINUTES

RESOLVED – that the Minutes of the Audit & Governance Committee held on 24 November 2023 be confirmed.

86. REPORT OF MAZARS

86.1 Auditors Annual Report 2021/22

The Audit Engagement Lead (AEL) presented the Auditor's Annual Report 2021/22 which had been considered in draft by the CFA on 9 December 2023. He confirmed that Mazars had achieved the promise of approving the accounts by the end of December 2023 with only the Whole of Government Accounts statement outstanding.

The AEL confirmed that he expected the Audit Certificate would be issued before 31 March 2024.

RESOLVED – That the report be noted.

86.2 Audit Progress Report 2022/23 – Verbal Update

The Audit Engagement Lead (AEL) updated Members on the progress of the 2022/23 Audit. He informed the Committee that in line with the requirement to rotate auditors every 5 years this would be his last audit with the Authority. He confirmed that his successor would be James Collins and the new Audit Manager was to be confirmed. He reported that special approval had been sought from the regulator to allow Ross Woodley to return to the Authority as Audit Director (AD) outside of the 5 year rotation period to complete outstanding work for 2022/23.

The AD stated that the 2022/23 audit work had commenced later than expected but was on track to be completed and signed off at the Extraordinary Audit & Governance meeting scheduled for 19 April 2024.

The Chair thanked the AEL for the update and for his term of office on behalf of the committee and welcomed Ross Woodley back to the Authority.

RESOLVED – that the Audit Progress Report be noted.

87. REPORTS OF THE CHIEF FIRE OFFICER

87.1 Organisational Performance Report April – December 2023

The Chief Fire Officer (CFO) announced that the Head of Risk and Performance (HoRP) was leaving the Brigade and thanked him for his immeasurable contribution to the Authority and exceptional service to this committee. Councillor Beall echoed his thanks on behalf of Members and wished him well for the future.

The HoRP gave a detailed presentation outlining the performance of the Brigade for the period 1 April 2023 to 31 January 2024, which had been aligned to the Brigade's strategic goals, aims and associated outcomes.

The presentation highlighted the following key performance areas:

- Total incidents were 7,475 (-172/-2%) compared to the 5-year average for the equivalent period with mobilisations totalling 11,896.
- Special Services were up 14% with 1,353 incidents recorded.
- Secondary Fires saw a decrease of 15% with 2,685 incidents reported.
- Primary Fires saw no change with 697 incidents recorded and False Alarms were up 6% with 2,694 incidents.

87.1 Organisational Performance Report April – December 2023 cont.

- There was a 4% reduction in Emergency Calls (-443 incidents) with a total 10,564 calls taken in comparison to the 5-year average.
- There have been 27,633 Safer Homes Visits attempted with 15,821 completed which was a 861(+6%) increase on the 4-year-average.
- 803 audit inspections of Industrial and Commercial Premises were carried out – a 0.6% decrease (5 fewer audits). 376 reactive audits were completed (+135/56%).
- 3,382 fires were recorded making up 45% of the total number of incidents. This is a 33% reduction in fires (-1,625) compared to 2022/23 and a 12% reduction (-481 fires) on 5-year-average. 689 were Primary Fires – a 20% reduction compared to 2022/23 (-170 incidents). 2,685 were Secondary Fires – a 35% reduction to 2022/23 (-1,453 incidents). 83% of all fires were Deliberate in nature.
- 35 accidents involving Brigade vehicles were recorded – an increase of 30% (+8) compared to 2022/23. 26 of these involved appliances and 12 were on blue lights.
- Response Standards:
 - Call answering: Target set at 7 seconds, Actual 6.23 seconds
 - Call Handling: Target 100 seconds, Actual 87 seconds
 - Building Fires 1st Appliance Target 7 Minutes, Actual 5.58 minutes
 - Building Fires 2nd Appliance Target 10 Minutes, Actual 8.05 minutes
 - RTC Target 8 Minutes, Actual 6.42 minutes
- Sickness Absence is 11.83 shifts per person compared to 9.9 Nationally. CFB is 20% higher year-to-date.
- There was an increase in Whole-time sickness levels at 12.31 shifts (9.5 shifts National average), Fire Control was up to 8 shifts (9.5 National average), Green Book at 12.42 shifts (8.6 National Average) and On-call staff sickness at 10.14 (13.1 national average).
- Total 6,499 Duty Days lost to Sickness Absence in 493 occurrences by 314 individuals.
- Total estimated cost of sickness absence April 2023 to January 2024 is £1.7m.

The Chair referred to the number of false alarm incidents and asked if the Brigade worked with businesses to reduce these. The CFO confirmed that the Brigade worked closely with the management of care homes, hospitals, student accommodation etc to address issues with reoccurring electrical faults. He added that the Brigade had the power to make a call out charge per incident although preferred to take an educational approach.

Councillor Kabuye asked whether the Brigade worked with partner agencies to address the number of suicides in the area. The CFO confirmed the Brigade worked with vulnerable people in their homes and could make referrals to agencies if crews recognised this risk. He confirmed the Brigade was part of the Teesside Suicide Prevention Group.

Mr McGrath acknowledged the many pro-active measures to reduce staff sickness and asked why it continued to increase. The CFO reported that mental health was the highest cause of absence and there had been a marked shift in resilience post-pandemic. He stated that while all sickness is genuine it is not acceptable and was a drain on resources and put a strain on other staff.

RESOLVED – that the report be noted.

87.2 Internal Audit Progress Report

The CFO presented the audits undertaken to date and highlighted the outcomes relating to limited/satisfactory assurance.

RESOLVED - that the progress made against the 2023/24 and 2023/24 Internal Audit Plans be noted.

87.3 Review of the Corporate Risk Register

Members considered the Corporate Risk Register (CRR) which had been reviewed by the Active Risk Team and the Executive Leadership Team in January 2024. The outcome of this review was detailed at Appendix 1 and the CFO referred Members to paragraph 4.4 which detailed the following changes:-

- New and Emerging Risks
 - Fire Control Mobilisation System
- Changes to Existing Risks
 - Fire Standards
- Risks to be deleted from the CRR
 - Power Disruption
 - Reinforced Aerated Autoclaved Concrete (RAAC)

RESOLVED – that Members noted the Corporate Risk Register, at Appendix 1.

87.4 Progress Against Revenue & Capital Budgets 2023/24

The Head of Finance (HoF) presented the current revenue budget position as at 31 December 2023 and reported a forecast year end underspend of £0.264m which was slightly higher than the previous forecast of £0.160m. She noted that this position reflected the external financial challenges and the Brigade's officers continued to manage budgets carefully managing vacant posts and deferring expenditure where this does not impact on operational delivery.

The HoF reported a forecast year-end outturn position of £3.005m underspend against a revised Capital Budget of £5.703m for 2023/24 (including £0.160m in-year investment projects) and a significant element of capital expenditure to be deferred to 2024/25. Members were referred to Appendix 2 for the progress for each project within the Capital Programme.

RESOLVED - that the position as at 31 December 2023 be noted.

88. REPORTS OF THE TREASURER

88.1 Treasury Management Strategy 2024/25 and 2023/24 Q3 Review

Members scrutinised the Treasury Management Strategy report which covered:

- Economic Background and Outlook for Interest Rates
- Treasury Management Strategy 2023/24 – 3rd Quarter Review
- Treasury Management Strategy 2024/25
- Borrowing Strategy 2024/25
- Investment Strategy 2023/24
- Minimum Revenue Provision and Interest Costs and other Regulatory Information 2024/25

88.1 Treasury Management Strategy 2024/25 and 2023/24 Q3 Review cont.

The Treasurer informed Members that the Bank of England Decision to retain the Base Rate at 5.25% suggested this would be the peak level and provided inflation continued to reduce during 2024 interest rates should begin to reduce. This will be critical to the Authority's borrowing for the AMP and for securing interest income to support the MTFS up to and beyond 2026/27.

RECOMMENDED – that the following be referred to the Fire Authority for approval at the meeting on 22 March 2024:

- i) **Note the 2023/24 Treasury Management third quarter position detailed in section 5.**
- ii) **Approve the prudential indicators outlined in Appendix A.**
- iii) **Borrowing Strategy 2024/25**
To note that in the event of a change in economic circumstances that the Treasurer may take out additional borrowing in advance of need if this secures the lowest long term interest cost.
- iv) **Investment Strategy 2024/25**
Approve the Counterparty limits as set out in paragraph 8.7.
- i) **Minimum Revenue Provision (MRP) Statement**
Approve the following MRP statement:
 - For capital expenditure incurred before 1st April, 2008 the Authority's MRP policy is to calculate MRP in accordance with former DCLG (Department for Communities and Local Government) Regulations. This is 4% of the Capital Financing Requirement except where the Authority makes Voluntary Revenue Payments (VRP) which is in excess of the amount required by these regulations, based on asset life;
 - From 1st April, 2008 the Authority calculates MRP based on asset life for all assets or where prudential borrowing is financed by a specific annuity loan, MRP will be calculated according to the actual annuity loan repayments;
 - The Treasurer may determine to make Voluntary Revenue Provision payments to reduce the Authority's overall CFR if it is in the best financial interests of the Authority.

88.2 Internal Audit Plan 2024/25

The Treasurer presented the Internal Audit Plan indicating the proposed coverage for 2024/25.

RECOMMENDED - that the report be noted.

88.3 Audit 2022/23 – Request for Declarations

The Treasurer presented Members with a proposed response to a letter received from the Director of the Authority's External Auditor Mazars regarding processes, arrangements and compliance with laws and regulations and the prevention and detection of fraud. The proposed response, attached at Appendix 1, included questions and arrangements for preventing and detecting fraud; questions about arrangements for complying with law and regulations; questions about the appropriateness of the going concern assumption.

88.3 Audit 2022/23 – Request for Declarations cont.

RESOLVED – that the letter at Appendix 1, outlining how the activities of the Committee comply with the International Auditing Standards, be approved and the Chair be authorised to respond accordingly to the external Auditor.

COUNCILLOR JIM BEALL
CHAIR