
CLEVELAND FIRE AUTHORITY

MINUTES OF AUDIT & GOVERNANCE COMMITTEE MEETING



21 FEBRUARY 2020

PRESENT: **VICE CHAIR:-** Councillor Naweed Hussain - Middlesbrough Council

HARTLEPOOL BOROUGH COUNCIL

Councillor Marjorie James

MIDDLESBROUGH COUNCIL

Councillors Teresa Higgins (sub), Ashley Waters

REDCAR & CLEVELAND BOROUGH COUNCIL

Councillor Billy Ayre

INDEPENDENT PERSONS

Mr Steve Harwood

Mr Paul McGrath

AUTHORISED OFFICERS

Chief Fire Officer, Director of Corporate Services, Treasurer, Legal
Adviser & Monitoring Officer

MAZARS

Mr Gavin Barker - Audit Director

Mr Ross Woodley - Audit Manager

IN ATTENDANCE

Head of Risk and Performance

APOLOGIES FOR ABSENCE: Head of Finance
Councillors Adam Brook, Norah Cooney - Redcar & Cleveland Borough
Councillor Stephen Thomas - Hartlepool Borough Council
Councillor William Woodhead - Stockton Borough Council

In accordance with Standing Order No. 35, Councillor Higgins substituted for Councillor Bill Woodhead.

107. DECLARATION OF MEMBERS INTERESTS

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

108. MINUTES

RESOLVED – that the Minutes of the Audit & Governance Committee held on 15 November 2019 be confirmed.

109. REPORTS OF MAZARS

109.1 Audit Progress Report – February 2020

The Audit Manager (AM) presented the Audit Progress Report which covered:

- 2019/20 Audit Progress
- National Publications
- Contact details

109.1 Audit Progress Report – February 2020

The Audit Manager (AM) reported that Mazars were midway through the interim audit and on schedule to complete by the end of March 2020.

He referred Members to the Home Office publication ‘Response times to fires attended by fire and rescue services: England, April 2018 to March 2019,’ and noted that Cleveland had the best response times in the country which had been maintained through years of austerity. He also acknowledged the positive outcomes of the Brigade’s HMICFRS inspection detailed within the ‘State of Fire and Rescue: The annual assessment of fire and rescue services in England, HMICFRS, January 2020’ report and noted that the recommendations were aligned to the findings of the Authorities self-assessment which would be addressed going forward with Cleveland falling into the top third of authorities.

RESOLVED - that the report be noted.

109.2 Audit Strategy Memorandum – year ending 31 March 2020

The Audit Director (AD) presented the Audit Strategy Memorandum for the year ending 31 March 2020 which included:

- Engagement and Responsibilities Summary
- Audit Scope, Approach and Timeline
- Significant Risks and Key Judgement Areas
- Value for Money
- Fees for Audit & other services
- Commitment to Independence
- Materiality and Misstatements

The AD informed Members that the ‘Fraudulent Revenue Risk’ detailed under Significant Risks would be rebutted as Cleveland’s revenue largely comprised of funding from central government, local council tax precept and revenue from the separately audited subsidiary. Total other funding was deemed only just material and would make fraud difficult to conceal.

The AD acknowledged the Brigade’s ‘really positive’ HMICFRS inspection report in the Value for Money Conclusion which gave Mazars good assurance around arrangements.

The AD reported that it was the view of Mazars that the work required was in addition to when the scale fee was set by PSAA and the audit fee for 2019/20 would be revisited following a consultation which was currently underway. He assured Members that any increase to fees would be fair and reasonable.

Members queried the additional fee and asked for Mazars to provide training to all CFA Members to provide greater understanding. The AD confirmed that it was not Mazars’ role to deliver training and that Members had received a briefing in the past.

Councillor James also suggested that all Members are offered some level of training on local pensions. Councillor Waters expressed interest in becoming a Member of the Local Pension Board.

109.2 Audit Strategy Memorandum – year ending 31 March 2020 cont.

The CFO confirmed that under current governance arrangements Members were appointed to the Local Pensions Board at the Annual Meeting and any training needs could be addressed through the Member Development Programme.

RESOLVED:-

- (i) that the report be noted.
- (ii) that any additional training needs be addressed in the Member Development Programme.

RESOLVED – That the report be noted

110. REPORTS OF THE CHIEF FIRE OFFICER

110.1 Organisational Performance & Efficiency Report April 2019 – January 2020

The Head of Risk and Performance (HoRP) outlined the performance of the Brigade for the period 1 April 2019 to 31 January 2020 which had been aligned to the Brigade's three Strategic Priorities. The report summaries are detailed below:

- Total incidents stand at 7324 an increase of 30 (+ 0.4%) compared to the same period last year.
- The largest increase is in Primary Fires which have seen an increase of 73(+13%) compared to 2018/19 followed by Secondary Fires (42 /1.4%) and Special Services (+49 / 5%).
- There have been 12,716 HFSVs completed in quarters 1, 2 and 3 - a reduction of 911 (7%) compared to 2018/19. Included within these HFSV were 1,700 Safe and Well Visits with 118 people referred to other agencies as a result of these visits.
- 1,267 inspections of Industrial and Commercial Premises an increase of 104 inspections (9%) on the same period last year.
- Accidental Dwelling Fires were 118 increase of 22 from 2018/19 with increases in Middlesbrough (+20) and Redcar and Cleveland (+7), decrease in Hartlepool (-5) and Stockton remaining the same. The main causes being cooking related (30%), electrical (20%),careless handling (18%) and radiated heat (12%).
- Deliberate Fires have increased by 200 (7%) compared to the same period in 2018/19. Included within these, 327 were deliberate primary fires (+ 14%) and 2644 deliberate secondary fires (+6%).
- Response Standards:

▪ Call answering:	Target set at 7 seconds, Actual 6.4 seconds
▪ Call Handling:	Target 100 seconds - Actual 84 Seconds
▪ Building Fires 1st Appliance	Target 7 Minutes, Actual 4.58 Minutes
▪ Building Fires 2nd Appliance	Target 10 Minutes, Actual 7.03 Minutes
▪ RTC	Target 8 Minutes, Actual 5.33 Minutes
- Sickness Absence - 2019/20 has seen an increase of 29% (1.67 shifts) from this same period last year. 4,106 duty shifts lost to sickness which were 307 separated occurrences by 238 individuals (average length of sickness was 13.3 shifts). There was an increase in sickness levels across all staff groups except Fire Control which was reduced by 24%, Wholetime +25%, Retained +42% and Green Book + 48%. Main causes of sickness absence are Mental Health +25% (1,015 shifts), Lower Limb 19% (775 shifts) and Upper Limb 10% (423 shifts). Sickness absence so far this year has cost the Brigade £928,539
- Violence to Staff Incidents – 38 incidents (increase from 25 in 2018/19).

110.1 Organisational Performance & Efficiency Report April 2019 – January 2020 cont.

- 10 RIDDOR incidents reported – 3 related to the incidents with Bravo 4 appliance and 4 related to incident in Thornaby.

Councillors Higgins and Waters raised concerns about firefighters being attacked on duty and the lack of support from the police. The CFO confirmed that the Brigade was due to launch a multi agency 'Arson Strategy' which would involve local partners signing an agreement to ensure this strategy works to pursue high profile prosecutions for arson.

Councillor Hussain referred to the level of false alarms and asked if these were businesses and what action the Brigade could take. The HoR&P confirmed these were automated industrial / commercial premises and Fire Control currently used Call Questioning to ascertain if there is a fire at the premises before mobilising. He added that the Brigade is currently consulting on the potential to levy charges for persistent offenders which cost £400 per call to attend. The CFO confirmed that feedback from the consultation to date was that the public was overwhelmingly supportive of the Brigade charging.

Councillor Hussain queried the increase in dwelling fires in Middlesbrough. The CFO confirmed he was discussing this issue with the Chief Executive to take bespoke measures for that area.

RESOLVED – That the report be noted

101.2 Internal Audit Progress Report

The CFO presented the audits undertaken to date and highlighted the outcomes relating to limited / satisfactory assurance. He also gave a position statement regarding the actions set out in the audit action plans.

RESOLVED:-

- (i) that the audit position of the completed 2018/19 Audits be noted.**
- (ii) that the progress made to date in the Internal Audit Plan 2019/20 be noted.**

102. REPORTS OF THE TREASURER

102.1 Treasury Management Strategy 2020/21

Members scrutinised the Treasury Management strategy 2020/21 which covered:
 Economic Background and Outlook for Interest Rates

- Interest Rate Forecasts
- Treasury Management Outturn Position 2018/19 and 2019/20 Mid Year Review
- Treasury Management Strategy 2020/21
- Borrowing Strategy 2020/21
- Investment Strategy 2020/21
- Minimum Revenue Provision and Interest Costs / Regulatory Information 2020/21
- Borrowing and Prudential Indicators

The Treasurer reported that the Strategy would be referred to the Fire Authority for approval at its meeting on 27 March 2020.

102.1 Treasury Management Strategy 2020/21 cont.

RECOMMENDED - that the following recommendations be referred to the Fire Authority for consideration at its meeting on 27 March 2020:-

- (i) That the 2018/19 Treasury Management outturn detailed in Section 5 and Appendix A be noted.
- (ii) That the 2019/20 Treasury Management mid-year position detailed in section 6 be noted.
- (iii) That the prudential indicators outlined in Appendix B be approved.
- (iv) **Borrowing Strategy 2020/21**
That Members noted 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.
- (v) **Investment Strategy 2020/21**
That Counterparty limits as set out in paragraph 9.8 be approved.
- (vi) **Minimum Revenue Provision (MRP) Statement**
That the following MRP statement be approved:
 - For capital expenditure incurred before 1st April, 2008 the Authority's MRP policy is to calculate MRP in accordance with former CLG Regulations. This is 4% of the Capital Financing Requirement except where the Authority makes Voluntary Revenue Payments 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.

102.2 Internal Audit Plan Report 2020/21

The Treasurer presented the Internal Audit Plan indicating the proposed coverage for 2020/21.

Mr Harwood asked for clarity on what advice and support was audited. The Treasurer confirmed this covered the whole range of advice and guidance received internally and externally.

RECOMMENDED

- (i) That the 2020/21 Internal Audit Plan be adopted
- (ii) That the Authority's Annual Governance Statement is reviewed at its meeting on 26 June 2020.

COUNCILLOR NAWEED HUSSAIN
VICE CHAIR