

CLEVELAND FIRE AUTHORITY

MINUTES OF AUDIT & GOVERNANCE COMMITTEE MEETING

22 NOVEMBER 2024

- PRESENT:**
- CHAIR:-** Councillor Mary Ovens - Redcar & Cleveland Borough Council
MIDDLESBROUGH
 Councillor John Kabuye
REDCAR & CLEVELAND BOROUGH COUNCIL
 Councillor Steve Kay
STOCKTON BOROUGH COUNCIL
 Councillors Jim Beall
INDEPENDENT PERSONS
 Mr Steve Harwood
 Mr Paul McGrath
AUTHORISED OFFICERS
 Chief Fire Officer, Treasurer, Legal Adviser & Monitoring Officer,
 Assistant Chief Fire Officer - Community Protection
BRIGADE OFFICERS
 Risk & Performance Officer
 Head of Finance & Procurement
AUDITORS – FORVIS MAZARS
 Mr James Collins – Audit Director and Engagement Lead
 Mr Jack Brown - Audit Engagement Manager
- APOLOGIES FOR ABSENCE:**
- Cllr Gary Allen - Hartlepool Borough Council
 Cllr Naweed Hussain – Middlesbrough Council
 Cllrs Stephan Houghton, Andrew Sherris – Stockton on Tees BC

61. **DECLARATION OF MEMBERS INTERESTS**
 It was noted no Declarations of Interest were submitted to the meeting.
62. **MINUTES**
RESOLVED – that the Minutes of the Audit & Governance Committee held on 23 August 2024 be confirmed.
63. **REPORT OF FORVIS MAZARS LLP**
 63.1 **2023/24 - Audit Strategy Memorandum**
 Members considered this report which covered the audit period year ending 31 March 2024 and detailed:
- Audit Scope & Timeline
 - Significant Risks & Key Judgement Areas
 - Value for Money Arrangements
 - Audit Fees
 - Confirmation of Independence
 - Materiality and Misstatements

63.1 2023/24 - Audit Strategy Memorandum cont.

Members highlighted the significant increase in Audit Fees proposed for 2023/24 (£96,153) compared to the £44,457 fee charged for 2022/23. The Audit Engagement Manager (AEM) informed the Committee that this fee was set by the Public Sector Audit Appointments (PSAA) Limited and reflected the regulatory focus and associated increased workload.

The Treasurer confirmed that despite the increase, using this framework was still the most cost-effective way and the higher fees were not unreasonable and reflected the increased scrutiny required by auditors.

The AEM gave assurances that no areas had been identified during the audit planning work that indicated any additional work would be required and confirmed that as Forvis Mazars was now also managing the Teesside Pension Fund audit it expected to have this assurance quicker than in previous years.

RESOLVED – That the report be noted.

64. REPORTS OF THE CHIEF FIRE OFFICER

64.1 Organisational Performance & Efficiency Report - April to September (Q2)

The Risk & Performance Officer (R&PO) gave a presentation outlining the performance of the Brigade for the period 1 April to 30 September 2024, which had been aligned to the Brigade's strategic goals, aims and associated outcomes.

The following key areas of performance were highlighted:

- Total incidents April to September 2024 (Q2) - 5,060 which was 2% more than the same period in 2023/24 and 1% fewer compared to 5 year average.
- Total fires for Q2 2023/24 were 2,601 (+8% on 2023/24 and - 6% on 5 year average) with Cleveland having the national highest rate for 2023/24.
- Total fire control calls were 6,931 (-1% to 2023/24 and -4% to 5 year average for the equivalent period).
- Total mobilisations were 7,260 which is an average of 20 mobilisations per shift and 1.4 per incident.
- Deliberate vehicle fires at 168 incidents were up 31% (23 incidents) compared to 2023/24 and 30% on five year average (+39 incidents).
- Deliberate dwelling fires were up 11% (4 incidents) to 2023/24 with a total of 40 fires reported. Cleveland remained highest national rate for 2023/24.
- Deliberate secondary fires totalled 1,905 incidents and were up 9% (161 incidents recorded compared to 2023/24) and down 10% on 5 year average (-202 incidents).
- Deliberate primary fires totalled 278 incidents to date which was 7% increase to 2023/24 (17 incidents) and 12% up on 5 yr average (+29 incidents).
- Secondary fires saw a 10% increase with 2,141 incidents reported (+189 incidents to 2023/24) and 7% decrease on 5 year average (-158 incidents).
- Accidental Dwelling fires totalled 82 incidents for Q2 which was a 13% reduction (12 incidents) to 2023/24 and 6% reduction on 5 year average (-5 incidents).
- Primary Fires totalled 459 incidents which was 1% decrease (-3 incidents) on 2023/24 and 2% increase on the 5 year average (+8 incidents).
- There have been 18,479 Safer Homes Visits completed with 11,281 interventions which was a 19% increase to 2023/24 and 31% increase on the 5-year-average.

64.1 Organisational Performance & Efficiency Report - April to September (Q2) cont.

- 507 Audits (including attempted audits) of Industrial and Commercial Premises were carried out which was a 34% decrease to 2023/24.
- 2,601 fire incidents were attended making up 51% of the total number of incidents. This is a 8% increase compared to 2023/24 and a 6% reduction on 5-year-average.
- 2,459 non-fire incidents were attended making up 49% of all incidents. This is a 3% reduction to 2023/24 and 4% increase on 5 year average.
- Sickness Absence is 5.43 shifts per person which is a decrease of 21% to 2023/24 (-1.48 shifts) and an increase of 1% (0.03 shifts) compared to the 5 year average. It is a 6% increase on the 5.10 shift per person target.
- There was a decrease in sickness across Wholetime (-21% on equivalent period for 2023/24 and -2% on the 5 year average), Fire Control (-16% on 2023/24 and -35% on 5 year average) and On-Call (-65% on 2023/24 and 35% on 5 year average) with increases for Green Book sickness (+21% on 2023/24 and +31% on 5 year average).
- Total 2,910 Duty Days lost to Sickness Absence by 209 individuals.
- Response Standards:

- Call answering:	Target set at 7 seconds, Actual 6.05 seconds
- Call Handing:	Target 100 seconds, Actual 83 seconds
- Building Fires 1st Appliance	Target 7 Minutes, Actual 6.01 minutes
- Building Fires 2nd Appliance	Target 10 Minutes, Actual 7.51 minutes
- RTC	Target 8 Minutes, Actual 6.53 minutes

The Chair thanked the R&PO for the detailed report and highlighted the improvement in sickness levels.

Cllr Beall expressed concern that 84% off all fires were classified as 'deliberate' in nature and asked whether there was any deeper analysis on the causes to address the problem. The CFO noted that Cleveland's problem with deliberate fires was at a level he had never experienced before and that deprivation, poverty, crime and using fire as a weapon all posed a real challenge for the area and this was also reflected in the levels of violence to crews.

The Assistant Chief Fire Officer – Community Protection (ACFO-CP) reported that using body worn cameras was supporting successful prosecutions and a piece of work was being undertaken by the Head of Finance and Procurement to set out the true cost to the Brigade from having appliances off the run and staff sickness due to violence to staff incidents.

Councillor Kabuye asked how the Brigade sets its targets and how it tests whether they were challenging enough. The R&PO outlined the methodology used and gave assurances that the Brigade compared itself to other fire services in the family group to ensure its targets were aligned and could be adjusted if necessary.

RESOLVED - That the report be noted.

64.2 Annual Statement of Assurance 2023/24

Members reviewed and scrutinised the Authority's Annual Statement of Assurance for the year ending 31 March 2024, attached at Appendix 1, in line with the requirements of the Fire and Rescue National Framework for England (2018).

64.2 Annual Statement of Assurance 2023/24 cont.

The Chief Fire Officer (CFO) highlighted the new look of the document, specifically the Annual Performance Summary for 2023/24 at page 13, which satisfied the requirements for a light touch accessible format which he intends to replicate in the next iteration of the Community Risk Management Plan (CRMP) covering the period 2026-2030.

The Report also provided an overview of legislative responsibilities, documents key progress against priorities set out in the CRMP 2022-26, and details future plans to provide public assurance.

The Chair commended the new style of the report and welcomed the move away from acronyms and towards a more accessible format.

The Legal Adviser and Monitoring Officer informed Members that following scrutiny the report would be considered by the Fire Authority at its meeting on 6 December 2024 for full approval prior to publication.

RECOMMENDED - That the Annual Statement of Assurance 2023/24 be recommended for approval by the Fire Authority at its meeting on 6 December 2024.

64.3 Internal Audit Progress Report

The CFO presented the audits undertaken to date and highlighted the outcomes relating to limited/satisfactory assurance. These included the following from the 2024/25 audit programme: Budgetary Control; Creditors; Loans and Investments; Main Accounting; and Retained Firefighters which all received Satisfactory Assurance.

The Head of Finance & Procurement (HoF&P) confirmed that the only action from these audits was against the Creditors and gave assurance that this was now complete.

Councillor Kabuye asked about the progress of the other audits which were on the programme for 2024/25. The HoF&P confirmed that the programme had been agreed by this committee in February this year and the outcome of audits currently underway would be reported at the next meeting.

RESOLVED - that the progress made against the 2023/24 and 2024/25 Internal Audit Plans be noted.

64.4 Progress Against Revenue and Capital Budgets 2024/25

The HoF&P presented the current position as at 30 September 2024 and reported that since the budget was set there had been some recovery in the financial environment although inflation has remained high and one year Government grant allocations continue.

She reported that the Grey Book pay award was budgeted at 3% but agreed by the FBU at 4% which increases recurring costs by £0.217m. These can be managed within the budget for 2024/25 however will increase the forecast deficit by £0.217m for 2025/26.

64.4 Progress Against Revenue and Capital Budgets 2024/25 cont.

The Green Book Pay Award of £1,290 up to ScP43 and 2.5% above had been accepted and would be reported in the Quarter 3 report. This represents £28,000 less than provided for in the budget.

The overall revenue position, detailed at Appendix 1, reflects:

- Current underspend in pay budgets owing to occupancy levels
- Phasing of commitments on premises, supplies and services and transport costs
- Income running ahead of budget
- Receipt of unbudgeted Section 31 Grant in connection with McCloud Pension Remedy Work.

This underspend will strengthen the Authority's financial position and robust budget management decisions will continue throughout the 2024/25 monitoring period.

The HoF&P reported a Capital forecast outturn position of £1.841m underspend with actual spending as at September of £0.735m with a further £6.206m forecast by the end of the financial year. This consists of three elements (overspend, underspend and rephased from 2024/25 to 2025/26) and progress for each project within the Capital Programme was detailed at Appendix 2 of the report.

The Chair thanked the HoF&P for the detailed update and recognised the difficulties the Authority continues to face from having to plan around one year settlements. The CFO informed the Committee that he had attended a HMICFRS Chief and Chairs event recently where the fire minister had indicated that fire and rescue services may be allocated two-year settlement from 2025/26.

RESOLVED - that the position as at 30 September 2024 be noted.

65. REPORT OF THE TREASURER

65.1 Treasury Management Strategy Update 2024/25

The Treasurer provided a review of Treasury Management activity for 2023/24, including the 2023/24 outturn Prudential Indicators, and provided a second quarter update of 2024/25 Treasury Management activity. This covered:

- Economic Background and Outlook for Interest Rates
- Capital Expenditure and Financing 2023/24
- Prudential Indicators and Compliance Issues 2023/24 (Appendix A)
- Regulatory Framework, Risk and Performance 2023/24
- Treasury Management Strategy 2024/25 – 2nd Quarter Review
- Investment Strategy (Appendix B)
- Borrowing Strategy

The Treasurer reported the significant challenges of Treasury Management in the current economic environment with inflation remaining uncertain amid changing international events. He assured Members that this strategy managed those risks and minimised costs to the Authority to fund the Asset Management Plan and secured temporary investment income to support the Medium Term Financial Strategy.

65.1 Treasury Management Strategy Update 2024/25 cont.

Councillor Kay thanked the Treasurer for putting Treasury Management in the context of worldwide events.

Councillor Kabuye asked in what circumstances the Authority's prudential indicators would be breached. The Treasurer reported that as the Authority's budgets and income was relatively fixed it was unlikely these would be breached.

Councillor Beall asked for reassurance that the Authority's investments were secure. The Treasurer confirmed that as the money was mainly invested with banks there was minimal risks.

RECOMMENDED:-

- (i) That the 2023/24 Treasury Management outturn detailed in Section 4 and Appendix A be noted.**
- (ii) That the 2024/25 Treasury Management mid-year position detailed in section 5 be noted.**
- (iii) That the Investment Strategy in Section 3 and Appendix B be noted.**

**COUNCILLOR MARY OVENS
CHAIR**