
CLEVELAND FIRE AUTHORITY

MINUTES OF AUDIT & GOVERNANCE COMMITTEE MEETING



19 NOVEMBER 2021

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

HARTLEPOOL BOROUGH COUNCIL

Councillor Ben Clayton

MIDDLESBROUGH COUNCIL

Councillor Jon Rathmell

REDCAR & CLEVELAND BOROUGH COUNCIL

Councillor Cliff Foggo

STOCKTON ON TEES BOROUGH COUNCIL

Councillors Lynn Hall (Sub), Steve Matthews

INDEPENDENT PERSONS

Mr Steve Harwood

Mr Paul McGrath

AUTHORISED OFFICERS

Chief Fire Officer, Treasurer, Legal Adviser & Monitoring Officer

Assistant Chief Fire Officer - Community Protection

MAZARS

Audit Director

IN ATTENDANCE

Head of Risk and Performance

Head of Finance and Procurement

APOLOGIES Councillor Tom Cassidy - Hartlepool Borough Council
FOR ABSENCE: Councillors Adam Brook, Billy Ayre-Redcar & Cleveland Borough Council
Assistant Chief Fire Officer - Strategic Planning & Resources

In accordance with Standing Order No. 35 Councillor Lynn Hall substituted for Councillor Tom Cassidy.

67. DECLARATION OF MEMBERS INTERESTS

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

68. POINT OF ORDER

Councillor Foggo raised a point of order in relation to Standing Order No.33 regarding the recent resignation of the Audit & Governance Committee Chair. The Legal Adviser and Monitoring Officer (LAMO) clarified that in such circumstances the role defaults to the Vice Chair in unison with the appointments made at the Authority's Annual Meeting in June.

68. POINT OF ORDER cont.

The LAMO confirmed that he was awaiting confirmation from Middlesbrough Council of the new Member and once appointed, if the Committee wished to appoint a new chair prior to the next Annual Meeting, this would need to be considered by the full Authority.

Members requested that this be made clearer in the Constitution and that this issue is considered by the full Authority on 10 December 2021.

The LAMO confirmed that the Constitution would be updated prior to the Annual Meeting and it was his intention to call for proposals by Members of constitutional changes they wished to be considered. A note would be circulated to Members with consideration of changes at the next Committee meeting, which was presently scheduled for February 2022.

RECOMMENDED – that the full Authority consider the Audit and Governance Committee Chair vacancy at the meeting on 10 December 2021.

69. MINUTES

RESOLVED – that the Minutes of the Audit & Governance Committee held on 27 August 2021 be confirmed.

70. REPORTS OF CHIEF FIRE OFFICER

70.1 Organisational Performance & Efficiency Report April – September 2021

The Head of Risk and Performance (HoRP) outlined the performance of the Brigade for the period 1 April 2021 to 31 October 2021 which had been aligned to the Brigade's performance assessment framework.

Members received a presentation of current performance compared with 5 year averages to account for the impact of the Covid-19 pandemic and give the direction of travel. Key areas are highlighted below:

- Total incidents were 5877 – an increase of 271 (+4.8%) compared to 5 year average. These comprised of: Primary Fires 526 (9%); Secondary Fires 2590 (44%); False Alarms 1826 (31%) and Special Services 897 (15%).
- There have been 11943 Safer Homes Visits completed and risk reduction advice provided – an increase of 3132 (36%).
- 1057 inspections of Industrial and Commercial Premises were carried out – an increase of 525 (+101%).
- Accidental Dwelling Fires had increased by 35 incidents to 114 – a 44% increase on the 5 year average and 23% increase on 2021/21 (21). Middlesbrough had 20 incidents (+43%); Hartlepool 12 (+25%); Stockton 22 (+49%) and Redcar and Cleveland had 5 (-34%). The main causes being electrical (23%); cooking (22%) and careless handling (20%).
- 2713 Deliberate Fires were recorded – an increase of 584 incidents (27%) on the five year average. 284 were Deliberate Primary Fires (+13%) and 2429 were Deliberate Secondary Fires (+29%). Main cause of Deliberate primary fires was vehicles (152 / 54%) and Deliberate secondary was refuse (1,621 / 60%).
- Violence to staff – 42 incidents recorded - 56% increase (15 incidents) on five year average and 45% (13 incidents) compared to 2020/21 which is a direct correlation to the increase in deliberate fires.

70.1 Organisational Performance & Efficiency Report April – September 2021 cont.

- Response Standards:
 - Call answering: Target set at 7 seconds, Actual 6.2 seconds
 - Call Handling: Target 100 seconds, Actual 82 Seconds
 - Building Fires 1st Appliance Target 7 Minutes, Actual 4.55 Minutes
 - Building Fires 2nd Appliance Target 10 Minutes, Actual 6.54 Minutes
 - RTC Target 8 Minutes, Actual 5.26 Minutes
- Sickness Absence (including Covid related sickness absence) was 5.37 shifts per person – an increase of 1.54 shifts (40%) compared to 5 year average of 3.83 shifts. Total 2819 shifts lost to sickness including 250 duty shifts for Covid related absence. This equates to Whole time 5.51 shifts per employee (+46%); Retained 2.48 (-30%); Control 6.51 shifts (+185%) and Greenbook 6.59 shifts (+56%). Two thirds of the workforce had no sickness absence in the last year.

Paul McGrath asked how the Brigade manages to deliver six times more Home Safety Visits than other fire and rescue services and commended this effort. The CFO confirmed that Cleveland had continued to deliver Home Safety Visits on a risk basis throughout the pandemic when other services had not.

Steve Harwood commended the Brigade for the level of risk-based inspections of commercial premises carried out. The CFO confirmed that the government and HMICFRS was currently very focused on productivity and the Brigade had seen growth in both enforcement and prosecutions of businesses operating outside of the regulation reform area.

Councillor Foggo referred to violence to staff incidents and asked whether any prosecutions had taken place. The CFO confirmed that there had been a recent successful prosecution and the Brigade continued to work closely with Cleveland Police to pursue every perpetrator of violence to staff.

Councillor Clayton asked what the causal factors of deliberate fire setting were. The CFO reported a regional problem with deliberate fires and that research by Durham University had been jointly commissioned to explore this issue. He added that for the Brigade 86% of every fire is deliberate or arson which was an unrivalled statistic globally with clear links to organised serious crime. He added that arson was a blight on our communities that needed to be eradicated and any outcomes from the research would be shared with Members.

RESOLVED – that the report be noted

70.2 Annual Statement of Assurance 2020/21

Members scrutinised the Annual Statement of Assurance 2020/21 outlined at Appendix 1 of the report, 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.

Mr Harwood commended the report for highlighting the work of the Brigade and asked for clarity on why it referred to the Health & Safety at Work Act 1974. The CFO confirmed that this was a key piece of legislation which provides operational assurance.

70.2 Annual Statement of Assurance 2020/21 cont.

The LAMO added that this also covers people coming onto the premises and forms part of the Brigade's 'Safe Place to Work' commitment.

Councillor Foggo sought assurance that the Brigade's cyber security arrangements were sufficient in light of Redcar & Cleveland Borough Council's costly cyber attack. The CFO confirmed that as a learning organisation, the Brigade had considered Redcar's experience and he had been given assurance that as part of the critical national infrastructure, it had robust cyber security systems in place and sufficient insurance cover.

RECOMMENDED – That the Executive Committee consider and approve the Annual Statement of Assurance 2020/21 (Appendix 1) at its meeting on 26 November 2021.

70.3 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 2020/21 Audits be noted.**
- (ii) that the progress made to date in the Internal Audit Plan 2021/22 be noted.**

70.4 Progress Against Revenue and Capital Budgets 2021/22

The Head of Finance (HoF) presented the current position as at 30 September 2021 and informed Members of the forecasted outturn position which shows a net underspend of £1.506m. She confirmed that this included £0.509m employee costs underspend owing to: under establishment across all pay groups; planned recruitment for further retained recruits course in January 2022; £0.068m relating to the difference between the 1.5% Grey Book pay award and the assumed 2% provision; assumed 2% pay award for Grey Book staff – negotiations still underway, as detailed at Appendix 1.

The HoF reported a forecast outturn position of £0.526m underspend against a Capital Budget of £2.308m for 2021/22 and referred Members to Appendix 2 for the progress for each project within the Capital Programme, with no significant issues to report.

RESOLVED - that the position at 30 September 2021 be noted.

71. REPORT OF THE TREASURER

71.1 External Auditor Appointment

Members considered the issues in relation to appointing an external auditor in respect of the application of the Local Audit and Accountability Act 2014 and the Local Audit (Appointing Person) Regulations 2015. The Treasurer outlined the proposed timetable for opting in to the procurement arrangements and the associated benefits.

RECOMMENDED - That at its meeting on 10 December 2021, the Authority approve the continued membership of the Public Sector Auditor Appointments (PSAA) for the provision of external audit services in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Local Audit (Appointing Person) Regulations 2015.

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

The Treasurer presented the Final 2020/21 Financial Report, as detailed at Appendix 1, and informed Members that as agreed by the Authority on 30 July 2021 it would be presented to the Executive Committee at its meeting on 26 November 2021 for approval.

The Audit Engagement Lead (AEL) outlined the key areas of the Audit Completion Report at Appendix 2 which covered:

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

The Audit Director 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 in time for the 2021/22 audit cycle.

The AEL 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 would be completed by the end of December / early January and did not anticipate any significant weaknesses in the Authority.

He confirmed that a Draft Audit giving an unqualified opinion on the financial statements would be presented to the Executive Committee on 26 November 2021 for approval.

Mr McGrath noted that the recruitment issues for Mazars may take several years to rectify. The AEL confirmed that Mazars had recruited 300 new staff in September and had also explored the global market. He gave assurances that staff shortages had not impacted the standard of audit work being carried out by Mazars.

RECOMMENDED – That the Final 2020/21 Financial Report be approved by the Executive Committee on the 26 November 2021.

72. ANY OTHER BUSINESS

72.1 NJC Negotiations – Green Book

The CFO provided Members with an update on Unison's intention to hold a strike ballot and confirmed that while the impact on the Brigade would be minimal business continuity arrangements would be reviewed.

72.2 Operational Incident

The CFO updated Members on the ongoing incident at Biomass Power Station Plant, Grangetown. He confirmed that CFB was no longer on protective standby and had exited the site, which was now a controlled burn.

COUNCILLOR NAWEED HUSSAIN
VICE CHAIR