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# CLEVELAND FIRE AUTHORITY

## MINUTES OF AUDIT & GOVERNANCE COMMITTEE MEETING



**24 FEBRUARY 2023**

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**PRESENT:**

**CHAIR:-** Councillor Steve Matthews JP - Stockton Borough BC  
**HARTLEPOOL BOROUGH COUNCIL**  
Councillors Angela Falconer, Leisa Smith  
**REDCAR & CLEVELAND BOROUGH COUNCIL**  
Councillor Julie Craig  
**INDEPENDENT PERSONS**  
Mr Steve Harwood  
Mr Paul McGrath  
**AUTHORISED OFFICERS**  
Treasurer, Legal Adviser & Monitoring Officer  
Assistant Chief Fire Officer - Community Protection  
**MAZARS**  
Mr Gavin Barker - Audit Engagement Lead

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

**APOLOGIES FOR ABSENCE:** Chief Fire Officer  
ACFO – Strategic Planning & Resources  
Joanne Greener – Audit Manager, Mazars  
Councillor Teresa Higgins - Middlesbrough Council  
Councillor Billy Ayre - Redcar & Cleveland Borough Council

**101. DECLARATION OF MEMBERS INTERESTS**

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

**102. MINUTES**

**RESOLVED – that the Minutes of the Audit & Governance Committee held on 18 November 2022 be confirmed.**

**103. REPORT OF MAZARS**

**103.1 Audit Progress**

The Audit Engagement Lead (AEL) presented a verbal update to the committee which covered:

2020/21 Audit - this is still outstanding due to the National Audit Office reserving the right to ask for additional work on whole of government accounts. Once this is confirmed this audit can be closed and published on the Brigade website.

### **103.1 Audit Progress cont.**

2021/22 Audit - Mazars presented the draft Audit Completion Report to this committee on 18 November 2022 and reported that the auditor assurance was outstanding. Teesside Pension Fund Auditors were seeking to provide this assurance by early December but this was now expected by the end of February 2023.

The AEL confirmed that Mazars had received an indication that the only likely outcome was a 0.7% overstatement of pension fund assets. This equated to around £267k which was not considered significant and was well below the Authority's £774k materiality threshold. The Treasurer confirmed that this amount did not affect the Authority's reserves.

Councillor Falconer asked whether the Teesside Pension Fund worked to statutory deadlines. The AEL confirmed that it did but there was no financial penalty for failing to meet the deadline and cited resource issues for causing the delays.

The AEL reported that he hoped to be in a position to bring the full accounts to the Authority meeting on 24 March for approval and sign off and acknowledged that there were no issues with the Value for Money arrangements for 2021/22 and he viewed the recent HMICFRS Inspection report to be an excellent reflection of Cleveland.

2022/23 Audit - the AEL confirmed that the statutory timetable would be moving back to 30 September from 30 November without any improvements in the environmental conditions and considered the latter deadline to be more realistic.

Mr McGrath asked whether there was still a national shortage of auditors. The AEL confirmed that was still the case with firms struggling to recruit experienced auditors.

**RESOLVED – That the verbal update be noted.**

The Audit Engagement Lead left the meeting

## **104. REPORTS OF THE CHIEF FIRE OFFICER**

### **104.1 Organisational Performance Report April – December 2022**

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

The presentation highlighted the following key performance:

- Total incidents were 9,119 (+1,791/24%) compared to the 5-year average for the equivalent period. Total mobilisations were 13,441.
- Special Services were up 14% with 1,295 incidents recorded.
- Secondary Fires saw the largest increase with 4136 incidents reported (+45%).
- Primary Fires were up 10% with 871 incidents and False Alarms were up 30% at 2749 incidents.
- There was a 25% increase in Emergency Calls to Fire Control (+2,603 incidents) with a total 13,168 calls taken in comparison to the 5-year average.
- There have been 30,087 Safer Homes Visits targeted with 17,587 completed which was a 3,511 (25%) increase on the 3-year-average.

#### **104.1 Organisational Performance Report April – December 2022 cont.**

- 713 audit inspections of Industrial and Commercial Premises were carried out – a 19% decrease (172 fewer audits) compared to 3-year average.
- Dwelling Fires had increased by 8% to 258 incidents (+19) compared to 2021/22 but CFB still remained one of the lowest rates in the country with the fastest response time. Of the 258 Dwelling Fires 193 were Accidental Dwelling Fires (ADFs) and 65 Deliberate Dwelling Fires (DDFs).
- Compared to the 5 year average there was a 24% increase in Dwelling Fires in Middlesbrough with 77 incidents (+15), Hartlepool up 14% to 42 (+5), Stockton of 41% to 79 (+23) and Redcar and Cleveland of 58% to 60 incidents (+22). The main causes being radiated heat (63 incidents – 37% increase); electrical (52 incidents – 27% increase) and smoking materials (30 incidents – 16% increase).
- There have been 2 Dwelling Fire Fatalities and 15 Dwelling Fire Injures.
- Deliberate Fires have increased by 42% (1,261 incidents) to 4,243 compared to the 5-year average. Included within these, 460 (11%) were deliberate primary fires an increase of 106 incidents (30%) on the 5-year average. 3,783 (89%) were deliberate secondary fires an increase of 44% (+1,155 incidents) compared to 5-year-average. Main causes were vehicles (247 / 54% of all deliberate primary fires) and refuse (2,130 / 56% of all deliberate secondary fires).
- 247 Deliberate Vehicle Fires (DVF) – 31% increase on 5-year average (+59) and up 12% compared to 2021/22 (+26 incidents)
- 45% increase in Stockton DVFs with 74 (+23) incidents recorded.
- 4% decrease in Middlesbrough DVFs with 73 recorded (-3).
- 41% increase in Hartlepool DVFs with 48 incidents (+14).
- 13% decrease in Redcar DVFs with 52 incidents (-8).
- 40 Violence to Staff incidents were recorded – 33% reduction compared to 2021/22 (-20 incidents) however Cleveland has one of highest rates in the country.
- Response Standards:
  - Call answering: Target set at 7 seconds, Actual 6.38 seconds
  - Call Handing: Target 100 seconds, Actual 79 seconds
  - Building Fires 1st Appliance Target 7 Minutes, Actual 5.19 minutes
  - Building Fires 2nd Appliance Target 10 Minutes, Actual 7.30 minutes
  - RTC Target 8 Minutes, Actual 5.34 minutes
- Sickness Absence is 10.63 shifts per person – an increase of 45% (3.28 shifts per person) compared to 5-year-average (7.35 shifts). 5707 duty days lost to sickness in 588 occurrences by 355 individuals. Average length of sickness was 9.7 shifts per occurrence.
- There was an increase in sickness levels across all staff groups with Whole-time at 11.25 shifts lost per person, Fire Control at 19.64 shifts, Retained at 5.17 shifts (costing £77k) and Green Book at 12.01 shifts. Total estimated cost of sickness absence April to January 2023 is £1.3m.

The Chair acknowledged the high levels of sickness absence and asked if there was any recognition for staff with zero sickness. The HoRP confirmed that the Chief Fire Officer (CFO) writes to staff to recognise this achievement and this is also acknowledged during staff appraisals.

The Chair asked if the five minute response time for retained firefighters could be altered to improve the 65% achievement against a 100% target. The Assistant Chief Fire Officer – Community Protection (ACFO-CP) confirmed this was an issue for the Brigade and analysis was currently underway to consider alternative configuration options.

**104.1 Organisational Performance Report April – December 2022 cont.**

Councillor Craig asked how the Brigade intended to tackle the growing number of deliberate fires and anti-social behaviour issues and whether it had the resources to deliver what was needed. The ACFO-CP confirmed that Northumbria University had been commissioned to research why the North-East suffers such high rates of arson and anti-social behaviour. This concluded that a combination of socio-economic factors, including deprivation, unemployment, crime and health were all factors and a multi-agency approach was needed to tackle the problem. In order to achieve this the Brigade: established an Arson Reduction Strategy with its partners; signed up to 'FireStoppers' for the public to anonymously report fires; jointly appointed a Fire Investigator post with Cleveland Police; sits on the Cleveland Unit for Violence Reduction (CURV) – the multi-agency group focussed on establishing a violence reduction strategy to prevent and reduce serious violence in Cleveland.

Mr Harwood asked what percentage of accidental dwelling fires had alarms fitted. The HoRP confirmed that up to 31 December 2022, 38% had been subject to a Safer Homes visit during the previous 5 years.

Councillor Falconer asked if deliberate rubbish fires had increased since local authorities introduced appointment-only access to recycling centres during pandemic. The ACFO-CP confirmed that this type of fire had been consistent throughout.

**RESOLVED – that the report be noted.**

**104.2 Review of the Corporate Risk Register**

Members considered the Corporate Risk Register (CRR) which had been reviewed by the Active Risk Team in January 2023 and by the Executive Leadership Team in February 2023. The outcome of this review was detailed at Appendix 1 and the ACFO-CP referred Members to paragraph 4.4 which detailed the following changes:-

- New and Emerging Risks
  - Public Perception
  - Social Unrest and Public Disorder
  - Power Disruptions
- Changes to existing risks - none
- Risks to be deleted from CRR - none

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

**104.3 Internal Audit Progress Report**

The ACFO-CP 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 progress made to date in the Internal Audit Plan 2022/23 be noted.**

#### **104.4 Progress Against Revenue & Capital Budgets 2022/23**

The ACFO-CP presented the current revenue budget position as at 31 December 2022, as detailed at Appendix 1, and informed Members that the forecasted outturn position was an overspend of £0.067m. This position reflected the uncertain financial environment with inflation significantly impacting gas, electric and fuel costs. In addition, the Green Book pay award had resulted in an unbudgeted additional annual income of £0.162m. The current Grey Book offer of 7% and 5% over two years is currently out to ballot and if accepted will result in an unbudgeted in-year cost of £0.694m and a full year unbudgeted cost of £0.967m.

The ACFO-CP reported that a revised Asset Management Plan with a Capital Budget of £2.946m for 2022/23 was approved by the Authority in February 2023, with £1.212m deferred to 2023/24. All schemes now include additional inflationary factors, as detailed at Appendix 2.

**RESOLVED - that the position at 31 December 2022 be noted.**

#### **105. REPORTS OF THE TREASURER**

##### **105.1 Treasury Management Strategy 2023/24**

Members scrutinised the Treasury Management Strategy 2023/24 which covered:

- Economic Background and Outlook for Interest Rates
- Interest Rate Forecasts up to March 2026
- Treasury Management Strategy 2023/24
- Borrowing Strategy 2022/23
- Investment Strategy 2023/24
- Minimum Revenue Provision and Interest Costs / Regulatory Information 2023/24
- Borrowing and Prudential Indicators

The Treasurer reported that the Strategy would be referred to the Fire Authority for approval at its meeting on 24 March 2023.

**RECOMMENDED - That the following recommendations be referred to the Fire Authority for approval at its meeting on 24 March 2023:**

- (i) That the 2021/22 Treasury Management outturn detailed in Section 5 and Appendix A be noted.
- (ii) That the 2022/23 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 2023/24**  
That Members 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.
- (v) **Investment Strategy 2023/24**  
That the Counterparty limits as set out in paragraph 9.8. be approved.

**105.1 Treasury Management Strategy 2023/24 cont.**

**(i) Minimum Revenue Provision (MRP) Statement**

**That Members approve the following MRP statement:**

- **For capital expenditure incurred before 1<sup>st</sup> 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 1<sup>st</sup> 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.**

**105.2 Internal Audit Plan Report 2023/24**

The Treasurer presented the Internal Audit Plan indicating the proposed coverage for 2023/24.

**RECOMMENDED - that the report be noted.**

**COUNCILLOR STEVE MATTHEWS JP  
CHAIR**