
CLEVELAND FIRE AUTHORITY

MINUTES OF AUDIT & GOVERNANCE COMMITTEE MEETING



25 AUGUST 2023

- PRESENT:**
- CHAIR:** - Councillor Steve Kay - Redcar & Cleveland Borough Council
 - MIDDLESBROUGH BOROUGH COUNCIL**
Councillor Dennis McCabe
 - 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
 - MAZARS**
Mr Gavin Barker - Audit Engagement Lead
- IN ATTENDANCE**
Head of Risk & Performance
Head of Finance & Procurement
Head of Internal Audit – Hartlepool Borough Council
- APOLOGIES FOR ABSENCE:**
- Assistant Chief Fire Officer - Community Protection
 - Councillor Henry Ashton - Hartlepool Borough Council
 - Councillors Naweed Hussain, John Kabuye - Middlesbrough Council
 - Councillor David Taylor - Redcar & Cleveland Borough Council
 - Councillors Jim Beall - Stockton-on-Tees Borough Council

16. DECLARATION OF MEMBERS INTERESTS

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

17. MINUTES

RESOLVED – that the Minutes of the Audit & Governance Committee held on 30 June 2023 be confirmed.

18. REPORT OF MAZARS

18.1 Audit Progress Report

The Audit Engagement Lead (AEL) updated Members on the progress of the 2022/23 Audit and outlined the reasons for delays in closing the 2020/21 and 2021/22 audits. He also included details of the 2023/24 survey 'Fiscal Pressure and Inflation challenges for the public & social sector' and outlined national publications from:

18.1 Audit Progress Report cont.

- Chartered Institute of Public Finance & Accountability (CIPFA) - Bulletins
- National Audit Office (NAO)
- Department for Levelling-Up, Housing & Communities (DLUHC)
- Institute for Chartered Accountants in England & Wales (ICAEW) - Vision for Local Audit
- Public Interest Report - Croydon Council

The Chair expressed his concern at the level of progress being made. The AEL confirmed that delays were not related to the Authority but were being caused by technical accounting issues which are being experienced nationally.

RESOLVED – that the Audit Progress Report be noted.

19. REPORTS OF THE CHIEF FIRE OFFICER

19.1 Organisational Performance Report April – June 2023

The Head of Risk and Performance (HoRP) gave a presentation outlining the annual performance of the Brigade for the period 1 April - 30 June 2023, 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 3,461 (+67 / 2%) compared to the 5-year average for the equivalent period. Total mobilisations were 5,300.
- Special Services were up 17% with 590 incidents recorded.
- Secondary Fires saw a decrease with 1,454 incidents reported (+42%).
- Primary Fires were up 10% with 317 incidents and False Alarms were up 31% with 1,077 incidents.
- There was a 1% reduction in Emergency Control Calls (-56 incidents) with a total 4,815 calls taken in comparison to the 5-year average.
- There have been 11,183 Safer Homes Visits targeted with 6,628 completed which was a 990 (18%) increase on the 4-year-average.
- 258 audit inspections of Industrial and Commercial Premises were carried out – a 28% decrease (98 fewer audits). 123 Building Regulation and Licencing Consultations were completed.
- 1,771 fires were recorded making up 51% of the total number of incidents. This is a 30% reduction in fires (771) compared to 2022/23 and a 6% reduction (108 fires) on 5-year-average. 317 were Primary Fires – a 17% reduction compared to 2022/23 (- 64 incidents). 1,454 were Secondary Fires (48% reduction to 2022/23 (-705 incidents).
- Dwelling Fires made up 27% of Primary Fires with 87 incidents; Industrial & Commercial was 7% with 22 fires and Vehicles 38% with 119 incidents.
- 15 Brigade vehicle accidents were recorded – an increase of 36% (+4) compared to 2022/23. 14 of these involved appliances and 7 were on blue lights.
- Response Standards:

• Call answering:	Target set at 7 seconds, Actual 5.79 seconds
• Call Handing:	Target 100 seconds, Actual 78 seconds
• Building Fires 1st Appliance	Target 7 Minutes, Actual 5.48 minutes
• Building Fires 2nd Appliance	Target 10 Minutes, Actual 7.51 minutes
• RTC	Target 8 Minutes, Actual 5.59 minutes

19.1 Organisational Performance Report April – June 2023 cont.

- Sickness Absence is 2.96 shifts per person compared to 2.63 Nationally. CFB is 13% higher year-to-date.
- There was an increase in all sickness levels with Whole-time at 2.82 shifts (2.54 shifts National average), Fire Control at 4.12 shifts (2.62 National average), Green Book at 2.79 shifts (2.12 shifts National Average) and On-call staff sickness at 3.41 (3.61 shifts national average).
- Total 1,585 Duty Days lost to Sickness Absence in 146 occurrences by 133 individuals.
- Total estimated cost of sickness absence April 2023 to June 2023 is £390k.

The Chair thanked the HoRP for a very comprehensive report.

Councillor Houghton requested further information regarding road traffic collaboration and the HoRP agreed to forward an interactive web link which would provide the level of detail required. He also reported that the Brigade do not attend every Road Traffic Collision.

The Chair requested further information relating to the response times to incidents in urban and rural locations. The Chief Fire Officer (CFO) advised that the response time is impacted by a number of factors including whether the incident occurred near a wholetime station and the number of appliances available. He explained that we utilise a dynamic cover model to dispatch the required resource to reach the incident quickest.

The Chair commented on the additional pressure for On-call staff to get to station when required. The CFO reported that there are significant vacancies at some On-call stations as it is proving difficult to recruit people who can attend within the five-minute response time. However, he advised that a bespoke improvement plan is in place for those stations struggling to recruit On-call Firefighters. He added that the National Terms and Conditions which require a commitment of 120 hours per week for a 100% contract and 90 hours per week for a 75% contract places a big commitment on those with primary employment.

The Chair highlighted the lack of indicators available for A Greener, More Sustainable Organisation, the HoRP confirmed that work is underway to progress this.

RESOLVED – that the report be noted.

19.2 Internal Audit Progress Report

The CFO presented the audits undertaken to date and highlighted the outcomes relating to limited/satisfactory assurance. He noted that additional audit work relating to Stores was to be progressed under the 2023/24 Internal Audit Programme.

RESOLVED - that the progress made to date in the Internal Audit Plan 2023/24 be noted.

19.3 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 August 2023. The outcome of this review was detailed at Appendix 1 and the CFO referred Members to paragraph 4.4 which detailed the following changes: -

19.3 Review of the Corporate Risk Register cont.

- New and Emerging Risks – none
- Changes to existing risks
 - Fire & Rescue Reform
 - Increased Vulnerability
- Risks to be deleted from the CRR – none

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

19.4 Progress Against Revenue & Capital Budgets 2023/24

The Head of Finance (HoF) presented the current position as at 30 June 2023 and informed Members that the forecasted outturn position was an overspend of £0.214m. She noted that this position reflected the phasing of commitments on premises, supplies and services and transport costs as detailed at Appendix 1.

The HoF reported a forecast outturn position of £0.862m underspend against a Capital Budget of £4.888m for 2023/24 which included 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 at 30 June 2023 be noted.

20. REPORTS OF THE TREASURER

20.1 Treasury Management Strategy Update 2023/24

The Treasurer provided Members with a review of the Treasury Management Strategy 2023/24 which had been approved on 24 March 2023. This covered:

- Economic Background and Outlook for Interest Rates
- Capital Expenditure and Financing 2022/23
- Prudential Indicators and Compliance Issues 2022/23
- Regulatory Framework, Risk and Performance 2022/23
- Treasury Management Strategy 2023/24 – 1st Quarter Review
- Investment Strategy
- Borrowing Strategy
- CIPFA Treasury Management Code of Practice

The Audit & Governance Committee were advised that the Authority has previously limited investments to 1 year or less. However, in view of the current and forecast level of interest rates it is recommended that the time limit for investment be extended to up to 2 years. This limit would be applied using the existing counterparty criteria with a total limit for investments of up to 2 years of £5m. This approach will enable the Authority to secure investment income to support the budget in 2024/25 and 2025/26. Members approved that this proposal be referred to the full Authority for approval.

Details of the investment income secured will be reported as part of the Medium Term Financial Strategy to enable the Authority to approve the strategy for using these one off resources.

RECOMMENDATION - That at its meeting on 13 October 2023, the Authority approve the increase of the investment time limit to 2 years with a total investment limited for this period of £5m.

20.2 Internal Audit Outturn Report 2022/23

The Head of Internal Audit (HoIA) reported the outcomes of the audit work covering the period April 2022 to March 2023. He confirmed that the systems reviewed annually by Internal Audit have provided consistently high assurance of an effective and satisfactory audit provision.

RESOLVED - That the contents of the report be noted.

20.3 Role of Chief Finance Officer

The Treasurer reported that in his role of Chief Finance Officer for the Authority he had reviewed the CIPFA statement – ‘The Role of the CFO in Public Service Organisations’ and confirmed the CFA complied with the requirements as detailed in Appendix A of the report.

RESOLVED – that it be noted that the CFA complies with the CIPFA requirements as detailed in Appendix A of the report.

20.4 Role of Head of Internal Audit

The Treasurer reported that the CIPFA statement – ‘The Role of the Head of Internal Audit in Local Government’ had been reviewed and confirmed that the CFA complied with the requirements as detailed in Appendix A of the report.

RESOLVED – that Members noted that Cleveland Fire Authority complies with the CIPFA requirements as detailed in Appendix A of the report.

21. JOINT REPORT OF THE CHIEF FIRE OFFICER AND TREASURER

21.1 2022/23 Outturn and Financial Report

The Treasurer provided the final outturn position against the approved 2022/23 budget and provided details of the arrangements for approving the Authority’s 2022/23 Financial Report.

He reported that the Draft Financial Report had been prepared in accordance with the 31 May deadline, however, was not published on the website until 16 June due to delays in receiving pension figures. He outlined the report in detail which covered:

- Revenue Position at 31 March 2023 - £70,000 underspend
- Capital Budget Monitoring Statement (Appendix A)
- Annual Governance Statement (Appendix B)
- 2022/23 Pre-Audit Draft Financial Report (Appendix C)
- Information Requested from Mazars (Appendix D)
- CIPFA Checklist of Questions (Appendix E)

The Treasurer informed Members that the 2022/23 Draft Financial Report had been prepared in accordance with relevant accounting standards and would be subject to audit by Mazars. Details of any material amendments will be reported to Audit and Governance later in the year. The audit document and External Auditors report would be presented to the Committee for scrutiny later in the year.

21.2 2022/23 Outturn and Financial Report cont.

RESOLVED: -

- (i) That the 2022/23 Annual Governance Statement as detailed on pages 83 to 88 of Appendix B, be approved.**
- (ii) That Members noted that the Financial Report detailed in Appendix B will be subject to the completion of the independent audit by Mazars and details of any audit amendments will be reported to this Committee later in the year.**
- (iii) That the submission to Mazars detailed in Appendix D be approved.**

COUNCILLOR STEVE KAY
CHAIR