
CLEVELAND FIRE AUTHORITY

MINUTES OF AUDIT & GOVERNANCE COMMITTEE MEETING



26 AUGUST 2016

PRESENT:

CHAIR:-

Councillor Norah Cooney – Redcar & Cleveland Borough Council

HARTLEPOOL BOROUGH COUNCIL

Councillor Rob Cook

MIDDLESBROUGH COUNCIL

Councillor Teresa Higgins

REDCAR & CLEVELAND BOROUGH COUNCIL

Councillor Neil Bendelow

STOCKTON ON TEES BOROUGH COUNCIL

Councillors Gillian Corr, Paul Kirton

INDEPENDENT PERSONS

Mr Mike Hill

AUTHORISED OFFICERS

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

MAZARS

Ross Woodley (Audit Manager), Naomi Lapite (Intern)

IN ATTENDANCE

Risk & Performance Officer

**APOLOGIES FOR
ABSENCE:**

Councillor Ray Martin-Wells – Hartlepool Borough Council

Councillor Naweed Hussain – Middlesbrough Council

Councillor Brian Dennis – Redcar & Cleveland Borough Council

Mr Jeff Bell – Independent Person

32. APPOINTMENT OF CHAIR FOR THE ENSUING YEAR

The Director of Corporate Services (DoCS) sought nominations for the position of Chair of the Audit & Governance Committee for 2016/17. Councillor Cooney was subsequently proposed and seconded whereupon nominations were closed.

RESOLVED – that Councillor Cooney be appointed Chair of the Audit & Governance Committee for the ensuing year (2016/17).

Councillor Cooney in the Chair

33. DECLARATION OF MEMBERS INTERESTS

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

34. APPOINTMENT OF VICE CHAIR

The Chair sought nominations for the position of Vice Chair of the Audit & Governance Committee for 2016/17. Councillor Kirton was subsequently proposed and seconded whereupon nominations were closed.

RESOLVED – that Councillor Kirton be appointed Vice Chair of the Audit & Governance Committee for the ensuing year (2016/17).

35. MINUTES

RESOLVED – that the Minutes of the Audit & Governance Committee held on 20 May 2016 be confirmed.

36. REPORT OF THE CLERK

36.1 Audit & Governance Forward Work Programme 2016/17

The Director of Corporate Services (DoCS) outlined the Forward Work Programme for 2016/17, as detailed at Appendix 1, in accordance with the requirements of the Authority's Standing Orders. The DoCS noted that the Forward Work Programme will remain flexible to allow consideration of additional items should they arise.

RESOLVED – that the Forward Work Programme 2016/17, as outlined at Appendix 1, be approved.

37. REPORTS OF MAZARS

37.1 Audit Completion Report

The Audit Manager (AM), Ross Woodley, presented the Audit Completion Report which detailed the findings of their audit for the year ended 31 March 2016.

He referred to Section 3 – Significant Findings and confirmed that since writing the report there remained only one item outstanding, which related to information required from Teesside Pension Fund. He also confirmed that subject to the satisfactory conclusion of the remaining audit work, Mazars anticipated:

- Issuing an unqualified opinion, without modification, on the statement of accounts; and
- Concluding that proper arrangements to secure economy, efficiency and effectiveness in use of resources have been made

The AM confirmed that there had only been a few amendments to the disclosures within the financial statements to improve clarity and presentation and ensure better compliance with the Code of Practice.

The AM thanked the officers of both Hartlepool Borough Council and Cleveland Fire Brigade for their assistance in enabling processes to be reviewed to ensure the earlier audit deadlines can be achieved in future years.

Councillor Corr asked if Teesside Pension Fund had indicated a timescale of when the information would be available. The AM confirmed that no date had been provided but he had received assurances from the new Auditors of Teesside Pension Fund that it would not delay our September deadline.

RECOMMENDED - that the report be noted.

37.2 Audit Progress Report – August 2016

The AM presented the Audit Progress Report which covered:

- The progress of the 2015/16 Audit
- National Publications and Other Updates

RECOMMENDED - that the report be noted.

38. REPORTS OF THE CHIEF FIRE OFFICER

38.1 Fire Risk Assessment 2016/17

The CFO appraised Members of the outcome of the annual review of the Fire Risk Assessment, which informs both strategic and tactical decision making. He confirmed that by using an approved methodology, two fire risk assessments are produced; a Community Risk Assessment and an Emergency Response Risk Assessment. To further enhance the risk assessment process, these risk assessments are refreshed on an annual basis to incorporate updated and refreshed datasets where information is available.

The CFO reported that the annual review has resulted in only minor changes to the Community Risk Assessment and the Emergency Response Risk Assessment.

Councillor Kirton referred to the changing risk profile in Coatham Ward and asked what had triggered the change. The CFO explained that this is as a result of an increase in incidents due to changes in the ward profile.

RECOMMENDED - that the report be noted.

38.2 Performance Targets 2016/17

The DoCS presented the Local Performance Indicators for 2016/17, which had been revised in line with the Authority's Strategic Goals and Aims. The targets had been set using the following information:

- Performance outturn for 2015/16
- National and family group comparator performance
- The application of an average reduction year on year with an additional weighting applied

The DoCS advised that after targets have been calculated, they are verified and validated to ensure the target for an indicator is:

- Continuously improving
- Maintaining performance
- Stretching but achievable

The DoCS reported that a two pronged approach had been adopted to take into account where national/family group/OH Group comparison data was available and where no national/family group comparison data was available.

RECOMMENDED - that the report be noted.

38.3 Organisational Performance & Efficiency Report April – June 2016

The Performance Officer (PO) outlined the performance of the Brigade for the period 1 April 2016 to July 2016 (an updated position from the report), which detailed:

- Total incidents attended 3,416 – a 10.1% increase on the same period last year
- The largest increase was in the Special Services area due to the number of Emergency Medical Response incidents received (565)
- Fire fatalities - 100% increase (this relates to 1 incident)
- Fire injuries – 78% reduction (this relates to a reduction of 2 incidents)
- Accidental Dwelling Fires – 2% reduction on the same period last year (this relates to 1 incident)
- Deliberate Fires – 27% decrease on the same period last year (this relates to 320 incidents)
- Emergency Medical Response 565 incidents – 66% of all incidents in the trial stations
 - Redcar – 225 EMR incidents
 - Guisborough – 134 EMR incidents
 - Main reasons for mobilisations are 22% chest pains/cardiac arrest, 17% breathing difficulties, 12% unconscious/fitting
- Response Standards
 - Call Handling – target 98% of calls dealt with an appropriate response mobilised within 2 minutes – current performance 92%
 - Emergency Response – target to achieve benchmarks – 75% - current performance – target significantly exceeded – lowest performance 85%
- Corporate Health
 - Staff Sickness
 - Current performance 1.87 duty shifts per employee
 - All staff sickness 25% over target – Whole-time increase 6%, Retained increase 41%, Control Room decrease 6%, Green Book increase 9%
 - Main causes – 25% stress/anxiety/depression, 20% lower limb, 16% RAD/Asthma
- Annual & Corporate Priorities
 - OD12: Build a new complex on Queens Meadow – in progress
 - OD15: Revenue Budget 2016/17 – complete
 - ER1: Emergency Response: Industrial & Commercial Strategy – in progress
 - ER3.3: Build a new Community Fire Station at Thornaby – in progress
 - ER3.4: Build a new Community Fire Station at Grangetown – in progress
 - ER3.5: Refurbish Stranton Community Fire Station – behind schedule
 - ER3.6: Refurbish Guisborough Fire Station – not due
 - ER3.7: Refurbish Loftus Community Fire Station – not due
 - ER6: Introduce CARPS into the Brigade's Fleet – in progress
 - ER7: De-staff Marine, transferring the Fire Engine to Stockton and Crewing with On-Call firefighters – in progress
 - ER9: Prepare for the introduction of On-Call Crewing Arrangements for the Second Fire Engine at either Thornaby, Grangetown or Redcar – in progress
 - C1.1: Collaboration with Cleveland Police – in progress
 - C1.2: North East Ambulance Service (NEAS) Partnership – behind schedule
 - C1.3: Tees Valley Shadow Combined Authority – not due
 - C1.4: Fire as a Health Asset – in progress
 - C2: Leadership, Culture and Valuing our Workforce – behind schedule

38.3 **Organisational Performance & Efficiency Report April – June 2016 (cont)**

Councillor Cook asked why deliberate fires were lower to date this year. The CFO explained that this was due to a number of factors including the youth programmes and intervention delivered by the Brigade, the weather and working with agencies to remove fire loading.

Councillor Higgins asked at what stage we implement our sickness intervention. The DoCS explained that we use the Bradford Score to identify significant absence and patterns of absence worthy of further investigation. She advised that the Employee Health & Wellbeing Strategy targeted sickness absence and health promotion.

Mr Hill asked what measures the Brigade has in place to mitigate the effects of stress and promote mental health. The DoCS stated that we have recognised that Mental Health is a key cause nationally of sickness absence and so we have:

- Addressed this in our Health & Wellbeing Strategy
- Strengthened our team trained to deliver TRIMs, which provides a targeted response and support for employees following attendance at traumatic incidents
- Invested £6.50/employee so that a 24hour assist programme is available
- Provided a counselling service – accessed via our Occupational Health providers, PAM
- Provided Mental Health Awareness Training, delivered by MIND, to Line Managers

Councillor Bendelow asked if sickness figures are being examined in detail. The DoCS confirmed that sickness absence analysis was ongoing.

Councillor Bendelow also asked if attendance at EMR incidents are creating stress. The CFO reported that this has been raised nationally and confirmed that measures are in place to ensure that support is available for firefighters attending EMR incidents.

RECOMMENDED - that the report be noted

38.4 **Revenue & Capital Budgets Outturn Report 2015/16**

The Head of Finance (HoF) reported that in November 2015 a year end underspend of £1.143m was forecasted. This reflected the management of occupancy levels as a result of retirements not being replaced to facilitate the implementation of future service changes to address continuing reductions in Government funding in 2016/17 and future years. A strategy for using these one-off resources was approved by the Fire Authority in February 2016, allocating resources to make contributions to reserves. The main reserve contribution is to the CIRMP reserve which will be used to support the budget in 2017/18 and 2018/19. The actual outturn underspend exceeded the forecast underspend by £4,000.

The HoF also highlighted three schemes which were to be slipped into the next year:

- Stranton Fire Station refurbishment
- Replacement of the Breathing Apparatus Telemetry
- Replacement of the Towing Vehicle

Councillor Cook queried the reference in Appendix 1 to 'the stable price of fuel' not reflecting what is happening at the pumps. The HoF explained this is because the Brigade uses a fuel supplier which prices differently to the fuel stations.

RECOMMENDED - that the position at 31 March 2016 be noted

38.5 Progress Against Revenue & Capital Budgets 2016/17

The HoF presented the current position as at 31 July 2016 and informed Members of the forecasted outturn position which shows a net underspend of £0.680m. He confirmed that the final outturn will be dependent on the implementation of the CIRMP proposals linked to the CLG transformation funding.

Councillor Cook requested clarification in Appendix 1 to the reference to 'Agency'. The HoF confirmed that this was an accountancy term which referred to items such as the Occupation Health Contract rather than agency staff employed by the Brigade.

RECOMMENDED - that the position at 31 July 2016 be noted

38.6 Scrutiny of Internal Audit Reports 2016/17

The DoCS summarised the progress on the recommendations contained within the Action Plans from Internal Audits carried out to date and listed the areas subject to Audit Review during the period 1 July – 30 September 2016.

RECOMMENDED – that the progress made to date by Brigade and Proper Officers in achieving the recommendations contained within the Internal Auditor's Actions Plans be noted.

39. REPORTS OF THE TREASURER

39.1 The 2015/16 Financial Report (Including the 2015/16 Statement of Accounts)

Members scrutinised the 2015/16 Financial Report, which (included the Statement of Accounts). The Treasurer reported that these had been prepared in accordance with the Accounts and Audit Regulations 2015 which require all Local Authorities to produce an Annual Statement of Accounts by 30 June. He advised that in previous years Members were required to approve the draft Statement of Accounts prior to audit by the External Auditors, but this requirement was removed in 2011/12. However, Members are still required to approve the audited Financial Report by 30 September and a report will be submitted to the Executive Committee on 30 September to discharge this responsibility.

The Treasurer explained that from 2017/18 changes to the Accounts and Audit Regulations will require Local Authorities to prepare their draft Financial Report by 31 May and then publish audited accounts by 31 July. This deadline has been trialled during the preparation of the 2015/16 accounts and will be refined next year when the 2016/17 accounts are prepared.

Following an earlier enquiry by Councillor Kirton, the Treasurer referred Members to paragraph 5.2 which detailed a summary of the Authority's Usable Reserves.

RECOMMENDED:-

- (i) that the report be noted.**
- (ii) that Members noted that the Financial Report detailed in Appendix A would be subject to the completion of the independent audit by Mazars and details of any material amendments would be reported to the Executive Committee on 30 September 2016.**
- (iii) That Members noted the opportunity to raise questions and/or seek clarification of information included in the pre-audit Financial Report in the period up to 30 September 2016, when the audited Financial Report will be presented to the Executive Committee for final approval.**

39.2 Local Audit and Accountability Act Update

The Treasurer updated Members on progress in relation to the application of the Local Audit and Accountability Act, 2014. He explained that the Government is making a series of changes on how external auditors are appointed. He stated that by taking advantage of national procurement, the Authority would be likely to benefit from a lower price. The sector led body, Public Sector Audit Appointments Ltd (PSAA), who will procure future external audit contracts, have now requested feedback from Fire Authorities on its proposals.

The Treasurer asked that Member consider the suggested response as at paragraph 4.4.

RECOMMENDED:

- (i) that the Fire Authority supports the Authority becoming an ‘opted in’ Authority giving a firm commitment to Public Sector Audit Appointments (PSAA) as outlined within the report**
- (ii) that the Fire Authority endorses the response to the feedback questions posed by PSAA as detailed in paragraph 4.4 of the report**
- (iii) that further updates be submitted on the implementation of arrangements to comply with the requirements of the Local Audit and Accountability Act, 2014**

40. ANY OTHER BUSINESS

The DoCS, referred to the tabled papers (Letter from Brandon Lewis and copy of procurement data) and advised that the data has been published this week by the Government showing how much fire and rescue authorities in England pay for 25 common items of uniform and equipment. She advised that procurement data had been requested by the former Minister for Policing, Fire, Criminal Justice and Victims, and that the Brigade were currently analysing this information.

RECOMMENDED - that the update be noted

COUNCILLOR NORAH COONEY
CHAIR