
CLEVELAND FIRE AUTHORITY

MINUTES OF AUDIT & GOVERNANCE COMMITTEE MEETING



23 FEBRUARY 2018

PRESENT:

CHAIR:-
Councillor Norah Cooney – Redcar & Cleveland Borough Council
HARTLEPOOL BOROUGH COUNCIL
Councillors Marjorie James, Ray Martin-Wells
MIDDLESBROUGH COUNCIL
Councillor Naweed Hussain
REDCAR AND CLEVELAND BOROUGH COUNCIL
Councillor Neil Bendelow
STOCKTON ON TEES BOROUGH COUNCIL
Councillors Paul Kirton, Mick Stoker
INDEPENDENT PERSONS
Messrs Mike Hill, Steve Harwood
AUTHORISED OFFICERS
Chief Fire Officer, Director of Corporate Services, Treasurer, Legal
Adviser & Monitoring Officer
MAZARS
Ross Woodley (Audit Manager), Cameron Waddell (Engagement Lead)
IN ATTENDANCE
Head of Risk & Performance

APOLOGIES FOR ABSENCE: Councillor Teresa Higgins – Middlesbrough Council
Councillor Gillian Corr – Stockton on Tees Borough Council

100. DECLARATION OF MEMBERS INTERESTS

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

101. MINUTES OF THE AUDIT & GOVERNANCE COMMITTEES

101.1 RESOLVED – That the amended minutes of the Audit & Governance Committee meeting on 24 August 2017 be approved.

101.2 RESOLVED – That the minutes of the Audit & Governance Committee meeting on 10 November 2017 be approved.

102. REPORTS OF MAZARS

102.1 Audit Progress Report

The Audit Manager (AM) outlined the report which sets out the progress on the external audit for 2017/18. He reported that the planning work in relation to this audit was now complete and covered Audit Progress, National Publications and other updates. He highlighted the National Fire Chiefs Council press release calling for all new build school buildings or refurbishments in England and Wales to have sprinklers fitted.

102.1 Audit Progress Report continued

He reported that Mazars had been appointed as the Authority's external auditors for the next 5 years and that there would be a 23% reduction in audit fees for 2018-19 giving a 55% aggregate reduction.

RESOLVED – That the report be noted

102.2 Audit Strategy Memorandum

The AM presented the Audit Strategy Memorandum which covered:

- Engagement and Responsibilities Summary
- Audit Scope, Approach and Timeline
- Significant risks and Key Judgement Areas
- Value for Money at Work
- Fees for Audit & other services

He highlighted a new significant risk as being Property, Plant and Equipment valuation and reported that the Authority was in the final year of a five year cycle of valuations and several large capital projects had been completed in that time.

Councillor James asked if it would be appropriate for the Audit & Governance Committee to scrutinise the Authority's reserves to take into account any new building stock and to recognise any efficiencies that could mitigate future council tax increases. The Audit Lead confirmed that any changes in asset valuation would have no impact on the council tax for the Authority.

Councillor James asked that the request to scrutinise reserves be moved. This request was supported by Councillor Martin-Wells but rejected by the Committee on the grounds that it would not have any impact on council tax. The Treasurer confirmed that a detailed analysis of reserves had been presented to the Authority on 16 February 2018.

Councillor Bendelow asked if the Authority was required to maintain a minimum level of reserves. The AM confirmed that he would give consideration as to whether reserve levels were appropriate for the Authority's risk assessment and that he would expect it to build up a level of reserves through the budget support funds to deal with any uncertainty. The Treasurer added that it was his statutory responsibility to advise the Authority on the level of reserves and this was addressed as part of the Medium Term Financial Strategy.

RESOLVED – that the report be noted

103. REPORTS OF THE CHIEF FIRE OFFICER

103.1 Organisational Performance & Efficiency Report April – December 2017

The Head of Risk & Performance (HoRP) outlined the performance of the Brigade for the period 1 April 2017 to January 2018 which included:

- Total incidents attended 5,747 – 786 incidents fewer than the same period last year (12% reduction).

103.1 Organisational Performance & Efficiency Report April – December 2017 cont.

- Emergency Medical Response (EMR) Calls have reduced in 2017/18 by 70% (918 calls).
- Fire fatalities – there have been 3 incidents this year compared to 1 last year.
- Fire injuries – these have reduced from 8 incidents in 2016/17 to 6 incidents this year.
- Accidental Dwelling Fires – 20% increase (relates to 14 more incidents than the previous year) which has cost the economy of Cleveland £2.125m so far this year. The Top 3 main causes are: Electrical – 21 incidents (25%), Careless Handling - 18 incidents (21%) and Cooking – 14 incidents (17%).
- The Brigade has offered 4482 Safe and Well Visits (since 1 April 2017) and 2545 Safe and Well Visits have been conducted with 155 referrals being made to Slips, Trips and Falls teams. In addition 395 interventions for additional support have been made as a result of the visits.
- The Bonfire Strategy ran from 27 October – 10 November 2017 and saw a slight increase in Deliberate Secondary Fires from 161 in 2016/17 to 167 incidents during this period.
- Response Standards – our target is 75% for all benchmarks. In 2017/18 the Brigade significantly exceeded these benchmarks in all cases the lowest one being 83%.
- Sickness Absence
 - Current performance 2.94 duty shifts per employee 30% lower than 2016/17
 - Staff sickness to date for 2017/18 has cost the Brigade £307.389. Main causes of sickness are Anxiety/Depression (33%), RAD/Asthma (14%) and Gastro-Intestinal (12%).

Safe and Well Visits

Councillor Kirton asked what involvement the Brigade had with people living in the private rented housing sector. The CFO confirmed that the Brigade addressed vulnerability equally across all housing sectors.

Sprinkler Systems

Councillor James reported that the Authority is a statutory consultee to planning applications when buildings are being converted into Houses in Multiple Occupation (HIMO) or are more than 3 storeys high.

The CFO confirmed that he recently wrote to the planning committees of the four constituent local authorities regarding fitting sprinklers into schools but was unsure how this information was received by planning members.

Councillor Martin-Wells confirmed that the recommendation could not be enforced but the guidance would support planning members in their decision making. He moved that the Authority provides a default statement that strongly recommends sprinkler systems be installed on HIMO and dwellings over three storeys high.

The CFO agreed to write to planning committees to confirm that the default position of Cleveland Fire Authority regarding the fitting of sprinklers.

103.1 Organisational Performance & Efficiency Report April – December 2017 cont.

Deliberate Fires

The CFO reported that the Brigade area had double the national average rate for arson incidents which required a multi-agency response to tackle the issues. He informed Members that Hartlepool Community Safety Team was to be launched on 26 February 2018 to address anti-social behaviour.

Councillor James commended the CFO for taking a collective approach and suggested that penalties for fly tipping were ineffective.

Councillor Bendelow reported positive outcomes from initiatives to tackle fires in the South Bank ward in the past but he felt bins were being left out and fires were being set with a minimal police presence in the area and agreed with Councillor James that Magistrates were letting the community down. In addition cuts to youth facilities were also exacerbating the problems.

The CFO confirmed that he had spoken with the Chief Executive of Redcar & Cleveland Council and started the process of contacting ward councillors to recognise the key issues and trends.

Accidental Fire Alarms (AFAs)

Steve Harwood asked if the new initiative to address how the Brigade responds to AFAs had been effective. The CFO confirmed this was implemented late in 2017 and it was too early to see any impact. He confirmed that most AFAs were caused by electrical fault and not malicious.

Response and Standards

Councillor Bendelow asked if North Ormesby was still the only ward with a 5 minute response standard. The CFO confirmed that it was the only 'High Risk' ward in the Brigade area however the Community Integrated Risk Management Plan (CIRMP) 2018-22 proposes to change to an average 7 minute response time across all wards.

Sickness

The CFO reported a 24% reduction on last year's sickness figures. Mr Hill commended the Brigade for the work that has been done on improving this area. Mr Harwood asked if the Brigade produced detailed analysis in relation to Accident / RIDOR incidents. The CFO confirmed that every incident was fully investigated and the Director of Technical Services had overall responsibility for this area.

RECOMMENDED:-

- (i) that the report be noted.**
- (ii) that a report outlining the Authority's default position on Sprinklers for planning committees be taken to the CFA meeting on 23 March 2018.**

103.2 Review of the Corporate Risk Register – January 2018

Members considered the Corporate Risk Register which had been reviewed in January 2018 by the Active Risk Team as part of the Brigade's strategic planning process. The outcome of this review was detailed at Appendix 1.

RECOMMENDED- that the report be noted.

103.3 Internal Audit Progress Report to 23 February 2018

The CFO 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 April – 31 December 2017.

RECOMMENDED – that the progress made to date contained within the Internal Auditor’s Actions Plans be noted.

103.4 Progress Against Revenue and Capital Budgets 2017/18

The CFO presented the current position as at 31 December 2018 and informed Members of the forecasted outturn position which showed a net underspend of £0.4m. He confirmed that the forecast outturn mainly reflects lower occupancy levels as a result of retirements not being replaced to facilitate the implementation of the CIRMP and the final outturn will be dependent on the outcome of the on-going pay negotiations.

RECOMMENDED - that the position at 31 December 2018 be noted

(12.27) Councillors James and Martin-Wells left the meeting

104 REPORT OF THE TREASURER

104.1 Treasury Management Strategy 2018/19

Member scrutinised the Treasury Management strategy 2018/19 which covered:

- Economic Background and Outlook for Interest Rates
- Interest Rate Forecasts
- Treasury Management Outturn Position 2016/17 and 2017/18 Mid Year Review
- Treasury Management Strategy 2018/19
- Borrowing Strategy 2018/19
- Investment Strategy 2018/19
- Minimum Revenue Provision and Interest Costs / Regulatory Information 2018/19

Councillor Kirton asked whether the Authority had any overseas investments. The Treasurer confirmed that the Authority had investments with the Svenska Handelsbanken which was a ‘traditional’ bank with a Teesside branch.

RECOMMENDATIONS:-

- (i) That the 2018/19 Treasury Strategy be noted**
- (ii) That the following recommendations will be made to the Authority on 23 March 2018:**

- **That Members note the 2016/17 Treasury Management outturn detailed in section 5 and Appendix A.**
- **That Members note the 2017/18 Treasury Management mid-year position detailed in section 6.**
- **That Members approve the prudential indicators outlined in Appendix B.**
- **Borrowing Strategy 2018/19**
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.

104.1 Treasury Management Strategy 2018/19 continued

– **Investment Strategy 2018/19**

- That Members approve that Svenska Handelsbanken be brought into line with other category A counterparties and no longer identified separately.
- That Members approve the Counterparty limits as set out in paragraph 9.8, which incorporates the above recommendation.

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

That Members approve the following MRP statement:

- For capital expenditure incurred before 1 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 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.

104.2 Internal Audit Plan Report 2018/19

The Treasurer presented the Internal Audit Plan indicating the proposed coverage for 2018/19. Mr Harwood suggested it would be useful for Members to receive a narrative to accompany the areas proposed for coverage. The Treasurer agreed this could be included in future reports.

RECOMMENDED:–

- (i) That Members adopt the 2018/19 Internal Audit Plan
- (ii) That the Authority's Annual Governance Statement is reviewed at its meeting on 18 May 2018.
- (iii) That future Internal Audit Plan Reports include a narrative on the areas proposed for coverage.

105. REPORT OF THE LEGAL ADVISER AND MONITORING OFFICER

105.1 Business Report – Review of Local Government Ethical Standards: Stakeholder Consultation

The LAMO reported that the Committee on Standards in Public Life was undertaking a stakeholder consultation to review Local Government Ethical Standards from 29 January - 18 May 2018, as detailed at section 6 of the report.

Mike Hill stated that any standard should be universal at all levels and irrespective of office and that 'probity' should be included in the 'Nolan Principles' covering any action that could bring the Authority into disrepute.

Councillor Bendelow said he was mindful of how he used social media and also how he was perceived in the public domain as an employee.

105.1 Business Report – Review of Local Government Ethical Standards: Stakeholder Consultation continued

Councillor Kirton asked what the procedure would be to deal with complaints against Independent Persons (IPs). The LAMO confirmed that where two IPs were appointed the other one would deal with the complaint. If both IPs were involved in the complaint the protocol was to use an IP from another authority.

The LAMO agreed to draft a response to the consultation and circulate to members.

RECOMMENDED:-

- (i) That Members noted the stakeholder consultation undertaken through the committee on Standards in Public Life.**
- (ii) That the Legal Adviser and Monitoring Officer be given delegated Authority to formulate a response in consultation with the Chair of the Audit and Governance Committee.**

106. ANY OTHER BUSINESS

106.1 Thornaby Community Fire Station

The CFO gave a short presentation on the newly rebuilt Thornaby Community Fire Station.

106.2 Hartlepool Community Safety Team Launch

The CFO reported that a community collaboration team based at Hartlepool Police Station was to be launched on 26 February 2018. Members viewed a promotional video for the launch featuring the CFO and representatives from Cleveland Police and Hartlepool Borough Council.

COUNCILLOR NORAH COONEY
CHAIR