

# Tyne and Wear Fire and Rescue Authority



Minutes of the meeting of the  
GOVERNANCE COMMITTEE held  
in the Fire and Rescue Service  
Headquarters, Barmston Mere on  
Friday 31 May 2024 at 10.30am.

## **Present:**

Mr M Knowles in the Chair

Councillors Keegan and Woodwark.

## **Apologies for Absence**

Apologies for absence were submitted to the meeting on behalf of Mr Cook and Miss G Goodwill.

## **In Attendance**

Chief Fire Officer/ Chief Executive Peter Heath; Deputy Chief Fire Officer Stewart Nicholson; Director of Finance, Estates and Facilities Michelle Ronan and Kelly Brown Head of Internal Audit Sunderland City Council

## **Quorum**

CFO Heath advised that as two members were present the meeting was quorate as per the Standing Orders.

## **Declarations of Interest**

There were no declarations of interest.

## **Minutes**

32. RESOLVED that the minutes of the meeting of the Governance Committee held on 26 February 2024 were agreed as a correct record.

## **Auditors Annual Report 2021/2022**

The Chief Fire Officer/Chief Executive (the Clerk to the Authority) and the Director of Finance, Estates and Facilities submitted a joint report detailing the Auditor's Annual Report for 2021/2022 issued by the External Auditors, Mazars LLP. A copy of their independent report was attached at Appendix A.

Members were advised that Government regulations (Local Audit and Accountability Act 2014) required the Auditors Annual Report (which replaced the Annual Audit Letter) to be considered by those charged with governance and also that the report was made available to the wider public by the Authority. In addition to publication and consideration as part of the agenda for both the Authority's Governance Committee and the Fire Authority itself, the full report must also be placed on the Tyne and Wear Fire and Rescue Authority website.

James Collins was in attendance from Mazars LLP to present the Audit Completion Report on behalf of the engagement lead, Cameron Waddell. He explained that due to timings the Annual Audit Report had already been to full Authority on 11 March 2024 however the report still needed to be presented to Governance Committee for information.

Members were advised that the Annual Audit Report was very positive, providing a strong endorsement of the financial management and governance arrangements that were in place across the Authority.

The External Auditor issued an unqualified opinion on the Authority's Financial Statements and an unqualified Value for Money Conclusion, details of which were included in their finalised Audit Completion Report issued on 29 January 2024.

The Auditors' Annual Report confirmed that the Authority:

- Produced unqualified Financial Statements for 2021/22 that gave a true and fair view of the Authority's financial position and its financial performance as at 31 March 2022 and that no objections to the published Financial Statements had been received;
- Published its Narrative Report with the Financial Statements, as statutorily required, and that the details were found to be consistent with those Financial Statements;
- Had provided an Annual Governance Statement that was found to accurately reflect the Authority's governance arrangements and that these followed the requirements of the 'Delivering Good Governance in Local Government Framework 2016';
- Had no matters identified that required a report in the public interest or from other powers available to the auditor under the 2014 Act;
- Had not identified any areas of significant weakness in the Authority's value for Money arrangements, specifically in relation to:
  - Financial sustainability
  - Governance
  - Improving economy, efficiency and effectiveness.
- Provided detailed commentary and the evidence used in gaining their value for money opinions.

Clarification was given to Councillor Woodwark that there were earmarked reserves for Hebburn Station.

Councillor Woodwark commented on the challenges of preparing a three year medium term financial plan (MTFS) with one year funding settlements.

Chief Fire Officer Heath explained that the previous Finance Director and the current Director of Finance, Estates and Facilities had given assurance that reserves were well managed and kept under close monitoring. Whilst the MTFS projected a £3.3m funding gap by year three, business would be managed and delivered on time and as more detail was available this would be reviewed. It was pointed out that this projected funding gap was based on a number of assumptions as the specific detail is simply not available and over time, the service would always take steps to balance the budget. However this would be with challenge with funding levels and one year settlements and was an ongoing process.

James reported that the additional work undertaken in respect of the Local Government Pension triennial reporting issues had caused a significant delay in finalising the restated Accounts and completing the audit. He assured Members that TWFRAs were in a more favourable position than many other authorities.

Chief Fire Officer Heath asked Mazars whether their merger with Forvis would impact on timescales for delivering the year end accounts. James replied that there would be no noticeable difference in the services that TWFRAs received.

The Chair thanked James for the report.

34. The Committee noted the report.

### **Auditors Annual Report 2022/2023**

The Chief Fire Officer/Chief Executive (the Clerk to the Authority) and the Director of Finance, Estates and Facilities submitted a joint report detailing the Auditor's Annual Report for 2022/2023 issued by the External Auditors, Mazars LLP. A copy of their independent report was attached at Appendix A.

Members were advised that Government regulations (Local Audit and Accountability Act 2014) required the Auditors Annual Report (which replaced the Annual Audit Letter) to be considered by those charged with governance and also that the report was made available to the wider public by the Authority. In addition to publication and consideration as part of the agenda for both the Authority's Governance Committee and the Fire Authority itself, the full report must also be placed on the Tyne and Wear Fire and Rescue Authority website.

35. The Committee noted the report.

## **Internal Audit Annual Report 2023/2024**

The Head of Internal Audit submitted a report to consider the performance of Internal Audit for 2023/2024, areas of work undertaken and the internal audit opinion regarding the adequacy of the overall system of internal control within the Tyne and Wear Fire and Rescue Service.

The Committee was advised that the Internal Audit of the service measured its performance in terms of Efficiency, Quality and Client Satisfaction. Performance during the year was shown in Appendix 1. All KPIs for 2023/24 were achieved.

The Committee was referred to Section 4.2 of the report and asked to note that as a result of the audits carried out, a number of actions had been agreed to improve internal control. These amounted to 9 medium and 3 low risk actions.

The findings of the 2023/24 audit had been taken together with the findings of audits from the previous two years to form an opinion on each of the identified key risk areas, and an opinion on the adequacy of the overall system of internal control for the Authority which was rated as Substantial. The detailed analysis of these opinions was provided at Appendix 2 of the report.

Chief Fire Officer Heath advised Members that one audit that was originally planned to be completed in 2023/24, had been rolled forward and included in the Internal Audit Plan for 2024/25, at the request of the previous Finance Director. The audit related to a review of how the areas for improvement, highlighted within the previous Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services report (2021) and subsequent actions, in relation to human resource management, had been addressed.

The Chair acknowledged the continued work of the management team and staff to look for improvements.

36. RESOLVED that the contents of the Internal Audit Annual Report be noted.

### **Authority's Status as a going Concern**

The Director of Finance, Estates and Facilities submitted a report to consider the Authority's status as a going concern and requesting that the Committee formally recognised this and furthermore recommending that this report was presented to full Authority for information.

Members were advised that the report outlined the assessment of the Authority's status as a going concern in line with best practice, which was now considered an annual requirement to reassure both members of the Authority and the external auditor of the Authority's continued status as a going concern and that its finances were sustainable into the medium term.

The provisions in the Accounting Code on the going concern accounting requirements reflected the economic and statutory environment in which local authorities operated. The provisions confirmed that local authorities had no ability to

cease being a going concern as local authorities could not be dissolved without statutory prescription, and it would therefore not be appropriate for the Authority's financial statements to be prepared on any other basis than as a going concern.

Members noted the revenue outturn position for 2023/2024 would be reported to the Authority in June. This would include any transfers to and from reserves but in the latest reported forecast presented to Members in January 2024, the Authority was projecting an underspend of £0.607m. The projected outturn report was expected to confirm at least a positive position despite another challenging year financially, subject to final accounting entries being completed. This was in addition to the revenue budget underspend in 2022/2023 of £1.914m and helped to show the continued and sustained budget efficiencies that the service achieved despite very challenging financial conditions.

The projected capital outturn position reported in January 2024 for 2023/24 also forecast an overall underspend of £2.468m when compared to the revised budget of £16.626m, although further reductions were envisaged.

Members were referred to the Audited Statement of Accounts 2022/23 and were asked to note that whilst the Authority showed a net liability of £603.518m, most of the implied 'deficit' related to the pensions deficiency of £702.640m. Members noted the fact that as all pension costs would never be incurred in one year, this meant the Balance Sheet Net Worth was effectively being distorted by this reporting standard.

If this accounting requirement was removed, then the Authority had a 'real' net worth of £99.122m. The Authority had assets worth £88.867m and also cash backed reserves of £39.061m which further supported the view that the Authority's Balance Sheet and finances were in fact healthier than implied by the published accounts which must comply with international reporting standards and was as such a going concern.

Members were then advised that the MTFs estimated a £3.3m shortfall in resources over the four year period, however budget savings and efficiencies had yet to be identified for the next three financial years and were expected to reduce this position significantly.

Councillor Woodwark was assured that the Fire Authority would deliver in uncertain times.

Michelle Roan explained that the report would be submitted to the Committee and The Fire Authority on an annual basis. The report would be revised if the position was affected by external factors.

37. RESOLVED that the report be noted and presented and to the Fire Authority in June.

### **Compliments and Complaints Annual Report**

The Chief Fire Officer/Chief Executive (Clerk to the Authority), the Finance Director and the Personnel Advisor to the Authority submitted a joint report to provide the

Governance Committee with an overview of the compliments and complaints received by Tyne and Wear Fire and Rescue Service from 1 April 2023 to 31 March 2024.

DCFO Nicholson advised that during 2023/24, 170 compliments and 38 complaints were received.

Whilst the Service strived for operational excellence, there may be occasions when it did not deliver to the standards expected and welcomed views about performance, allowing the opportunity to investigate and correct circumstances of underperformance and learn from the outcomes in order to improve the quality of service provided.

DCFO Nicholson explained that compared to 2022/23 the number of compliments had increased by 12 and complaints had increased by 20. Whilst TWFRS was a very humble organisation, these were important to capture and therefore awareness was being raised.

With regards to complaints, of the 38 complaints received for 2023/24, 45% were fully or partly upheld following investigation. The highest number of complaints received (15) were related to on duty staff conduct, however following investigation only five of these complaints were fully or partly upheld. Staff had also received training on the importance of complaints as an opportunity to learn from the Local Government Ombudsmen.

DCFO Nicholson explained that, overall, the correspondence was generally appreciative of the Service, even some complaints acknowledged the positive impact employees had made and the exceptional service provided.

Councillor Woodwark requested additional information relating to the complaint relating to the proposed Low Traffic Neighbourhood Scheme (LTNS) as set out in 2.3, table 1. Chief Fire Officer Heath advised that local residents in the area in which it was proposed by Newcastle council had been vocal in that they did not accept the open and honest response given by the service following the council consultation about a Low Traffic Neighbourhood Scheme. CFO advised that all requests and complaints had been responded to fully by the service.

Councillor Woodwark then referred to complaint performance against timescales and commented that 19% was a high figure, however he acknowledged that more complex issues could take up a disproportional amount of time. DCFO Nicholson explained that residents who had submitted complaints were kept updated on a monthly basis and given an end date if not resolved within the timescales.

The Chair commented on the good performance and was pleased to hear that customers were kept updated.

The Chair asked how compliments and complaints supported with the improvement of the service.

DCFO Nicholson advised that compliments and complaints were discussed at ELT. Consideration was given to how the service could be improved and compliments were celebrated.

Chief Fire Officer Heath added that officers worked with the Local Government Ombudsman and training had been commissioned for managers and staff. Feedback from the public was used to identify opportunities to improve the service. Some complaints were checked with the ombudsman to check that they had been addressed correctly.

Councillor Woodwark referred to the number of on and off duty complaints and whilst this was low, it was of special importance for the integrity of the service.

The Chair thanked DCFO Nicholson for the report which had generated interest.

38. RESOLVED that:-

- (i) the contents of the report be noted and endorsed; and
- (ii) Further reports be received as appropriate.

### **Modern Slavery Statement 2023/2024**

The Chief Fire Officer/Chief Executive (The Clerk To The Authority) and The Finance Director submitted a joint report which presented the Tyne and Wear Fire and Rescue Authority (hereby referred to as 'the Authority') and Tyne and Wear Fire and Rescue Service (hereby referred to as 'the Service') Modern Slavery Statement 2023/2024 to the Governance Committee.

DCFO Nicholson advised that the Modern Slavery Statement 2023/2024, attached at Appendix A, set out compliance with the requirements of Section 54 of the Modern Slavery Act 2015 and detailed the steps taken by the Authority and the Service to safeguard against the presence of modern slavery and human trafficking within business activities and the supply chain.

Arrangements were in place for concerns or suspicions surrounding modern slavery to be reported in accordance with the Modern Slavery Act 2015.

Modern slavery was a crime and a violation of fundamental human rights. There were various forms and covered a wide range of exploitation including the trafficking of people, forced labour, servitude and slavery. All these had in common the deprivation of a person's liberty by another to exploit them for personal or commercial gain.

The Modern Slavery Act 2015 had been introduced to tackle these crimes and provided law enforcement agencies with powers to pursue and bring to justice criminal activity related to modern slavery.

The Modern Day Slavery Statement 2023/2024 presented a clear intention of the Authority and Service's commitment to eradicate modern slavery and human trafficking from business activities and the supply chain.

Councillor Keegan was pleased that TWFRAs were aware of the issue.

Councillor Woodwark commented that organisations in the private sector had encountered corporate damage due to issues with the supply change. He was reassured by the report and action taken by TWFRAs.

Members' attention was drawn to 10.4 and the responsibility of all employees to escalate concerns or signs of modern slavery or unethical behaviour within business activities or the supply chains.

39. RESOLVED that:-

- (i) the contents of the report be noted and endorsed; and
- (ii) Further reports be received as appropriate.

#### **Local Government (Access to Information) (Variation Order) 2006**

40. RESOLVED that in accordance with the Local Government (Access to Information) (Variation) Order 2006 the public be excluded during consideration of the remaining business as it contains information relating to the financial or business affairs of any particular person (including the Authority holding that information). (Local Government Act 1972, Schedule 12A, Part I, Paragraph 3).

#### **Minutes**

41. RESOLVED that the Part II Minutes of the meeting of the Governance Committee held on 26 February 2024 were agreed as a correct record.

(Signed) M Knowles  
Chair