

Minutes of the **County Durham and Darlington Fire and Rescue Service Audit and Finance Committee meeting** held at Fire HQ on **27 November 2024 at 10:00hours**.

Present:	Cllr R Bell (Chair)
Durham County Council:	Cllr Julie Cairns Cllr Alison Batey Cllr Bill Kellett
Darlington Borough Council:	Cllr A Anderson
Officers:	Tony Hope Keith Lazzari
Internal Audit:	Nicola Cooke
External Audit (Mazars):	Smriti Sood/James Collins
Secretariat	Emma Walton/Natasha McLoughlin

Part A

1 Apologies

No apologies were noted.

2 Minutes of the Previous Meetings

The minutes of the previous meeting held on 26 September 2024 were agreed as a true record.

3 Internal Audit Progress Report

NCooke introduced the progress report as at end of Quarter 2 2024/25. NCooke had met with KLazzari yesterday, there were no areas of concern to highlight.

Members considered and noted the Quarter 2 internal audit position.

4 Corporate Governance Action Plan Update

KLazzari presented the Corporate Governance Action Plan, which is reviewed quarterly by the Senior Leadership Team. All actions were currently on-going, areas highlighted:

Action 2 – regarding pay awards - The MTFP is based upon increases in pay awards of 3% in 2024/25 and 2025/26 and 2% thereafter. The MTFP deficit position could change dramatically if pay awards are agreed above this level.

Action 4 – The Service has recently entered into a collaboration with 3 other FRSs for a shared Emergency Mobilisation and Control system which has

enabled the system supplier to deliver efficiencies in the solution and increased resilience for all 4 services.

It was noted that some items on the plan overlap with the risk register.

Members were asked to note the update.

5 Corporate Risk Register

KLazzari presented details of the Corporate Risk Register, currently 6 risks have been identified.

FIN152 – reduced risk - as MTFP currently showing as balanced in 2024/25 and 2025/26.

FIN153 – reduced risk – MTFP assumptions are being monitored and pay awards for 2024/25 can be managed within the budget.

AAnderson asked what the impact of a 1% pay increase on MTFP currently would cost, THope informed the committee it would be a £297k increase.

AFoster queried item ER218 – heightened terrorist threat in County Durham, following the riots that were mitigated in Durham City earlier this year and fires associated, this would increase risk of staff on operational duty being affected. THope stated that body worn cameras were in place for staff to utilise. KLazarri also added that there were debriefs taking place after all incidents like this where any risk and impact on service would be reported. Bodyworn cameras were also reviewed by police to support during this time.

Members were requested to note the report.

6 Forecast of Outturn 2024/25 Quarter 2

THope presented the report which provides an indication of the Service's revenue and capital financial outturn position based upon expenditure and income to the 30 September 2024.

Based upon expenditure and income to 30 September 2024, the forecast revenue outturn position to the 31 March 2025 is an underspend of £0.268M (0.76%).

AFoster raised the utilities overspend of £80k. THope informed the Committee that unfortunately the increase in PFI utility costs hadn't been factored into the budget, but will be going forward.

AAnderson queried the vehicle underspend identified. THope explained that this was slippage from last year as there had been delays since covid of the manufacturing of fire appliances.

ABatey raised the issue of charging points for electric vehicles and access to these at HQ, Stations etc for staff. KL said that this was part of the sustainability strategy, there would be charging points across the County for access, this would initially be a big investment but a longer-term saving. There is currently no charge for staff charging their vehicles onsite, but this would be reviewed going forward with a view to charging as usage increases.

At this stage no further borrowing is anticipated during 2024/25.

No areas of concern were raised.

Members were asked to note the report.

7 Short-term Investments and Long-Term Borrowing Quarter 2

THope presented the short-term investments and Long-Term Borrowing for Quarter 2 report. He highlighted the following:

- Interest of £276,402.40 has been earned up to the 30 September 2024 which is above the budgeted amount of £75,000.00 for the year to date.
- Short-term investment balance of £15,818,000 as at 30 September 2024.
- Long-term borrowing – outstanding principal balance of £4,859,134.69.

Members noted content of the report.

8 2025/26 Budget and Medium-Term Financial Plan

Members received an update on the financial pressures facing the Authority which include the impact of unfunded pay awards, rising energy and utility costs and a lack of funding for capital investment. Although the Authority's financial position has improved following the identification of savings through budget challenge, increased interest receipts and the implementation of riding with four, there are risks in our current MTFP assumptions particularly around pay. The Committee were reminded of the uncertainty surrounding future funding and the reliance on council tax receipts which now account for over 60% of the Authority's funding.

The settlement will be announced 19 December 2024 and this will be 1 year funding settlement then going forward it would be multi-year funding.

Members noted the content of the report.

9 County Durham and Darlington Fire and Rescue Authority Audit Progress Report November 2024

Audit work is ongoing with 3 key risk areas, which would apply to any service not just Fire.

- Management override of controls
- Net defined benefit liability valuation
- Valuation of property, plant and equipment.

There are currently no matters which need bringing to the attention of the Committee, planned timescales are within the audit report which they intend to deliver ahead of the February 2025 backstop deadline.

Discussion took place around the February 2025 deadline.

The committee are very mindful of the possibility of not being able to meet the February 2025 deadline. However, they remain concerned about the impact of delays in the completion of the audit and urged Mazars to do everything possible to meet the deadline. The Committee understand the position Mazars are in with regard to queries they are submitting to staff and the time involved in processing these. THope assured the Committee that audit queries will be dealt with as a priority.

The audit update was noted by the members.

Part B

10 Outstanding Audit Recommendations Quarter ended 30 September 2024

NCooke updated the committee that there were 5 recommendations that were overdue and had revised target dates now.

AFoster queried if the fire home safety visits were being targeted, considering the cost-of-living issues and changes to fuel allowance for our older population. Are those people on universal credit being identified to receive a visit? THope said that the Service works with the Local Authorities and other agencies to identify these people to visit.

The report was noted by the members.