



**joint audit & risk committee**

*Building trust in policing and fire and rescue*



**Minutes of the Joint Audit and Risk Committee  
Police & Crime Meeting  
Date: 17<sup>th</sup> March 2026 at 10am  
Location: Room 1, Staffordshire Fire HQ**

**Present:**

<b>JARC members</b>	<b>Officers</b>
Chris Key(CK) Chair	Ralph Butler – SCO Director of Performance and Engagement
Emma Christmas (EC)	Louise Clayton - SCO Chief Executive (LC)
Craig Brown (CB)	Kathryn Grattage – SCO Governance Manager (KG)
Gurpreet Singh (GS)	Dave Evans SCO Deputy Police Fire and Crime Commissioner
	John Bloomer - Force Director of Resources (JB)
	Jasraj Purewal – Force Head of Accounting (JP)
	<b>External Officers in attendance</b>
	Louise Davies - Associate Director RSM (LD)
	Paul Grady - Partner Azets Auditors (PG) on Teams
	Charlotte Amos Azets Auditors (CA)
	Zakariya Salim Azets Auditors (ZS)
<b>SCO - Staffordshire Commissioner’s Office</b>	
<b>Force - Staffordshire Police - Force</b>	
<b>FARS - Staffordshire Fire and Rescue Services</b>	

No members of the public were in attendance today.

Prior to the meeting today, JARC members held their pre-meeting.

**1. Declaration of interests, apologies, minutes and actions.**

**Declarations of Interest:** There were NO declarations of Interest for this meeting.

**Apologies:** Byron Preece (JARC) Deb Wilne and Emma Cranidge (Force) Dan Harris (RSM)

CK confirmed that Louisa Harrison has resigned from the Committee due to work commitments, he thanked Louisa for her time on the committee and noted that she will be missed. Louisa had passed on her thanks to the Committee for their support, and that she had really enjoyed her time with the Committee.

**Minutes & Actions of the meeting on the 25 November 2025:**

JB clarified that on page 8 of the minutes, in relation to the question around overtime and planned activity, that the cost of the protests is expected to be around £500,000 not £500million.

**AGREED** - That the minutes of the meeting held on the 25 November 2025 are confirmed as an accurate and true record with note to the amendment above.

**Actions from the Action Log:** KG confirmed that the two actions from the meeting in September 2025 had been completed with the Closed Session at the end of the Public Meeting today.

Action 1 from the meeting on 25 November 2025 will be brought back to the meeting in June by LD at RSM.

## 2. Questions from members of the public

There were no questions from the public today.

## 3. Internal Auditors

### i. Progress Report

Since the last JARC meeting RSM have finalised four Audit Reports, there is one piece of work left to deliver, the Public Protection Unit and Benefits Realisation which is in progress, and that report will conclude the years audit. There is nothing within the results to date that would indicate a negative head of internal audit opinion.

### ii. Management Action Follow-Up Report

A Reasonable Progress opinion was given to this report. A number of previous actions were assessed and had been implemented, with one action remaining outstanding.

Q: CK on page 10 of the report, actions completed, a lot of the actions have the use of the word 'will' and some of the narrative is not clear. Specifically in relation to Firearms storage, there are a lot of processes that reference will be reviewed, has this work been done?

A: LD the majority of the actions have been completed, there are only two outstanding actions, listed under findings and actions. RSM can confirm that evidence has been seen to close off the other actions and can give assurance that these actions have been completed.

Q: CB there is a management action for firearms management and destruction, which says random audits will be completed by the armoury. How often will these random audits be performed? Is the intention for these audits to be carried out for an indefinite period? And how do we know that those random audits are going to be undertaken or are being undertaken?

A: LD RSM would look to review and see how often they have been done, ask for this to be demonstrated and to see the evidence to substantiate this. This action will be reviewed as it is a new action.

Q: CB would there be an expectation in terms of how many random audits are undertaken?

A: LD this would be for the organisation to define, it would depend on capacity, resources etc. RSM would review how many have been done and use some judgement to see if this was a reasonable amount.

Q: CB would that be the same for the other action relating to the final procedural document?

A: LD there is a twofold process where Force sign these off and then RSM will independently check that this has been done, and is robust and correct.

CB added that from a document point of view it would be helpful for the committee if there was additional narrative that explains this.

EC added that random is an indefinite number, and quite open to interpretation. It might be beneficial to add a minimum amount in brackets; as it provides an element of detail that is important to encourage best practice.

**ACTION 1: Item 3.ii RSM to clarify the narrative 'random audit', with the addition of a minimum amount agreed with Force, to be added in brackets to the audit action.**

### iii. Neighbourhood Policing Guarantee (NPG)

This was undertaken as an advisory review because it is a longer-term programme. RSM looked at Staffordshire's progress against the Government's Neighbourhood Policing Guarantee. RSM were able to confirm that the force has a clear and structured approach for this new policy, there are performance measures and a governance framework. RSM concluded there is a good approach to implementing the NPG, although the current reporting could show progress against the NPG and the effect that this is having on local communities.

The medium priority action was around strengthening some of the governance structure, ensuring there are Terms of Reference for each group, with actions, decisions and issues recorded. There was no formal opinion issued for this report, but no significant issues were highlighted.

Q: GS the report states that the NPG framework was drafted in December 2025 and due to be launched in April 2026, is that still the case? And is the framework still due to be implemented?

A: JB the government has published measures around neighbourhood policing but there are discrepancies with the counting category. The resources that have been provided by the government can't be deployed because there are specific counting categories and there is a mismatch between the two. This year the government did not provide the totality of the grant conditions until June, and they have changed what can be categorised throughout the year. The Force has to report monthly but almost every month what the Force can count and what qualifies has been changed by the Home Office. It is very difficult to answer the question because of where the government is around this.

Q: GS is it mandated for this to be in place by April?

A: JB yes it is mandated, but all of the conditions have not yet been provided.

Q: EC from experience of trying to report in the public sector is this continuous change because the government is trying to get to the 13,000 NPG ambition?

A: JB the policing guarantee is now 13,000, but these numbers can be made by moving officers into different functions, which Staffordshire have not yet done. For Staffordshire next year, this means having 26 more officers in a neighbourhood function, but these officers could be moved from other areas, so it is not necessarily a growth in police officer numbers. The officers have to be doing the neighbourhood role wholly, if neighbourhood officers are off work due to sickness or maternity leave, then they are taken out of the counted numbers after 28 days.

Q: CK are the Force questioned on the numbers?

A: JB yes, and this is very resource intensive. It is being counted person by person and day by day, looking at named persons, so it is very resource intensive compared to the uplift program which was twice a year.

Q: CK is there a nil cost with this?

A: JB it is pretty much a nil cost. Staffordshire is growing police officer numbers next year. Some other forces might be moving resources rather than recruiting new officers, so moving officers from a different function, but Staffordshire is not doing this. Police officer numbers are growing so there is a minimal impact on other parts of the business.

#### **iv. Income Generation**

The outcome of the audit for this report provided Reasonable Assurance, with two medium actions. There is an Income Generation report which is reviewed manually, to ensure the fees agree with the guidelines, and that they have been charged correctly. The report also reviewed the arrangements for forecasting, monitoring of income, and identification and recording of any risk areas, there were no issues found here.

Partnership agreements were in place where applicable, and the appropriate processes in place for recharging costs incurred. Data analytics were undertaken which didn't identify any issues, there was one issue around not having sufficient evidence that driver training course fees had been approved, which is one of the agreed actions. The other action was that a significant interim update to the handbook in January 2025 was not approved.

Q: GS on the charges action it says effective immediately as required, what does this mean?

A: LD it means that as it is needed to be done it will be done, if there are any new ones that come on board the Force will make sure this is implemented immediately.

JB added that these fees and charges are approved annually, implemented in January. This is when there are mid-year changes due to changes in legislation.

#### **v. Draft Internal Audit Plan**

The draft plan has been submitted as part of the papers and the committee were asked if there were any views or questions they wished to raise.

Q: GS could RSM provide a brief overview of how the plan is put together? It is acknowledged that there is an explanation on page 8, but it would be good to have an understanding of how the risks are put together.

A: LD confirmed there were a number of factors, there are certain audits that need to be done including risk, governance and finance. RSM will look at what are the key risks? What are the things the Force is concerned about? Where would the Force like assurance? What are RSM seeing elsewhere that might need to be covered? Can RSM give assurance that the Force is comfortable with where it is? And linking these to the risk register, along with constructive conversations with the organisation based on this information.

Q: GS does the organisation have an audit universe or is the determination just based on the risk register?

A: JB the majority are on the risk register, and they are good for the organisation, and open to external challenge and review. There is a good understanding of what is key in the sector like AI. This is under

review, and there is the opportunity to flex the plan throughout the year if there are emerging risks, flexibility is key.

Q: GS how often would this be reviewed?

A: JB this is done formally bi-monthly but is being constantly reviewed within monthly meetings.

LD added there are monthly audit meetings with the internal auditors and Force.

Q: GS so the risk register is a key starting part. IT Strategy is on there but has not been reviewed now for 5 years? IT plays a fundamental part in any organisation so is this being addressed as part of other areas?

A: JB the IT strategy was reset about six months ago, so there is a new IT Strategy but this is governed by the Police Digital Service and follows the national strategy, so there would be low value to have this audited as it is following national practice.

Q: GS the reason this was mentioned is because in the last review there was poor progress, so has progress been made since this review?

A: LD RSM would have followed up on those actions to ensure any issues had been addressed. This has been left on the strategy so that it still feeds into annual discussions, and it is not lost sight of.

Q: EC IT is quite cross cutting, so if there were key themes with IT issues across different audits would these be picked up?

A: LD this is recognised in data quality. Almost every audit would have an element of data quality, there would also be an element of governance and of risk management, so a number of those key themes are covered in the individual audits.

Q: EC there is nothing specifically relating to people, and people are the main resource and also potentially your main risk, normally on an audit plan you would expect to see something relating to people. Is this because of cross cutting or is there something that could be drawn out?

A: JB the transformation audit will be a big one around people, because 80% of that is people, and the Corporate Resourcing Unit (CRU) is also relating to people.

Q: EC what does the CRU do?

A: JB this is the area of the organisation that resource the Force on a day-to-day basis regarding when people are on duty, where they are and what they are doing. If the organisation gets this wrong, then everything else can go wrong.

GS added that it was good to see that there is an agile approach and that the plan can be amended if the risk area changes.

Q: CB in the plan there is reference to a future audit on adaptation on AI. It would be interesting to see how the challenge of checking AI will be managed. There will be scope within the AI policy but then it is how the audit will be tackled to check that the policy is being followed by everyone?

A: LD RSM are reviewing this across a number of clients and a couple of early ones have been done already. The scoping of the audit will be very important and how to know that people are complying with the policy.

JB added that the new body worn cameras automatically produce a statement using AI but it is the checking of this that is key. It should reduce the work by half, but it does not eliminate the work required, as there is still the element of checking that what is produced is accurate. The weakness is still the human element, as there is still the need to check that the data is correct.

Q: CB AI never says no, it always tries to create an answer, will this be reviewed?

A: LD part of this will be looking at the safeguards, what has been built in to make sure it is not 'hallucinating'. So RSM will be looking at the safeguarding and the prompts that have been built in.

Q: CB how is the trial for AI Agents in support of answering the 101 calls coming along, it was in the news in November, what is the extent this is being used?

A: JB this is still in build at the moment and will be going live for testing this week, with the expected live date being a couple of months away. Thames Valley Police have gone live with this now and have already tested this, so Staffordshire are using their basis for their testing.

Q: CB presumably this will form part of the audit as well?

A: LD yes this can be looked at as well.

Q: CK what is NICHE?

A: JB it is the records management system for the Force.

Q: GS with the audit approach, are all audits risk based?

A: LD not all audits would be risk based, accounts payable would be more systems based rather than risk based. There may still be a risk but this is not articulated and so it would be system based if it is not on the risk register.

Q: CK vetting and overtime had been amber previously but have not been marked for future reviews.

A: LD these would be revisited at some point.

#### **4. External Auditors**

##### **i. Joint Audit Completion Report (ISA 260)**

The report sums up the totality of the work done for the audit as a whole, primarily focusing on financial statements work and the NEO code of practice that Azets needs to discharge. Half is the financial statements work and the other half is the Value for Money work, which was shared at the November meeting.

There have been no changes from the position previously reported in November, in that there were no significant weaknesses identified in the arrangements in place at the authority in the Staffordshire Commissioner's Office (SCO) and the Force.

In February Azets issued the disclaimed opinion to Force and the SCO and for the group as a whole, this met the deadline of 27<sup>th</sup> February, and the audited accounts were uploaded to the website on time.

The report summarises the total amount of work done in this particular year and the journey towards build back. It was a foregone conclusion that it was going to be a disclaimer this year, due to the statutory backstop arising from the disclaimer first issued in 2022.23. It is important to know that what Azets is doing is as set out in in the guidance, and building up the assurance will enable us to get back to a clean opinion at some point in the future.

The NEO released the expected guidance, which the local audit, recovery and reset implementation guidance (LARIG06) sets out in more detail the requirements for the build back journey and the approach at a very high level. The focus for this year was threefold, first of all we wanted to focus on the balance

sheet for 2024.25, also the journals work and to focus on the valuations in terms of PPE and as much as we could do in terms of the pension valuation, again bearing in mind that the pension fund auditor isn't giving us assurance back to the last triennial.

The first part was in terms of the balance sheet and the journals. The second part was in terms of the LARIG06 risk assessment itself. The guidance sets out a very comprehensive detailed set of requirements and considerations. Azets wanted to get that done as far as possible in this first year, which they have been able to do. That considers a huge amount of factors going back over the disclaimed period, including over the period where Azets weren't the auditors, in order to refine the risk in terms of build back and essentially the risk that material misstatements may be back contained in the 2022.23 disclaimed year and anything not covered in 2023.24, which would need particular attention and into the future to get back to a clean opinion, and to enable Azets to reach a view as to where on the risk spectrum the SCO and the Force sits in terms of the risk of building back.

Most of that work is done. There are a few bits to finish off, but it's been done sufficiently that Azets view at this stage is that for both corporations sole that they are at the lower end of the risk spectrum, which is good news, not least because it means that Azets only need to do the minimum needed in terms of steps, to get back to a clean opinion in the future. There is still a significant amount of work, but it's a lot less work than would be required if the organisations were higher up the risk spectrum scale.

The sort of factors that influence that are the continuity of arrangements that have been in place since 2021.22, whether there have been any major upheavals, considering of course the new system in implementation, which went well last year. The continuity of individuals and the capability and capacity of the finance team, and whether there have been any sort of seismic shocks in that period, that were either unexpected or any particular changes in the controlled environment. Azets drew on sources including the work done last year, but also work from previous auditor's reports. Azets will be looking at their files again as part of that build back journey.

The good news is that nothing came out of that analysis of the various movements and the ins and outs across the disclaim period, which gives any particular cause for concern in terms of being able to build back in the time scale.

The final thing we did in this particular year was to start doing the property, plant and equipment, all of the fixed assets build back work, going back to the last disclaimed opinion, some of which we had from the work we did in 2023.24, but this also involved going back through 2022.23, with the aim being to get to a complete audited journey from the last clean opinion in 2021.22 up to the current date.

The overarching message is that there are no significant adverse outcomes from all of the work done that needs to be shared with the Committee, or which is pertinent to focus on. The biggest areas of challenge was in terms of the fixed asset register, and some of the challenges in being able to reconcile and ensure there is a complete audit trail from the values report through to the fixed asset register, through to the trial balance and through to the accounts. It is not insurmountable, it took a bit longer than anticipated, but again there is nothing that gives any particular cause for concern.

All of the objectives for the audit have been substantively achieved, and the additional time taken on the fixed assets work meant at the time of issuing the report, there is a little bit of work to close off, but Azets are confident that this will be closed off. The closing position for land and building valuations will be in the bag, meaning that from 2025.26 for as far as land and buildings valuations are concerned, and in terms of PP movements. It is then the forward look over the coming years to maintain that assurance.

The other thing is in terms of what is the plan, 2025.26 again will be most likely a disclaimed opinion. It is really important to stress that it doesn't in any way reflect on the Force or the Commissioner's office, or the control environment that's in place or any particular issues, it is purely a feature of the annual backstops, which curtail the work. Whilst 2025.26 will most likely be a disclaimed opinion, for 2026.27 it may be moving away from that and that will be on the basis that Azets will have several years' worth of current and prospective assurances from 2024.25, 2025.26 feeding into 2026.27. There will also be the complete build back work that has been done, unless anything comes out that suggests the low risk assessment is misplaced.

Azets will be able to do some analytical procedures over the disclaim period rather than having to do full-on substantive testing. The main areas missing will be the third balance sheet element, which is essentially the comparators opening position and pensions, which will be a year behind because it's only from 2025.26. If that is all then we should be able to move from being disclaimed to at least qualified on that point due to the backstop. For 2027.28, it should be looking at getting back to a clean opinion.

Azets approach from today onwards is the 2025.26 plan which will come to the Committee next in terms of the next document. The final thing to touch on is just how incredibly helpful, engaged and supportive the finance team have been. These have been reflected in the Key performance Indicators which as last year have remained green, as there are no concerning issues in terms of how the accounts are done or closed. There are no concern regarding barriers to building back assurance in the future.

CK thanked PG for the report and shared that it was good to see the greens on the report, which was positive for the Committee. CK added that it was good news regarding the steps towards a clean opinion and asked where Staffordshire is in comparison to other forces?

PG confirmed that in terms of the sector as a whole, the minority will fall into the low-risk sector so this puts Staffordshire in the upper quartile regarding the wider picture. Staffordshire is also towards the top of the tree in terms of the time for build back across the sector as a whole, in moving back to a clean opinion. It may mean that the organisation is one of the first to get to this and is in a good position.

Q: CK the MRP that was discussed briefly last year, could this constrain investment or is it more regulatory?

A: PG it is and we are looking for signs as to whether this is being imprudent, as there is a requirement to be prudent in the regulations. Signs of imprudence could indicate financial pressures becoming unmanageable in the medium to longer term. The MRP looks like it has been calculated accurately as required by the requirement and the regulations, and it does not give any cause for concern over imprudence or stored, masked hidden potential financial challenges in the future.

JB added on MRP it looks like Capital borrowing, it is quite a public discourse in certain circles and the system we have is predominantly weighted towards borrowing as it meets off on the capital programme. The MRP calculation references how you repay is functional as opposed to actual debt. There has been a discourse that debt is bad, debt is not bad it means that you are investing in your organisation. The key is it affordable as opposed to what is the headline number. The Force headline number has actually fallen for the last six years, although it will come up this year at year end. It has come down by about 17%, so as it has fallen the Force has been able to fund using capital receipts, bits of revenue but that has now come to an end and the challenges the Force has are around capital investment.

CK thanked JB for his comments and confirmed that part of the role of JARC is to look at Value for Money and there were no significant weaknesses identified which is a comfort factor for the committee, that

the organisation is aware of Value for Money and it is effective on financial sustainability, on governance and improving economy, efficiency and effectiveness. The Committee has also noticed that on page 83 all of the cyber risks have all actions completed and the recommendations closed, this will be discussed in the closed session on Cyber Security.

## 5. Force Governance Report

JB confirmed that the report has been received by the Committee. HMICFRS are currently at Staffordshire conducting their inspection.

The PEEL inspection report has nine areas raised on page 2 of the report. This is what the inspectors will focus on, because they inspect only approx. 20% of what the force actually does. So it gives an overall grading and it grades those nine areas. but it excludes large areas of the business because these are the areas of the inspectorate across police in the UK that they are choosing to focus on. Each PEEL round look different to the round before and these are tailored nationally.

On page 3 of the report the Areas for Improvement (AFI's) from the last inspection you will see that there has been improvement and that the green increases from September 2024, and has seen sustained improvement.

The Child Protection Inspection was the most recent inspection that has been concluded and shows improvement from the 2023 inspection. The ratings show that there was one good and two adequate, which again shows progress in that space.

The Integrity inspection process covers things like vetting and counter corruption, these are on the PEEL process this time around. Scenes of Crime inspection is also included, this is a bit different in that they inspect the soft support at a regional level.

Strategic risks are covered in Appendix 2. There is the ESN, contact business continuity management, Evidence Management Unit, which is in the audit plan again for next year, CYAN Cyber will be audited again, custody has just been audited, transformation is also in the internal audit plan. Public Confidence is new on the register, and this has been widened from sexual misconduct. Officer strength and resilience is in relation to Staffordshire having the 13<sup>th</sup> or 14<sup>th</sup> highest level of service but the 4<sup>th</sup> lowest number of officers, which is the direct result of the precepts being frozen locally between 2010 and 2018 and the Force cannot catch up from this, and it is reflected in the difference between demand and resource.

Vetting has been de-escalated as the wait time for vetting has halved in the last 6 months. Information Governance has been de-escalated because of a significant investment, and Pensions McLeod has been de-escalated off the risk register, this referred to the police office pension scheme and not police staff.

Q: CK this if for RSM, regarding elements like vetting, and where risks are escalated and deescalated is that why audit is not for review. Do you discuss this with the Force regularly?

A: LD the audits would usually be focused around key strategic risks, so if something has been de-escalated it may not be in the audit plan this time but it would not be lost sight of, and something like vetting you would expect to see this on a fairly regular basis as part of the cycle, as it is key to the organisation.

Q: CK when elements are escalated and de-escalated what is the story behind these, presumably these decisions are going through the relevant boards?

A: JB the risk register and decisions are the Executive Management Board (EMB), which is the top decision-making board, and it is the Chief Constable's prerogative to make that decision.

LC added that the strategic risk registers are discussed at the joint Strategic Governance Boards (SGB) but the decisions are operational, the SCO is not involved in the decision-making process but does have discussions regularly regarding the risks and the risk register. The SCO is happy with the process and the opportunity to discuss the decision-making process at the SGB.

Q: CB cyber is being discussed in the closed session after this meeting but this is a question for the public domain. Cyber is pointed out as a digital risk but there is also an analogue risk in terms of human behaviour, as this is one of the most common ways in which cyber security is put at risk. What is the Force doing in relation to this human element of the risk?

A: JB this will be covered in the closed session, but it is agreed that common issue is the human element. There are protections that can be put in place to address physical security, but the human element is the weak link.

Q: CB just to comment on transformation, does this deliver the MTFs savings the organisation needs to make? There is reference to transformation being limited to red lines, what are these red lines?

A: JB the red lines would be things like National Guidance e.g. the NPG was a red line because of the PCSO number, which causes a challenge in that space. Another example would be finance, as you could not get rid of the finance team because there are a lot of statutory regulations as part of that and there are bits around the uplift program. The preference is for police officers which instantly redlined over half the budget in terms of cash, then there are also police officer use vehicles, IT etc. so the Force is red lining large chunks because it is tied to headcount, so the transformation program is very much limited by what is placed upon the Force. From the business there is probably about 20% that is not ringfenced and that is the challenge. The overall budget of £300million taking out £20million over 4 years on average is pretty achievable, but when you take into account that 65% of that budget is ringfenced that is more of a challenge.

Q: CB it was mentioned that 80% of the spend is with people, with transformation what is this as it seems quite a nebulous concept?

A: JB There are a couple of things; where things work through a system then technology is key in this space, and technology gives levers around lower paid jobs, which is economy wide. Also, how the Force does some of the traditional work, through spans and controls, non-paid income generation, precept has a major part, as the central grant is fairly static, and rises in precept becomes increasingly important.

Q: CB with transformation is there a central team, a Transformation Team? Presumably things like AI and answering 101 calls would that be tagged as transformation?

A: JB yes, there is a Transformation Team.

Q: CB will all the transformation be delivered, the risk is low?

A: JB we have a good track record to date of delivering both balanced budgets and delivering on the end of year, so I am fairly confident. It is relative to others and Staffordshire is in a better place than other forces. It is still difficult and there are significant pressures that need to be dealt with.

LC added that there has recently been notification that HMICFRS are undertaking joint thematic inspections across Force and FARS around Cyber Security. HMICFRS have already done the fieldwork with four forces and four FARS, maybe something to have a look at at a future date.

## 6. Finance Papers

## i. Treasury Management Strategy Report

CK introduced the section and raised that there was a bulk of information and papers, and this could be quite challenging for the Committee as there are several hundreds of pages of information, the Committee may wish to review this going forwards about how to address such a bulk of information in the time that the Committee has. The budget has been formally approved at the Police Fire and Crime Panel, and CK asked where are we governance wise and were there any issues that have arisen in the journey to clearing the reports through the cycle of committees?

JB picked up the highlights of the reports.

Page 8 legally the PFCP endorsed the Commissioner's decision on precept in February.

Section 2 provides the overall context from the end of October. The CSR for policing is based on what the Treasury gives the Home Office, but it is not necessarily what is passed on to policing. The increase in core funding of about £1.4billion between 2025.26 and 2026.27 of that only around £400million made it out to forces with the other £1billion retained by the Home Office for various items, the top-slice was just short of £100million for police reform. Staffordshire are £4.3million down on what was anticipated based on the Home Office original modelling. Policing had a 2.3% increase in funding, assuming full precept while local government had a 5.2% rise. The top slicing and realignment for Staffordshire was negative, receiving the fifth lowest increase in funding in the country. The Home Office acknowledged that their top slicing and redistribution caused some issues for PCC's, and gave them permission to raise precept by an additional £1 up to £15 rather than £14, and allowed forces to apply for Exceptional Financial Support (EFS), which translated as the additional flexibility with precept up to the £15.

Table 2.1 on page 9 sets up the increase in cash funding. The increase in cash funding between 2024.25 and 2025.26 was £4.5million which sounds pretty good but taking into account all the pressures put on from government; pressures relating to pay awards above what forces were told to budget for, ringfencing, IT costs and XL Bully costs then with these cash pressures funding is actually £3.1million less. Within all this the force has increased police officer numbers to the highest since 2011.

The Appendix highlights some of the choices that have been made and the estimate is that Staffordshire will lose about 19 police staff posts next year, the majority of these posts are vacant and it is anticipated that there will be redeployment rather than redundancies.

Looking forwards it is anticipated that there may be further top slicing so there is a real risk around this in the future. There are some assumptions on Page 15, there is a pay award assumption of 3% next year and 2.5% thereafter, however pay awards have been in excess of this and it may not be enough. Page 17 sets out the impact of an increased 1% pay award, and the impact of this would be about £2.4million operationally, which can have a material impact quite quickly across the organisation.

Page 19 refers to the capital programme and capital financing costs every year, apart from last year, reducing compared to the MTFs. Page 20 tells the story around the capital programme. It is in line with others, given around 80-90% of the programme is funded by borrowing. Borrowing is fairly common across the sector now. The Appendices provide additional information. The other three papers are attached to the main budget paper.

Q: CK regarding the strange trend in relation to the Capital Programme, from Table 6, Page 20 there were questions about this at the Police Fire and Crime Panel, this is related to estates, could you explain this please?

A: JP this is the estates programme, and in the 2026.27 estates programme a proportion of this would be the firing range, which is heavy in 2026.27 but then reduces, and the following year is relating to the Southern Area Custody facility.

JB added that big figure is the £40.5million for Southern Area Custody, this is in from a prudent point of view but the figures have not been finalised yet, as the business case has not been completed.

Q: CK what year is Police reform due to come in and how do you plan for capital programmes around this, with the restructuring proposals and the Local Government Reform as well?

A: JB there are a couple of things the police white paper, most of this is for post the next general election, and then police reform spans two general elections, so the chance of this being fully realised as it is written is pretty low. The Treasury has not chosen to fund this as a reform programme. For Staffordshire locally this is really congested early doors, and we don't know what this looks like and that is the biggest issue. There is LGR going on at the same time as the abolishment of PCC's so there will be new governance arrangements. We are only two years away from LGR and we still don't know what this looks like, but that shouldn't stop Staffordshire planning for the long term, as this can cause inertia and that would be detrimental.

## **7. SCO Governance**

### **i. DRAFT Corporate Governance Framework**

LC thanked Helen Holden and Emma Cranidge for supporting KG on the annual review, which is shared for comments or feedback. There were plans to undertake a full refresh of the Corporate Governance Framework but with the announcement regarding the abolishment of the PCC Offices then this has not been done but the full annual review has been conducted. The sections have been shared separately whilst it is in draft, but this will all be pulled together as one document.

Q: EC with regards to the section on Delegations and Consent there is no reference to interim posts, should there be reference to this?

A: JB by law it doesn't matter if it is interim or not as they are in that post, and that has been tested, so it does not need to be referenced.

Q: EC for the Decision Making Policy is there a criteria as to which decisions are published, is there a financial level?

A: LC financially anything over £1million would come to the SCO for sign off and this would be published unless there was a good reason not to.

JB added that anything under £1million would go through the internal governance framework, so wouldn't necessarily be published, however most of these would be published on the contract register. Regarding the governance around transparency and decisions the Commissioner makes in comparison to others it is pretty transparent.

LC added that additionally the policy references that if the decision is in the public interest it will be published. One change to highlight is that if a decision is taken by the Commissioner and this is not implemented within a 12-month period, then it will have to come back to the Commissioner for a further refresh of that decision, to make sure it is still valid.

Q: CB the document is currently in draft when is it due to be finalised?

A: LC it is going back the Senior leadership Team in the SCO on the 25<sup>th</sup> March then it will be formally signed off at the Senior Governance Board in May, before the Annual Governance Statement is published in June.

## ii. Governance Schematic

LC confirmed that the updated Governance Schematic has been shared and there were just minor changes to this.

Q: CK it is a good organisation structure, are you comfortable that the accountability is really clear as there are perhaps ways that the governance could become diluted? Recognising that it is a complex organisation.

A: LC it is a good and fair question, especially with the future changes we are facing in relation to governance. One of the risks going forwards is the dilution of governance over the next 2 years and the ability to hold to account because of the changes. I am very comfortable with the arrangements as is but aware that we will need to keep this under review and we may bring in Internal Audit to support this when the time is right.

JB added this also relates to the journey around Police Reform.

## 8. SCO Update Chief Executive

With regards to the update from the SCO, it would be an understatement to say there is an enormous amount of change ongoing, it is happening on a daily even hourly basis. A letter has been received this morning from the Chief Constable of the College of Policing to state that effective from today, the recruitment of Chief Constables across the country has to follow the College of Policing guidance, because it is now part of legislation. From today the recruitment process will be a four stage process, which is to bring in some consistency at the Home Offices request. There are conversations taking place between the SCO and the Home Office and Civil Servants on a daily basis. SCO Chief Executives are meeting and sharing learning and discussions from those meetings, but the detailed policy is still being worked on and we should have a better idea of how this looks after the end of March. The powers of a PCC are 99% likely to transfer to a Police and Crime board in the future and not to the Police and Crime lead that sits below the board.

Additionally, Lord Hogan Howe has been appointed to lead the review of police force areas and potential mergers and the date given for the publishing of that report is August 2026. There is a report that was done previously in 2014 outlining that there should be 14 forces, but it could be anything between 9 and 15. Regarding Police Reform, there is no definitive timeline but the government are really clear in their paper that they want to appoint the most senior chief constable in the country, the head of the National Police Service by this summer, and they are looking at centralising functions quite soon. I think that we will start to see some changes but the merging of forces will take quite a bit longer.

And also things are changing quite quickly with regards to local government reform and devolution. It was announced last week that all 10 local authorities in Staffordshire have been written to by MHLG, and offered the opportunity to form a foundation strategic authority and bring forward that devolution conversation, and the leaders board have approved that now. So, in Staffordshire you could have as soon as next year, a foundation strategic authority (which is the equivalent of a board of leaders) making decisions and that will be ahead of LGR, which could be April, May 2028. If there is a foundation strategic authority then there is a question about the Police and Crime board, we still believe the policy that's being worked up is that the PCC functions would go into a local police and crime board, because the foundation strategic authority is not an entity in its own right, it isn't the combined authority, it's the building blocks of a mayoralty or a combined authority.

This is being shared because local government organisations have been told that they are likely to be prevented from making budgetary decisions as soon as November this year, there could be some sort of measures taken to ensure that PCC's and their offices don't make decisions beyond a certain date, but that is speculation at this stage.

JB added that regarding Staffordshire we probably have one of the most uncertain context in the country. There is the full gamut of LGR, we do not have a mayoral authority and the whole landscape of Staffordshire will change.

LC added that once more is known at the end of this month then a report can be prepared for the Committee and if the Committee want to have a session on the abolishment of PCC's then this can be arranged. Finally just to inform the Committee that given the current situation the capacity and capability of the office is incredibly stretched at the moment with everything that is going on.

<b>ACTION 2:</b> SCO Update - A report will be prepared for the Committee regarding the ongoing situation in relation to LGR and abolishment of the PCC Offices.
--

## 9. AOB

CK thanked everyone for their time and closed the meeting.

**Next Meeting 30 June 2026 at 10am, Staffordshire Fire HQ.**