



**ethics, transparency  
& audit panel**  
Building public trust in policing and fire and rescue



Draft V02

Item 1

**MINUTES OF THE ETHICS, TRANSPARENCY AND AUDIT PANEL (ETAP) FIRE & RESCUE MEETING held on Tuesday 27 February 2024**  
**Hybrid meeting**

**Present:**

<b>ETAP members</b>	<b>Officers</b>
Bob Simpson (BS) Chair	Rob Barber - Chief Fire Officer (RB)
Bryon Preece (BP)	David Greensmith - FARS Director of Finance (DG)
Craig Brown (CB)	Corrina Bradley - FARS Assistant Director of Finance (CBr)
Chris Key (CK)	Louise Clayton - SCO Chief Executive (LC) joined on Teams
Emma Christmas (EC)	Victoria Jones - Director of Governance & Assurance (VJ)
Gurpreet Singh (GP)	Jean Cass - SCO Governance Manager (JC)
Jane Barr (JB)	
Jane King (JK)	<b>External Officers in attendance</b>
John Wheatley (JW)	Dan Harris - Partner RSM Auditors (DH) joined on Teams
Paul Atkins (PA)	Jim McLarnon - Audit Director, Grant Thornton (JM)
Sue Westacott (SW)	Paul Grady - Azets Auditors (PG)
	Azola Dudula - Azets Auditors (PD)
<b>SCO - Staffordshire Commissioner's Office</b>	
<b>Force - Staffordshire Police Force</b>	
<b>FARS - Staffordshire Fire and Rescue Services</b>	

One member of the public was in attendance today.

Prior to the meeting today, ETAP members held their pre-meeting 10.00 - 10.30

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

Declarations of Interest: None

Apologies: ETAP member Chris Gill (CG), Sarah Jassal Audit Manager Grant Thornton (SJ) and Angela Ward Senior Audit Manager RSM (AW).

Minutes & Actions of the meeting on the 23 November 2023

**AGREED** - That the minutes of the meeting held on the 23 November 2023, are confirmed as an accurate and true record.

**ACTION 1** – RB is requested to report back at the next ETAP public meeting with the results of the on-call consultation work, covered in Item 3 – complete.

### 2. Questions from the Public

There have been no questions received from members of the public.

### 3. Update from Chief Fire Officer

RB introduced himself to the attendees and welcomed everyone to FARS offices today.

The key highlights of RB's update included: -

Since the last ETAP Public meeting, finances have been the focus of attention for the service. The Finance Team have been holding their budget challenge sessions across the whole organisation. These sessions have not only focused the minds of budget holders but also helped improve the financial acumen of those with the responsibility of managing budgets on a daily basis.

Recently, the service has experienced several operational incidents involving the changing weather. The teams have supported their communities by responding to these incidents in a professional manner. RB, noted that the service is not directly funded for water rescues as it is not a statutory function. This is something that the NFCC are lobbying central government over

RB gave the following update against action 1 of the minutes of the meeting on the 23 November. The trial of mobilising 'Three Person Crews' from on-call stations began on 1 June 2023, as a 6-month initiative.

'This departure from the traditional practice of crews responding with crews of four or more aimed to provide extra resources to respond to emergencies. The trial's objective was to improve appliance availability and response times to emergencies. The service still strives to crew on-call appliances with 4 or more crew members and is actively recruiting On-call staff. In addition, the service continues to work on an On-call improvement plan to improve the retention of staff and the availability of On-call fire crews. Prior to its implementation, the trial underwent extensive consultation with the workforce and their representatives on policies, procedures and a risk assessment'

As at 27 February 2024, 'Three Person Crews' have attended 357 emergency incidents.

The top six incident types attended by 'Three Person Crews' have included: -

- 99 Building fires;
- 69 Road traffic accidents;
- 61 Automatic fire alarms;
- 33 Fires in rural areas;
- 14 Vehicle fires;
- 19 Incidents involving animals.

RB advised that there have been no reported safety concerns through the Health and Safety System.

RB confirmed the on-call station availability has increased by a mean average of 12% and the overwhelming response from the crews was a recognition that the three-person crewing approach enhances public safety.

RB advised that the service is currently preparing for their next HMICFRS full inspection on the 23 February. This inspection is planned to last until the 15 April due to there being a break over the Easter period.

RB confirmed that he encourages his principal officers to cover national roles as well as their local roles. RB, advised for example he has a number of lead roles including one waste fires, which have recently been an issue in Staffordshire.

RB advised that he also wrote the new Core Code of Ethics on behalf of the National Fire Chiefs Council. He is the lead for the direct entry program and the first passing out parade for the operational course took place last Friday.

Q: CB, what incentives are in place for the budget holders during the challenge meetings?

RB, if budget holder needs any increases in their budgets, they are asked to justify their needs in any growth areas.

CBR, added that the service budget holders do not look at their budgets in isolation and can also see the wider financial position of the organisation. The incentive is that budget holders want to get their budget correct to be able to deliver their plans in the future.

Q: PA, do budget holders have access to the Finance system?

A: RB, yes, they do have full access to the system.

CBR, added that officers have access to the 'live' system and they are able to look at the spend and any commitments.

DG, also advised that the service is using the same Integra Finance system as the Force.

Q: BS, can you give an update on the White paper?

A: RB, the Government response was published last year and some areas have been taken forward. Work is on-going on the pay rates and in addition a number of governance models are being still being looked at.

Q: SW, is there any update on the Grenfell 2 report?

A: RB, the update is still outstanding.

BS thanked RB for his report

#### **4. Deputy Chair's Feedback**

##### **i. Chair of the Finance Panel – Emma Christmas (EC)**

EC advised that the Finance Panel (FP) last met on the 31 January 2024.

At the last FP meeting, the panel received Quarter 3 financial papers, the Precept papers, as on today's agenda under item 5, and FARS Risk Register for information.

BS thanked EC for her update.

## ii. Chair of the Ethics and Review Panel - Jane King (JK)

JK advised that since the last ETAP meeting in November 2023 the Ethics and Review panel (ERP) has met once, on 24 January 2024.

On this meeting agenda was: -

Fire Area Manager Head of Ops Jim Bywater (JB) and the Force's Ch. Supt. County Command Emily Clarke, gave the panel a briefing on the local cross-agency response to the recommendations of the Manchester Arena Inquiry. This gave the panel an insight into the considerable planning and preparation for any future major incidents.

Jim also gave members an overview update on the recruitment and retention of on-call fire fighters.

ERP members attended, as observers, a number of internal feedback sessions on this trial of on-call fire fighters which ran from June to December 2023. These provided useful insights into the trial as well as wider issues and gave a good understanding of the open culture in which the leadership team seek to support within FARS.

Copy of all ETAP thematic reviews published to date can be found on the SCO website <https://staffordshire-pfcc.gov.uk/transparency/etap>

BS thanked JK for her updates.

## iii. PFCC Election Group Report – Jane Barr (JB)

JB advised that there has been a further meeting of the PFCC Election Group on the 21 February. The Terms of Reference and Joint Protocol have now been agreed for the elections in May 2024. The election process has changed to the traditional first past the post instead of the single transferable vote used at previous elections

BS thanked JK and JB for their reports and updates

## 5. Precept Reports including

- i. Revenue Budget Report incl. MTFs & Precept
- ii. Capital Strategy Report and Capital Programme
- iii. Reserves Strategy update
- iv. Treasury Management Strategy

DG presented the above reports to the Panel today.

The budget reports were also all presented to the Police Fire and Crime Panel (PFCCP) on 12 February. The contents of the reports were all supported and approved by all members of the PFCCP.

The key highlights of the reports included: -

- Revenue Budget Proposal of £50.065m (up £1.9m on 2023/24), Settlement Funding +£0.5m, Council tax +£1.4m (of which base increase is £0.5m, 2.99% rate increase is £0.9m), Consolidation of the £1.7m Firefighters' Pension Grant, which for presentation has been included within funding for 2023/24
- The approved Council Tax proposed increase is 2.99%, increasing band D by £2.52 to £86.77.
- The budget for 2024/25 assumes a 5% pay award for all fire staff. The Core Spending Power as published within the final settlement up 5.7% which now includes a 4% funding guarantee and additional compensation factors (additional income)
- Transformation work has ensured that the Service is in a good financial position delivering savings of £1.3m of which £1.1m has been delivered and is the culmination of a significant amount of work undertaken by the Transformation Board led by the deputy Chief Fire Officer Glynn Luznyj. A transformation tracker has been developed as part of this process and regularly reported through to the Strategic Governance Board.
- The MTFs is important and is currently showing a balanced position into the medium term, however due to significant uncertainty and again only a one-year settlement this position fragile and requiring more transformation work. This will be developed to ensure that the Service can maximise efficiency and improve productivity
- Pension Costs are also a consideration into the medium term following the increased in employer contribution rates in the Firefighters' pension scheme by 28.8% to 37.6%. The additional costs should be fully covered through the central grant funding, but this has only been guaranteed for 2024/25.
- A Reserve of £1.5m is earmarked for a further single year of additional pensions costs should this new pension grant not be supported in 2025/26. Earmarked reserves have been allocated to support the capital program including the refurbishment of Brewood and Tutbury fire stations.

DG advised that there are risks within the budget and MTFs specifically around:

- Pay awards for 2024/25 and into the medium term;
- Cost increases, and the future inflation levels;
- Pension grant funding beyond 2024/25;
- Employers increase in Firefighters' Pension Contributions from 28.8% to 37.6%;
- Level of Funding Guarantee – the MTFs assumes that the funding guarantee and the increase in Core Spending Power (reported as 5.7%) will be maintained into 2025/26.

Q: PA, is there a Shared Program Management Office to support the transformation work between the Fire and Police services?

A: DG, the services have been effectively doing this work, sharing spaces around the estate for example at Hanley and Tamworth. The services are also looking at a number of other areas to delivery efficiencies and saving including at Stone and Kinver.

RB, there is a Collaboration Board who meet on a quarterly basis, with Police, SCO and Fire officers sit to discuss further collaborations with service and other partners.

Q; CB, how confident is the service that the Capital Program will be delivered on time and on budget?

A: DG, the current year position has been far better than the previous years and the program is getting back on track. There will be areas of slippage but the budget holders are working very hard to deliver the items on time and within allocated budgets.

Q: JW, how much of the Capital Program will be slipped into next year's plans?

A: DG, there has been a slippage of approx. £2m into either next year's 2024/25 or 2025/26 planning.

LC, added, the Fire Service is in a good position. As a result of the additional investment, in between the quarterly Strategic Governance Board (SGB) meetings, Transformation meetings will be held every 6 weeks to look at the effectiveness of the investment profiling going forward.

Q: BS, how does FARS precept level compare to other Fire services?

A: DG, this year the precept has been pushed to the maximum, in previous years the Commissioner choose not to push the precept level to this maximum.

Q: BS, can you give an overview of the Treasury Management Service please for the benefit of new members?

A: DG, the Treasury Management Service is handled by the Staffordshire County Council via Treasury Management Strategy and a service level agreement to maximise the investments of the service.

Q: BP, can you clarify the position, the useable reserves are fairly static, but the loans are increasing?

A: DG, the service holds in the accounts two types of reserves; General Reserves and Earmarked Reserves. The loans are historical and are due to the need to borrow to fund Capital investments as these relate to long term assets for example the purchase of land, appliances and stations.

The Chair recorded that the Precept has been agreed and added his thanks to the DG, CBr, and the Finance Team for their work on the Precept papers.

## 6. Fire Governance Report

RB covered the key highlights of his report: -

1. HMICFRS reports and recommendations
2. ETAP reports and recommendations
3. Other External reports recommendations (as appropriate)
4. Strategic Risk Register

RB advised that this Governance Report includes updates against the HMICFRS inspections

RB advised that the thematic inspection report was the first for the HMICFRS and the results will not be published until June 2024. Staffordshire was chosen alongside 9 other Fire services to be inspected and the other services included West Midlands, Tyne and Wear and Cornwall.

HMICFRS has recently commenced a 3rd Round of its full inspection schedule. This inspection will be assessing the progress made by the service since the last inspection in Effectiveness, Efficiency and People.

Q: JK, can you give the Panel an overview of the service's Hives Survey?

A: RB, advised that he would give members an update on the results as a future meeting of the Panel.

**ACTION 1:** RB to feedback to the Panel on the results of the Hives Survey.

BS thanked RB for his Governance Report

## 7. Internal Auditors

DH presented the following reports to the Panel today.

- i. Progress Report

The audit plan for 2023/24 was agreed was ETAP at their meeting on the 24 May 2023.

The Risk Management RSM report is presented to the meeting today.

There are two audits that are work in progress in Payroll and Financial Controls.

Fleet management (replaced with Estates management) is now deferred until May 2024.

The majority of 2023/24 reports have been scoped and dates (revised dates) have been agreed with management.

Annual Audit report will be taken to the May 2024 report.

ii. Risk Management.

Assurance Opinion – Substantial Assurance

*Taking account of the issues identified, the Service can take substantial assurance that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied and effective*

iii. Audit Plan 2024/25

DH introduced the plan and confirmed that this is a draft plan, final plan will be presented to the next ETAP meeting in May.

The plan consists of, 25 reviews that are linked to the service's Strategic Risk Register, 3 follow up areas and 3 joint reviews.

DH confirmed that RSM have met with Senior Management from the service to discuss the plan and has also reviewed the Strategic Risk Registers. DH has not yet met with LC and KR, but has asked for their comments and thoughts in due course on the plan.

DH asked that ETAP members review the plan and let him know their comments.

Do we need an action ETAP members? Possibly at Finance Panel

Q: CK, Cyber risk, is this area weak in plan? Is RSM comfortable that the service is covering off this risk?

A: DH, this audit may not be a fully comprehensive analysis of cyber risk due to the expected audit fee. However, RSM will be utilizing their national team for this review involving 35 tech review specialists who are trained and are constantly reviewing this area. RSM will be looking at the 10 steps of the cyber review guidance and considerable may be given for of this review to be managed over the next two years.

DG added that the purpose of the audit is to give some assurance that the service is robust. The service does have cyber insurance in place and there are lots of checks in the service to mitigate the risks. There is additional funding in the budget for other areas of cyber security.

Q: BP, where does the liability sit with SCC cyber issues/cyber-attack?

A: DG, this is picked up in the service level agreement with the County Council.

DG agreed to bring a final version of the plan once SCO officers have had chance to review the plan further.

BS asked members to let him know any further comments on the plan for 2024/25.

BS thanked DH for his updates and reports.



## 8. External Auditors - Grant Thornton

Final Audit Findings report for the period ending 31 March 2023

JM updated the Panel on the areas outstanding in the Audit Findings Report presented at the last ETAP meeting in November 2023.

The ISO19 letter of assurance from the Pension Fund Auditors EY remains overdue and has been outstanding since September 2023.

DG advised that Staffordshire County Council have confirmed that the letter of assurance is due before the end of March 2024.

The two other areas that were outstanding in November were: -

- There was a liability in the Local Government Pension scheme, additional consideration was needed as this was showing a surplus and a further report was required;
- Fire Pension Scheme, there was an issue with the GAD report to take in account part year inflation. A new report has been provided and further adjustment have been made. There is no impact on the General Fund.

JM advised that the other outstanding areas that are noted above have been resolved.

Once the letter on pensions is received from EY, and having received delegated authority the Statutory Accounts for SFRS for 2022/23 can be closed and signed off.

JM confirmed that there were no other significant changes to note in this final report

JM, asked the Panel to note the additional fees of £7,500 on page 33 of the report. This fee variance is subject to PSAA sign off.

DG added his thanks to JM, SJ and the team at Grant Thornton

BS thanked JM for the reports and his update

## 9. External Auditors – AZETS

Audit Plan 2023-24

BS welcomed PG and AD to their first ETAP Public Fire meeting.

PG advised that AZETS will now be the external auditors for both FARS and Force for the audit of the 2023/24 statutory accounts. AZETS, are a top 10 UK accounting firm, they are public sector practice and largely based across three offices in Birmingham London and Edinburgh.

PG presented to the Panel today the Audit Plan for external audit of the statutory accounts for the year ending 31 March 2024.

CBr, advised that the Finance Team have provided an internal close down plan has been produced for the auditors

BS thanked PG for his report and update.

**10. AOB** - The date and time of next meeting is on Thursday 30 May 2024 starting at 10.30.