



Draft V04

Item 1

MINUTES OF THE ETHICS, TRANSPARENCY AND AUDIT PANEL (ETAP) POLICE & CRIME MEETING**Date: Wednesday 4 December 2024****Location: Police HQ, Weston Road, Block 7, Room 2****Present:**

ETAP members	Officers
Bob Simpson (BS) Chair	Heather Lees - SCO Director of Finance (HL)
Bryon Preece (BP)	Victoria Jones - SCO Director of Governance & Assurance (VJ)
Chris Gill (CG) on Teams	Kathryn Grattage - Governance Manager (KG)
Chris Key (CK)	
Emma Christmas (EC)	John Bloomer - Force Director of Resources (JB)
Gurpreet Singh (GS)	Emma Cranidge - Force Service Director for Finance (ECr)
Jane King (JK)	Jasraj Purewal - Force Head of Accounting (JP)
John Wheatley (JW)	Deb Wilne - Force Governance, Planning and Policy Manager (DW)
Louisa Harrison (LH)	
	External Officers in attendance
	Angela Ward - Associate Director RSM (AW)
	Louise Davies – RSM (LD)
	Hassan Rohimun – Partner EY (HR)
	Paul Grady - Partner Azets Auditors (PG)
	Azola Dudula - Audit Manager Azets Auditors (AD)
SCO - Staffordshire Commissioner's Office	
Force - Staffordshire Police - Force	
FARS - Staffordshire Fire and Rescue Services	

One member of the public was in attendance today.

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

BS welcomed HL & LD to their first meeting.

1. Annual Election to the ETAP Chair's Position

VJ advised that in November the SCO ran the Annual Election for the Chair of ETAP which usually takes place in May.

VJ advised that ETAP members were invited to express their interest in the position of ETAP Chair and one expression of interest was received from Chris Key (CK). CK has accepted the position and will

commence as the new Chair of ETAP with effect from the 6 December 2024. BS will remain with the panel up until the end of his tenure in May 2025.

2. Declaration of interests, apologies, minutes and actions.

Declarations of Interest: None declared

Apologies: Chief Constable, Chris Noble (CN) and Deputy Chief Constable, Jon Roy (JR), Louise Clayton SCO Chief Executive (LC), Dan Harris (DH) from RSM, and ETAP Members Paul Atkins (PA), Hifsa Haroon-Iqbal (HI), Craig Brown (CB) and Sue Westacott (SW).

Minutes & Actions of the meeting on the 25 September 2025

AGREED - That the minutes of the meeting held on the 25 September 2024 are confirmed as an accurate and true record.

ACTION 1: Arrange a meeting with JK and DW to review an update on Areas for Improvement (AFI's)

JK has confirmed that this action is complete following attendance at the Force Inspection and Audit Board on 20 November 2024. JK provided a verbal update.

JK sat in last week's meeting, to get an understanding of the process. It is a level not usually seen by ETAP. There were a surprising number of people involved and it was a reminder of how broad and diverse the work of the Force is. From JK's perspective the meeting was well run, business-like, there was a lot of outward focus. A particular note was the emphasis on the importance of using Internal Audit as a learning tool for the organisation. The main comment, that came from Deputy Chair of the meeting, was to try to get papers out more quickly in advance of the meeting. The Board was also drawing on the expertise of new members joining the force and bringing in their experience and expertise.

Understanding the level of detail it may be useful for other ETAP members to attend these meetings occasionally in the future.

BS added that he had attended a Gold Meeting previously regarding enhanced reporting. It was a reminder of how much effort and detail goes into the work that is not usually seen. A Pre-Meet suggestion was that maybe an ETAP member sits in once or twice a year at the Governance Meetings.

Action 1: ETAP to consider a member attending the governance meeting occasionally

3. Questions from members of the public

The question relates to the minutes of the meeting of 25 September 2024, referring back to the "ETAP Annual Report 2024". Responses are shown in **GREEN**

1. At 4 December 2024, what is the current length of service of the fourteen members of ETAP?
There are currently thirteen members of ETAP. The longest serving member will leave ETAP by 31 May 2025 when they will have served their maximum tenure of nine years. The newest member of the panel commenced on 10 July 2024 and will have a maximum tenure of six years.
2. Will any of the current ETAP members be permitted to continue as an ETAP member (including perhaps as successor to the current ETAP Chair) beyond the current permitted tenure of 6

years? Yes, the permitted tenure for ETAP members is six years. During COVID due to an inability to recruit and to ensure Statutory Audit Committee duties were completed, this was extended for existing Panel Members to nine years. Of the current thirteen members there are seven members whose tenures were extended to nine years. The other ETAP members have a fixed six-year tenure in line with the usual permitted tenure.

4. Update from Chief Constable - Presented by John Bloomer

Thanked BS as this is his last Police ETAP meeting as Chair. BS has been Chair for nearly eight years and has been a great support during the financial challenges in past. Wanted to say thank you on behalf of Staffordshire Police for the effort and contribution in making Staffordshire a better organisation.

There is an emerging policy direction from Government following the general election. Around policing this looks like both greater centralization around assets and back office, but also more local in terms of neighborhood policing.

Neighborhood Policing Guarantee (NPG) around numbers of staff. 13,000 staff in total of which 3000 new officers, 4000 new PCSO's, 3000 Police Officers diverted from back-office roles to front line roles, and 3000 more special constables at a national level. The Prime Minister is due to make an announcement around this today.

Around the centralization debate there appears to be a return to what was seen under the previous Labour Government with a stronger grip from the Home Office around performance, consistency and monitoring of forces to come. Detail around this is still to be worked through.

Staffordshire is working with the Home Office to recover funds from the summer disorder, predominantly around Stoke-on-Trent and Tamworth. To date the Force has made just over 150 arrests. As part of the investigation the team have gone through around 3000 hours of CCTV and 3200 evidential exhibits. This is a significant piece of work, for the wider organisation this was circa 50 FTE staff needed to work through the investigation phase. This is a considerable resource for an organisation of Staffordshire's size and has had an operational impact. Some of the court cases will be heard in the next financial year so the impact of resourcing for this is both significant and continuing.

Regarding performance the Force continues to make progress evidenced by the latest inspection and coming out of engagement. There is a continual investment into productivity enhancement tools with purchase of redacting software, due to go live in next couple of weeks. Victim portal software and improving public and victim satisfaction on 101 calls. Planned investments will equate to circa 100FTE of additional efficiency.

Operating context, Staffordshire is roughly the 15th highest in the County for levels of demand but ranked 35th for grant funding out of the 43 Forces, so identifies that there is a clear mismatch between funding and demand. Staffordshire, have the 5th highest numbers of arrests per officer making it one of the highest in the Country. Questions are how do we get to outstanding and deal with the level of demand? It is a real challenge to work through this as an organisation.

The national budget announced increased employer National Insurance contributions, which is planned to have supported funding for those employed but no additional support for contract work.

There is a risk that increased costs for contractors could be passed on to the Force even though there is no funding for this.

There appears to be a move by central government towards neutralization relating to two tiers of government and a push for more directly elected mayors across the country. Something to consider in the medium-term horizon. Staffordshire currently has ten different local authorities with a two-tier system across most of the County.

In the settlement, Government will be excluding NPG and the pay award from last year. Funding is likely to be cash flat year on year, however there is more flexibility on the local precept being increased up to £14 (band D property) which is a 5.1% increase. There is a funding gap in the budget which will be difficult to close, predominantly as Police Officer headcount is ringfenced, so the budget shortfall burden falls on the smaller portion of support services of the organisation. Staffordshire need to be realistic about what that means for services to the public.

Q: BP, what is the procedure regarding arrest numbers and finance and how do you get finance up?

A: JB, previous Government had looked at a funding formula reform which was shelved due to the election. The current funding formula is 10-12 years old and need to look at more modern metrics but this is a challenge for Forces like Staffordshire with a mix rural and urban areas, and has also seen the lowest increase in levels of precept as well.

Demand is interesting as the complexity looks different in different areas. There are challenges around this, fundamentally need a re-set of funding policy and the new Government will review this, but it is out of Staffordshire control and there will be winners and losers.

BS thanked JB for the update and although challenging overall it was positive and Staffordshire Force continues to move forward.

5. Deputy Chair's Feedback

i. Chair of the Finance Panel - Emma Christmas (EC)

Met 23 October for an Insight meeting focusing on Risk management. Presentations from both Fire and Police.

Positive looking at current situation with the risk register and looking at future plans. Update on the Firing Range, and the major decision on this is to be made next February. Need to think how the Finance Panel are linked in with the decisions in relation to timing of meetings, but can take this outside of this meeting.

BS thanked EC for the update.

ii. Chair of the Ethics and Review Panel - Craig Brown (CB)

CB sent apologies but had recently submitted a written report.

BS advised that CB took chair in summer, developing way forward and planning projects. At the last ERP meeting CB presented the matrix used for projects. CB & JK agreed Terms of Reference (TOR) for various topics, will need to review this process when VJ leaves the Commissioner's Office.

Copy of all ETAP thematic reviews published to date can be found on the SCO website

<https://staffordshire-pfcc.gov.uk/transparency/etap>

6. MTFS Update - Presented by JB

MTFS report went to Police Fire and Crime panel 18.11.24. The report updates on the current MTFS period and gives some indication of horizon scanning for both future directions nationally and locally, and emerging risks.

Executive summary highlights the strategic changes since February, including the change of Government and strategic challenges.

Budgeted 3% pay award this year but this came in at 4.75%, this is funded through an ongoing pay grant.

Previous Government had a strong policy on pay restraints, however the new pay policy is something to keep an eye out for. Other Public Sector pay awards were higher so one to watch around affordability. There will be ringfencing of Police Officers and PCSO's but awaiting more direction on how these are to be used.

Net zero agenda and electric vehicle transition, the Government are looking to bring this policy forward from 2035 to 2030.

Commitment to reduce cost shunting between local partners, but want to continue collaboration opportunities locally, regionally and nationally. Delivered significant savings with collaboration with Fire and Rescue Service.

There has been a recruitment of transferees, to bring experience into the Force. Current workforce has a high proportion of student officers.

Additional technologies to improve public contact and feedback went live 3 December 2024. Estimate is that this will reduce demand through the 101 line by 15-20%. There is also a new dedicated team tackling rural priorities which links to the Commissioners new priorities.

The CMPG partnership with West Midlands Police has now been disbanded. Have a new specialist team to tackle crime on Staffordshire's roads, merging motorway policing with roads policing.

New response unit across Stoke-On-Trent to improve victim services. 16 additional officers for two years, this has been funded through underspends in 2024-25, a one-off grant and some reserves. Challenge to how this is maintained when funding runs out.

Disturbances over summer, submitted a bid to the Home Office for £2.9million.

Government announced new funding of £500million for policing two weeks ago, of that £260million is the pay awards and £240million is for policy priorities.

XL Bully dogs is a challenge, pressure of approx. £250,000 for kenneling and vets' fees, this is a pressure and is unfunded.

Capital program, there are smaller amounts of movement than previous years.

Reserves look healthy and in line with the reserves policy. Reserves this year, about 3% topping up police staff funding.

Q: JW, redundancy was mentioned a number of times, are the Government allowing this movement from a revenue cost to a capital cost?

A: JB, can only use capital receipts to fund this. Capital receipts will be minimal going forward. Have £1million in a redundancy reserve so this could be an issue. Bringing in a Vacancy Panel from next month, and will look to achieve through natural wastage.

Q: JW, need to be careful this doesn't impact on performance.

A: JB, this is a challenge with ringfencing, and can build inefficiency in other roles. Technology investments probably freed up around 100 FTE. Regarding ringfencing and forcing police officers out of back-office roles and on to the frontline, Staffordshire has a low number of police officers in back-office roles, a lot of those roles are for training officers. So, if they move to the frontline this may have negative impacts on performance. In reality if the Force can maintain what it already has that would be good outcome, and will try to avoid redundancies by actively managing vacancies.

Q: EC, who will make up Panel, who will sit on this, how often will they meet and how will this be communicated internally?

A: JB, will chair, can share TOR, want to be evidence led. Using benchmarking to establish priorities. Risk, harm and threat need to be included and single points of failure. Want to guard against Police Officers being used to backfill roles as will lose frontline impact, and need to watch overtime spend. Current turnover is 7-8% for Police staff each year.

Q: JW, is that already built in to your current budget?

A: JB, have a 5% vacancy factor, in terms of budgeting would look to increase the vacancy factor through vacancy management, as opposed to taking roles out. Main concern is an imbalance in workforce.

Q: EC, this relates to HR processes and where you can contractually move people between roles. How often will panel meet and who will this report in to?

A: JB, monthly and reports to EMB ultimately. Agency staff, changes to working hours, long term sickness and maternity cover will also be heard by the board. It may have some impact on performance compared to where the Force would want to be.

Q: BS, a big issue picked up by the Panel before is the impact on pensions and pension increase. Is the Police Pension funded directly from the Home Office?

A: JB, it is an unfunded scheme. Twice in the last six years have seen increases in employer contribution rates. Funding tends to be a mix of funding by grant, 35% on employer contributions is significant. Putting police officer in to other roles it is also expensive. Local Pension Scheme has around £300million assets, currently slightly overfunded. Actuaries' will be doing the work for 2026-27 contribution rates shortly, would hope don't see further increase.

Q: JW, also a matter of balancing with sickness profiles as well, as this can affect early retirement.

A: JB, workforce profile is young which is positive for employer contribution rates as the money has longer time to grow, so lower contribution rate. Assumed for both no increases across MTFS.

Q: BP, Pensions, if and when current Government come up with the lumping together of all the local service pension funds to a national fund, can you foresee that this might generate a saving that could be passed on?

A: JB, should get efficiencies on administration, however when previously seen things go from local to national across the public sector it does not always reduce costs. Interesting around the Mansion House speeches, the Government has an interest in recreating something from Canada, the Maple 8, which are big state schemes. Their view is the money is better invested in the UK in local growth. Currently half of Staffordshire's pension fund in LGPS is met through investment growth, a reduction in investment growth long term will mean an increase in employer contributions. The reason why pension fund invests in higher returning assets is because it minimized employer contribution rates. If the Government takes a view to invest more in the UK, assets tend to produce lower returns. Longer term there is a risk by mandating where money is invested, lower returns may increase employers' contributions. Conversely if it does generate UK economy growth may mean more grant revenue.

Q: JW, does actuarial still give the offer for paying in, if capital rich, that you can pay off lump sums to reduce the percentage?

A: JB, have used that in previous periods with paying lump sums from using cash, the rationale for this was when interest rates were close to 0%. Current interest rates mean this is not viable.

Q: CG, Paragraph 4.5 capitalisation of new posts, what consideration has been given to the long-term implications of funding those posts from capital?

A: JB, MTFS assumes £900,000 of costs are capitalised. Looking to review this and stance is that should capitalise none of them, as it is better from a stability point to pay when it occurs. As part of MTFS review taking a stance to remove this and capitalise from the start. May need to make savings elsewhere from the revenue budget.

Q: CG, commitment to avoid cost shunting between local partners. What has been considered and why do you want to avoid this?

A: JB, good business practice to avoid as a public sector. Other parts of the Country see cost shunting, want to avoid this and work as a system.

Q: CG, agree to a degree, but depends on expenditure and who is funded for it by central Government. It would be foolish if a third party is already being funded for expenditure.

A: JB, agree, so an example of this is right person/right care for mental health, Police Officers were previously picking up a lot of the mental health work.

Q: BS, the increase in National Insurance has an impact on contracts for SCO, will the Panel be able to have some feedback on this at future meetings?

A: VJ, provision is made for this in contracts as they are let, and there is an awareness of impact, but can take this away for feedback.

Q: CK, establishment panel is that similar to the vacancy panel?

A: JB, it is the same panel.

Q: CK, so the Force is anticipating risks and establishing a governance structure in anticipation, is this in 4.1 of presentation? Very positive that this is already in place.

A: JB, efficiency plan was created to close the current gap over the next 12 months.

BS, thanked JB for a comprehensive report.

7. Internal Auditors

i. Progress Paper

Presented by AW. Progress paper 2024-25 only, no final reports for this meeting.

Number of pieces of work completed in draft:

Property – evidential management, Workforce Planning, Asset Management, and Finance should be ready for February agenda

BS Thanked AW and was pleased that the internal audit plan required no changes.

8. External Auditors EY

Presented by HR

Audit completion report 2022-23 Audit. Report sets out national and local context on reset and the opinion issued. Section 4 conclusion is in relation to Value For Money, reported at previous ETAP in an interim report.

Section 3 relates to the final opinion and this should be shared later today or tomorrow.

ETAP members are aware of context of report.

Q: BS, were we waiting on something so that this could be signed off today?

A: HR, following on from today's meeting once receive the letter of representation, should be able to issue the opinion by the end of this week or beginning of next week.

BS, Reminded the meeting that this was the last matter to finalise the 2022-23 accounts and would be the last time HR would attend ETAP. He was happy with the final support and submissions, which had been a long time in being cleared. This was not only due to internal concerns but larger national issues, hopefully this can all be cleared this week. Thanked HR and the team for their support.

9. External Auditors AZETS – presented by Paul Grady

At the next meeting should have a similar completion report from Azets for 2023-24.

Regarding progress to date, there is a report ready which has not made the papers for this meeting.

This year; set out in an earlier progress report, materiality for 2023-24 is lower than prior year which reflects spend being a little lower.

Pension liability IS19 elements, may be couple of years before have full assurance. Part of the work is to receive assurance from the Pension Fund Auditor over work they have done over member data. There is a new Pension Fund Auditor this year and some of the assurance they are not able to give until the next triennial year. So, can't conclude before 2025-26 when information will be available.

Value For Money (VFM) report, given the main issue relate to when the Force was in engage 2022-23 and continued into 2023-24, are keen to focus on the work that is done next on the improvements that have been made since the previous report. Will be picking up as part of 2024-25 work the ongoing progress with arrangements for VFM. No key recommendations post engage period.

IT work, looked at general controls as part of the IT environment and work done in transferring the ledger from the old system to new system. Points have just been finalised between the Force and Azets IT and will be included in the final report to the next meeting.

Q: CK, the disclaimer opinion from EY for 2022-23, then will there be a disclaimer for 2023-24, 2024-25 and 2025-26 due to pensions?

A: PG, Pension is one of the features, the other feature is capacity issues.

Q: BS, will disclaimers be standardized?

A: PG, A lot of work is being done, ultimately this is Government legislation. Part of the challenge has been the increase in the regulatory environment for all audit firms. Firms are keen that there is statutory guidance that enables efficiency and consistency, that is through FRC, the new regulator for sector. The FRC has been less keen, as they don't want to be seen to be breaching their independence as an independent regulator. Guidance that has been given has been relatively limited. However, firms are working together to try to drive efficiency. Firms are looking for an endorsement to this, and a process has started and is ongoing. Azets are part of group looking to drive this.

Q: BS, this came about as the audit commission disbanded, that was some years ago, wasn't it?

A: PG, yes, it was but it is not the only criteria. Various factors, a decade of financial constraints, smaller finance teams dealing with more complicated situations and same time constrained capacity on the audit firms, as well as regulatory and wider changes.

Q: BS, difficult times as external auditors.

A: PG, yes and added costs to both Councils, Forces and Auditors with little benefit or VFM.

Q: BS, signing off 2022-23 and 2023-24, it is very late in the day.

A: PG, agree, not ideal.

Q: BS, at a local level how is the relationship with current finance team?

A: PG, relatively good, wouldn't be overly concerned about the organisation in normal times. Only key element was related to historic inspections and the engage phase which is now behind us. Relationship has been good.

Q: BS, trying to give assurance to ETAP Members that it is a good working relationship and no major issues.

BS thanked PG for the update and hopefully clearance of the 2023/24 accounts at the next ETAP meeting in February.

10. AOB

- i. The date and time of next meeting is on Wednesday 26 February 2025 at 10:30am

BS – Wished everyone a Merry Christmas.