

**Minutes of the Meeting of
Shropshire and Wrekin Fire and Rescue Authority
Standards, Audit and Performance Committee
Held in the Oak Room, Headquarters
On Wednesday, 11 December 2024 at 2.00 pm**

Present:

Councillors Blundell, Evans, Lea and Overton.

Officers

Simon Hardiman	Chief Fire Officer	CFO
Jason Kiby	Assistant Chief Fire Officer (Service Delivery)	ACFO (SD)
Karen Gowreesunker	Assistant Chief Fire Officer (Service Support)	ACFO (SS)
Germaine Worker	Head of HR and Administration	HHRA
Joanne Coadey	Head of Finance	HoF
Scott Hurford	Head of Transformation and Collaboration	HTC
Lynn Ince	Executive Support Supervisor	ESS
Richard Anderson	External Audit	EA
Aleksandra Zydek	Executive Support Officer	ESO

The ESS have advised that both Chair and Vice Chair gave apologies for the meeting. ESS added that Councillor Pardy will be taking leave of absence. Therefore, the Committee was asked to elect a Chair for the meeting.

Election of Chair

It was proposed by Councillor Overton and seconded by Councillor Lea that Councillor Evans be appointed Chair of the Standards, Audit and Performance Committee to hold office until immediately after the appointment of Chair at the next Annual Fire Authority Meeting.

There being no other nominations, Councillor Evans was duly appointed as Chair.

1 Apologies for Absence

Councillors Burchett, Davies, Hignett and Pardy, Sam Burton (Deputy Chief Fire Officer), James Walton (Treasurer) and Chris Green (Internal Audit)

2 Disclosable Pecuniary Interests

None

3 Public Questions

None

4 Minutes

Resolved that the minutes of the Standards, Audit and Performance Committee, held on 02 October 2024, be agreed and signed by the Chair as a correct record.

5 Standards, Audit and Performance Committee Work Plan 2025

This report, presented by ESS, put forward a 2025 Work Plan for the Standards, Audit and Performance Committee for consideration and approval by Members. The report also reviewed implementation of the activities listed in last year's Work Plan.

Members expressed concern around any items on the agenda for April meeting of the Committee that may breach purdah before scheduled election in Shropshire. The ESS advised that currently there are no items on the agenda for the meeting that would breach purdah. The CFO assured Members that the Service will comply with the purdah period.

Members questioned if the HMI Inspection Report and related action plan will be brought back to the Fire Authority for monitoring and assurance. The CFO advised that plan on areas for improvement will be completed by 20 December 2024 and will be shared with Fire Authority Members at February 2025 meeting. The action plan will be brought back to SAP for scrutiny and assurance.

Resolved that the Committee approve the Standards, Audit and Performance Committee Work Plan 2025, as attached at the Appendix to the report.

6 Statement of Accounts 2023/24

This report presented the completed Statement of Accounts to the Committee, for consideration and approval.

The HoF presented the report and advised the Committee that the Statement of Accounts for 2023/24 must be approved by those charged with governance and published on the Authority's website by 28 February 2025. The HoF reported that external audit is substantially completed with pension valuations and adjustments still in progress.

It is therefore proposed that the final amendments to the Statement of Accounts are delegated to the HoF and the Chair of the Committee for approval.

The HoF added that some adjustments have been made to the Annual Governance Statement 2023/24 that was approved by the Committee in July 2024. Those changes were related to HMI Inspection and investigation into Senior Officers conduct.

Resolved that the Committee

- a) Approve the Statement of Accounts 2023/24 (subject to final auditor amendments); and
- b) Delegate final amendments following completion of the audit to the Head of Finance, in consultation with the Chair of the Committee.

7 External Audit

7a Audit Findings Report for the Year ended 31 March 2024

Richard Anderson from Grant Thornton, External Auditors for the Fire Authority, presented the Audit Findings Report for the year ended 31 March 2024.

External Auditor have identified 2 adjustments to the financial statements, one out of which was identified by management in the draft accounts prior to commencing of the audit. The EA noted that whilst majority of Value for Money work have been completed, they are still considering the Authority's recently published HMICFRS inspection report and associated cause for concern. He reported that they are also awaiting further evidence from Monitoring Officer in relation to Authority's response to investigation into Senior Officers conduct. The EA reported that they will provide Auditors Annual Report and confirm whether they have identified significant weakness in arrangement, once this evidence has been provided. As the next Committee meeting is in April, this report will be presented at the Fire Authority Meeting in February 2025.

The EA reported that they have not exercised any of their statutory power of duties. He noted that as part of the work the audit has considered claims and any potential claims which may be brought against the Authority, and a Contingent Liability has been disclosed in relation to these claims and potential claims. The EA was satisfied that this is the correct accounting treatment given there is uncertainty of future claims.

The EA reported Materiality for the financial statement on page 8 of the report and that matters below 5% of materiality were considered trivial.

The EA brought Members attention to page 9 of the report which provides commentary on significant audit risk communicated in Audit Plan which included:

Audit did not identify any indication of management override of control and raised 2 recommendations relating to the Authority's journal entry controls.

- Closing valuation of land and buildings work is ongoing.

- The Auditor concluded there is no risk of material mistreatment due to fraud relating to revenue recognition and therefore did not consider this to be a significant risk for SFRA.
- The Authority pension fund net liability of £0.33m relating to Local government Pension Scheme, which was incorrectly netted in the Balance Sheet with Firefighters pension deficit has been adjusted. Further, following considerations of IFRIC 14 the Authority has revised the financial statement, as the IFRIC 14 application confirms that the surplus should be restricted to nil, since there is no economic benefit available to the Authority.

The EA reported that management's use of the ongoing concern basis of accounting in the preparation of the financial statement is appropriate. He noted that there is nothing to report on matters reported by exception. The EA highlighted that they intend to certify the closure of 2023/24 audit of SFRA when guidance is issued by the National Audit Office (NAO).

On page 24 the EA noted one medium risk of control deficiencies in cybersecurity workplan and need for management to ensure there is monitoring of cyber risks and threats. Members questioned why Management response is marked as TBC in Best Practice points. The HoF noted that for journal entries or other adjustments posted via batch a proportionate portion will be reviewed going forward. She added that for back posted journals new measure will be introduced from April 2025.

The EA highlighted to Members pages 25 to 29 that set out all adjusted misstatements along with the impact on the key statements and the reported net expenditure for the year ending 31 March 2024. The EA noted that audit fee is still to be confirmed as some elements of the audit are still in progress.

The CFO agreed to contact Monitoring Officer regarding any outstanding items.

The EA took opportunity to record their appreciation for the assistance provided by the finance team and other staff in the Service.

Resolved that the Committee formally adopt the Audit Findings.

The Chair of the Standards, Audit and Performance Committee, Chief Fire Officer and Treasurer (in accordance with the authority delegated to them by the Fire Authority at its meeting on 13 February 2012) will then sign the Letter of Representation for the year ended 31 March 2024, as required by External Audit.

7b Auditor's Annual Report on Shropshire and Wrekin Fire and Rescue Authority 2022/23 and 2024/25

This report was deferred to Fire Authority Meeting in February 2025.

8 Internal Audit Progress Report

This report, presented by HoF on behalf on Internal Audit, provided the Committee with a progress update on delivery of the annual internal audit plan, the results of which will be used to form the annual opinion on the Service's framework of internal control, risk management and governance.

The HoF reported that no amendments were needed to the internal audit plan and that the plan is on track to be delivered. She noted that there were staff changes in Worcestershire Internal Audit Shared Services, but adequate resources are in place to deliver the plan, which will be accelerated in the coming months.

The HoF reported no emerging issues identified so far and that risks will be reviewed now that the Service has the report from HMI Inspection to allow for internal audit plan to support the recommendations from the report.

Members questioned if the internal audit plan will be completed on time. The HoF confirmed that assurance was given by Worcester Internal Audit Shared Services that the audit will be completed in the next 3 months.

Resolved that the Committee note the report.

9 Annual Governance Statement 2024/25 Improvement Plan

This report, presented by ACFO CS, summarised the progress made to date against the improvements contained in the Annual Governance Statement (AGS) Improvement Plan 2024/25. She noted that the SMT is currently in the middle of planning cycle for the next 3 years.

Members expressed concern around buildings security and recent break-ins on stations. The ACFO CS reported that the work on increasing stations security is ongoing. The ACFO SS added that break ins related to organised crime groups are a national issue. The Service is working with Police to identify areas at risk. He added that communications campaign to target communities that live around the stations that are in remote locations. He added that this is a significant piece of work that will be brought to Fire Authority for decision.

Members requested that going forward they would like to be informed about any station break ins. The ACFO CS confirmed that Members will continue to be updated on this issue though Chairs Briefings and Strategic Advisory Group.

The CFO noted that stations that were broken into in recent months (Hodnet, Baschurch) do not match profile of stations targeted in the past (Newport). He noted that types of equipment stolen has also changed from heavy hydraulic cutting equipment to light battery-operated saws.

Members questioned if the profile of criminals have changed. The CFO possible but it is more likely that criminals are more selective and take equipment that is easy to transport. The ACFO SS noted that the break ins are well organised with criminals knowing exactly what they came for. He noted that services in Staffordshire, Hereford & Worcester and Warwickshire were also targeted. This is a growing concern in terms of operational response and also around staff safety. The ACFO SS will circulate areas where incidents occurred.

Members questioned if more publicity around this issue would deter further incidents. The CFO assured Members that the Service is following advice from Police and balancing making stations secure but at the same time accessible to staff. For example, taking measures to prevent damage to appliances so they are not taken off the run and working with communications team to encourage local residents to report any suspicious activity.

Members asked if the break ins had impact on appliance availability. The CFO assured Members that the Service has contingency plan for those instances and utilise spare appliances but there is some impact on availability.

Members questioned if service considered installing measures like smoke cloaks. The CFO although smoke cloaks can act as deterrent organised crime groups know how to go around them and result in increased activity for the Service as they are mistaken for fire.

The ACFO CS reported that Command & Control replacement is a significant project currently underway and is progressing along expected timeline and milestones. She noted that formal consultation is due to close on 27 December 2024.

Resolved that the Committee note the progress made on the 2024/25 Annual Governance Statement Improvement Plan.

10 Corporate Risk Management Summary

This report, presented by the ACFO CS, updated Members on the status of risks on the Corporate Risk Register.

The ACFO CS reported that four risks have been closed on the corporate risk register and two risks have been reduced since the last Committee meeting in October. Two risks relating to Government White Paper on Fire Reform and HMICFRS Values & Culture Report have now been removed from the corporate risk register and risk relating to On-call Sustainability has reduced. She added that two risks from the exempt entries have been removed, and one risk has reduced details of which can be found in exempt Appendix C to the report.

The ACFO reported that work has commenced on ensuring that risks on the register are up to date. Training will be delivered in the new year by Zurich to SMT and Fire Authority Members on this subject. Planning and Programme Team is working on plan to support the review of the register and any changes to the register will be brought for approval at the April 2025 meeting of the Committee.

Members questioned Cyber Security Risk and what the Service is doing to address vacancies in the ICT area. The ACFO CS noted that recruitment of relevant skills is a challenge with level of pay nationally in FRA compared to private sector. Two areas are due to be put out for recruitment. The ACFO CS added that Cyber Security is one of the priorities that will be part of strategic plan for the next 3 years.

Members questioned if risk rating of 6 is appropriate given the state of affairs in the world. The ACFO CS noted that rating will need to be reviewed. The CFO added that the Service invested in systems like Darktrace that contributed to this score.

Members questioned what impact devolution may have on the Service. The ACFO CS the as part of Community risk Management Plan (CRMP) work the Service completed PESTLE analysis where potential for devolution was identified and included in the Service plan going forward. She noted that devolution can bring many uncertainties and opportunities.

Members noted the changes to National Planning Policy Framework and questioned how those changes will impact the Service. The CFO noted that he has not seen the proposed changes yet, but the Service will continue to be involved in consultations for planning applications. The ACFO SS added that this issue is being considered as part of the CRMP consultation.

Members questioned risks on the register that have not changed in some time. The ACFO CS noted that this will be looked at part of the register review and rationale will be provided to the Members. She explained that some items that are currently on the register are trigger for risks rather than risks and will need to carefully be considered before being removed from the register. The ACFO CS gave example how industrial action following pay dispute can be a trigger for risk of reduced availability.

The ACFO CS noted that going forward the risk register will be slimmed down but more informed.

Resolved that the Committee note the report.

Performance Monitoring

11 Corporate Performance Indicators including On Call Duty System Performance – April to September 2024

This report presented a summary of the Service's performance from April to September 2024.

The ACFO CS presented the report and noted very positive overall performance against CPIs. She highlighted the following points to the Committee.

Corporate Performance Indicator (CPI) 1 – All Fires

The Service has seen a significant decrease in the number of secondary fires attended and the success of this has been due to extra patrolling, schools and social media Prevention activity.

CPI 2 – Accidental Dwelling Fires (ADFs)

The second quarter fires show a 32% decrease in the number ADFs from the same period last year. The two top causes of these fires were faulty appliances/leads and misuse of equipment/appliance.

The ACFO CS noted that 91.4% of these fires were confined to a room of origin and 91.4% had smoke alarms fitted in the property.

CPI 3 – Deliberate Fires

The school summer holiday period did not see any significant increase in deliberate fires, but quite the opposite. There is no specific area profile where fires have occurred and there is a continued decline in the number of gang related arson incidents involving vehicles.

CPI 4 – Fire Related Deaths and Serious Injuries

The ACFO CS noted that when analysing incident types 2 incidents were recorded as deliberate and 2 as accidental.

CPI 5 – Fires Confined to Room of Origin

Year to date 10.5% of fires have not been confined to room of origin (total of 3). Out of these, one was caused by combustibles too close to heat source and two were related to overheating of electrical appliances.

CPI 6 – Injuries Sustained to Staff Through Operational Activity

Out of 7 injuries recorded during Q2, one was RIDDOR reportable, and it involved musculoskeletal strain whilst launching the boat at an operational incident.

CPI 7 – Response Standard – Attendance on average of 85% of occasions

The average Response Standard was 92%, which compares to the 94% achieved at the same period last year. Nationally this is good performance.

The CFO added that going forward there is a proposal to break up the elements that make up this CPI to enable more scrutiny.

CPI 8 – Fires in Regulated Buildings

In Q2 5 out of 25 incidents were reported as agricultural which does not come under The Regulatory Reform Order 2005 therefore the total this quarter should be seen as 20.

CPI 9 - Establishment, Diversity and Firefighter Competence.

There has been little movement in diversity categories since the last report. Two on-call recruit courses started during this period and an overall increase in headcount due to retirements and leavers from the Service. The percentages have increased due to the overall numbers of employees decreasing.

For competencies it's worth noting that one individual may be showing out of competencies across a range of competence areas. ACFO SS added that the Service is in a very good position.

Members asked if a column can be added to the table that show national trends. The CFO agreed that the format of the report can be improved.

Members questioned if there is a way to record when an on-call station is delayed in responding due to not having minimum required amount of crew members. The CFO stated that the Service does record such instances and added that the Service average time for respond is 2 minutes and 30 seconds. Although this includes wholetime crews it is a very good time consider that the Service is in a large part On-call.

Members noted it would be good to have information on diversity in the local areas to compare the Service performance to. The CFO reported that during work on On-call Sustainability part of it included widest possible recruitment pool. This took into account local demographics and census data and for example in Clun result was 2 people who could be approached. The HHRA added that census data used was from previous census and the exercise need to be run again with data from 2021 Census.

The ACFO SS noted that that context around the diversity data is important and in certain areas of the county the Service is overperforming.

On Call Duty System Performance

The ACFO SS recognised that the Service has maintained very high on call availability and although there is a reduction from previous year this is being addressed through recruitment. The CFO pointed out that Tweedale station has seen big improvement in availability thanks to targeted recruitment campaign in the area. The ACFO CS noted outstanding 100% availability in Church Stretton.

Members questioned how the good performance is being recognised by the Service. The CFO reported that it is through Celebration of Success ceremony as well as regular Executive station visits.

The CFO added that the Service runs 3 on call courses with 10 members on each course. The stations with lowest availability are prioritised for recruitment and number of courses can be increased to keep up with the demand.

Resolved that the Committee note the report.

12 Exclusion of Press and Public

Resolved that the press and public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in paragraph 4 of Part 1 of Schedule 12a to the Local Government Act 1972

13 Exempt Minutes (Paragraph 4)

Resolved that the exempt minutes of the Standards, Audit and Performance Committee, held on 02 October 2024, be agreed and signed by the Chair as a correct record.

14 Corporate Risk Management Summary (Paragraph 4)

Resolved that the Committee notes exempt Appendix C to report 10 – Corporate Risk Management Summary

The meeting closed at 3.50 pm.

Chair _____

Date _____