

Shropshire & Wrekin Fire and Rescue Authority

Auditor's Annual Report
Year ending 31 March 2025

February 2026



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The contents of this report relate only to those matters which came to our attention during the conduct of our normal audit procedures which are designed for the purpose of completing our work under the NAO Code and related guidance. Our audit is not designed to test all arrangements in respect of value for money. However, where, as part of our testing, we identify significant weaknesses, we will report these to you. In consequence, our work cannot be relied upon to disclose all irregularities, or to include all possible improvements in arrangements that a more extensive special examination might identify. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting, on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

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01 Introduction and context

Introduction

This report brings together a summary of all the work we have undertaken for Shropshire & Wrekin Fire and Rescue Authority during 2024/25 as the appointed external auditor. The core element of the report is the commentary on the value for money (VfM) arrangements. The responsibilities of the Fire and Rescue Authority (the Authority) are set out in Appendix A. The Value for Money Auditor responsibilities are set out in Appendix B.

Opinion on the financial statements

Auditors provide an opinion on the financial statements which confirms whether they:

- give a true and fair view of the financial position of the Authority as at 31 March 2025 and of its expenditure and income for the year then ended
- have been properly prepared in accordance with the CIPFA/LASAAC Code of practice on local authority accounting in the United Kingdom 2024/25
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014

We also consider the Annual Governance Statement and undertake work relating to the Whole of Government Accounts consolidation exercise.

Auditor's powers

Auditors of a local authority have a duty to consider whether there are any issues arising during their work that require the use of a range of auditor's powers.

These powers are set out on page 13 with a commentary on whether any of these powers have been used during this audit period.

Value for money

We report our judgements on whether the Authority has proper arrangements in place regarding arrangements under the three specified criteria:

- financial sustainability
- governance
- Improving economy, efficiency and effectiveness

The Value for Money auditor responsibilities are set out in Appendix B.

The NAO has consulted on and updated the Code to align it to accounts backstop legislation. The new Code requires auditors to share a draft Auditor's Annual Report (AAR) with those charged with governance by a nationally set deadline each year, and for the audited body to publish the AAR thereafter. This new deadline requirement is introduced from 30 November 2025 and applies to 2024/25 audits.

02 Executive Summary

Executive Summary – our assessment of value for money arrangements

Our overall summary of our Value for Money assessment of the Authority's arrangements is set out below. Further detail can be found on the following pages.

Criteria	2023/24 Assessment of arrangements	2024/25 Risk assessment	2024/25 Assessment of arrangements
Financial sustainability	A No significant weakness identified; one improvement recommendation made in relation to estimating the potential financial impact of claims.	A One risk of significant weakness identified in relation to the use of reserves to bridge budget gaps.	A No significant weaknesses in arrangements identified; three improvement recommendations raised in relation to reporting and scrutiny of financial plans, development of savings plans and slippage in delivery of the capital plan.
Governance	R Three significant weaknesses identified in relation to leadership and culture, informed decision-making, and capacity of Statutory Officers.	R Three risks of significant weaknesses identified in relation to leadership and culture, informed decision-making, and capacity of Statutory Officers	R Significant weakness in arrangements identified and four key recommendations made relating to leadership and culture, informed decision-making, capacity of Statutory Officers and management of conflicts of interest. We also raise three improvement recommendations relating to internal audit reporting, in year financial reporting and the Employee Code of Conduct.
Improving economy, efficiency and effectiveness	R One significant weakness identified in relation to addressing the 2023-2025 HMICFRS inspection.	R One risk of significant weakness identified in relation to arrangements for assessing and improving performance.	R Significant weakness in arrangements identified and one key recommendation made relating to the Cause of Concern and Areas for Improvement identified by HMICFRS. We also raise two improvement recommendations relating to performance reporting and procurement and contract management arrangements.

G No significant weaknesses or improvement recommendations.

A No significant weaknesses, improvement recommendations made.

R Significant weaknesses in arrangements identified and key recommendations made.

Executive Summary

We set out below the key findings from our commentary on the Authority's arrangements in respect of value for money.



Governance

Culture and Leadership

In April 2024, allegations were raised against the Fire Authority and members of its leadership team concerning inappropriate WhatsApp messages sent by senior officers. Both the Chief Fire Officer and a former Assistant Chief Fire Officer were subject to misconduct investigations. Following the Personnel Panel's review, the Chief Fire Officer received a written warning and was required to undertake mandatory training. The Assistant Chief Fire Officer resigned prior to the conclusion of the investigation. His Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) inspected the Service in summer 2024 and reported in November 2024 that the area of "Promoting the right values and culture" required improvement. HMICFRS highlighted that senior leaders did not consistently act as positive role models or embody the expected culture and behaviours of the Service.

Based on the Personnel Panel's findings, the HMICFRS report, and evidence reviewed during our audit, we concluded that there were significant weaknesses in the Authority's leadership and culture arrangements during 2023/24. We were not satisfied that some of the Fire Authority's leadership demonstrated appropriate behaviours and set an appropriate 'tone from the top'. While the Authority has begun implementing recommendations from our 2023/24 Auditor's Annual Report and HMICFRS, progress remains at an early stage. Since the start of 2024/25, there has been turnover within the senior officer team and in our view, the Authority continues to face challenges in establishing a cohesive and positive leadership tone. Recommended actions are not yet fully implemented or embedded, and there is limited evidence of measurable improvement in culture and leadership. As such, we continue to report a significant weakness in the Authority's arrangements, as outlined in **Key Recommendation 1**.

Informed decision-making

In our 2023/24 Auditor's Annual Report, we identified a significant weakness in the Authority's arrangements for informed decision-making. This related to insufficient documentation supporting key decisions which lead to the Fire Authority incurring significant additional costs. We concluded that improvements were needed in the documentation underpinning decision-making and issued a Key Recommendation. Our 2024/25 audit has identified significant payments which have been made without a clear record of value for money considerations, conflict of interest risks and approval. As a result, we continue to report a significant weakness in this area, as set out in **Key Recommendation 2**. It should be noted that whilst a documented value for money case was not prepared before the payments were made, contemporaneous consideration of value for money has since been explained to us verbally and in writing in response to our audit queries.

Executive Summary (continued)

We set out below the key findings from our commentary on the Authority's arrangements in respect of value for money.



Governance

Capacity of Statutory Officers

In our 2023/24 Auditor's Annual Report, we issued a Key Recommendation for the Authority to increase the capacity of its Statutory Officers (the Section 151 Officer / Treasurer and Monitoring Officer). The Authority acknowledged that current capacity was insufficient to meet the growing demands of these roles. Some steps have been taken in response to the recommendation in the 2025/26 year. However, no changes to the arrangements were implemented during 2024/25, and to date there is no clear evidence that increased capacity has led to improvements in governance, financial oversight, or audit engagement. As a result, we continue to report a significant weakness in the Authority's arrangements, as set out in **Key Recommendation 3**.

Managing Conflicts of Interest

It is our view that there has been insufficient consideration of the risk of an actual or perceived conflict of interest in some decision making. These decisions were connected to previous complaints against senior management and the Authority. Safeguards have not been put in place to ensure that the relevant member of senior management played no role in subsequent decisions, related in any way, to complaints they were previously subject to. This is evidence of a significant weakness in arrangements for managing conflicts of interest. Further details are provided under **Key Recommendation 4**.

Risk Management

The November 2024 HMICFRS inspection report raised a Cause of Concern including a finding that the Service lacked adequate arrangements for managing strategic risks. Although the Authority has taken positive steps to address these issues, including developing a Risk Management Protocol and enhancing the Corporate Risk Register, these measures will take time to be fully implemented and embedded. HMICFRS revisited the Service in July 2025 to assess progress against the Cause of Concern action plan. HMICFRS noted improvements in risk management arrangements and confirmed a further visit would not be required prior to their next full inspection but the cause of concern remains in place. We acknowledge that the changes required to address the cause of concern will take time to embed. Consequently, whilst noting the progress made by the Authority since our last report, we conclude that significant weaknesses persisted in the Authority's risk management arrangements during 2024/25. This is reflected in **Key Recommendation 5**, which relates to the implementation of the action plan for the Cause of Concern and Areas for Improvement reported by HMICFRS.

Other aspects of governance:

We conclude that the Authority has adequate arrangements in place for other aspects of governance, although have reported improvement recommendations in relation to Internal Audit, Financial Reporting and the Employee Code of Conduct, as set out on the following pages of this report.

Executive Summary (continued)

We set out below the key findings from our commentary on the Authority's arrangements in respect of value for money.



Improving economy, efficiency and effectiveness

HMICFRS inspected the Service in summer 2024 and reported in November 2024 that a Cause of Concern had been identified regarding the Best Use of Resources, alongside 30 Areas for Improvement. In our 2023/24 Auditor's Annual Report, we concluded that these findings evidenced a significant weakness in the Authority's arrangements and we issued a Key Recommendation that the Authority should develop a comprehensive action plan to address the Cause of Concern and Areas for Improvement, with progress regularly reported publicly to members.

We have confirmed that the Authority has developed appropriate action plans and that progress has been reported to the Fire Authority. The latest progress report indicated that while most actions were on track, some were behind schedule. The implementation timetable extends to 31 December 2026 due to the scale of work required.

HMICFRS revisited the Service in July 2025 to assess progress against the Cause of Concern action plan. Inspectors acknowledged improvements but emphasised that further work remains necessary, including improvements in governance arrangements. They also confirmed a further visit would not be required prior to the next full inspection.

Whilst noting the progress made by the Authority since our last report, we conclude the significant weakness persisted in the Authority's arrangements during 2024/25. Therefore, we continue to report a significant weakness in this area, as set out in **Key Recommendation 5**. We acknowledge that the changes required to address the cause of concern will take time to embed and will revisit this assessment as part of our 2025/26 value for money work.

We conclude that the Authority has adequate arrangements in place for the other aspects of *Improving economy, efficiency and effectiveness*, although have reported improvement recommendations in relation to Performance Reporting and Procurement and Contract Management, as set out on the following pages of this report.



Financial sustainability

We identified a risk of significant weakness in arrangements for financial sustainability at the planning stage, but concluded that the Authority has generally sound arrangements to support medium-term financial sustainability, including an approved balanced revenue budget for 2025/26 and a Medium-Term Financial Plan. In 2024/25, the Authority delivered a small surplus of £0.437m and ended the year with contingency reserves of £1.483m.

However, we have reported three improvement recommendations, relating to:

- Reporting and scrutiny of financial planning documents
- Savings plans
- Slippage in the delivery of the capital programme

Executive summary – auditor's other responsibilities

This page summarises our opinion on the Authority's financial statements and sets out whether we have used any of the other powers available to us as the Authority's auditors.

Auditor's responsibility

2024/25 outcome

Opinion on the Financial Statements

Our audit of your financial statements is complete and we have issued an unqualified audit opinion on 5 February 2026. Our findings are set out in further detail on pages 12 and 13.

Use of auditor's powers

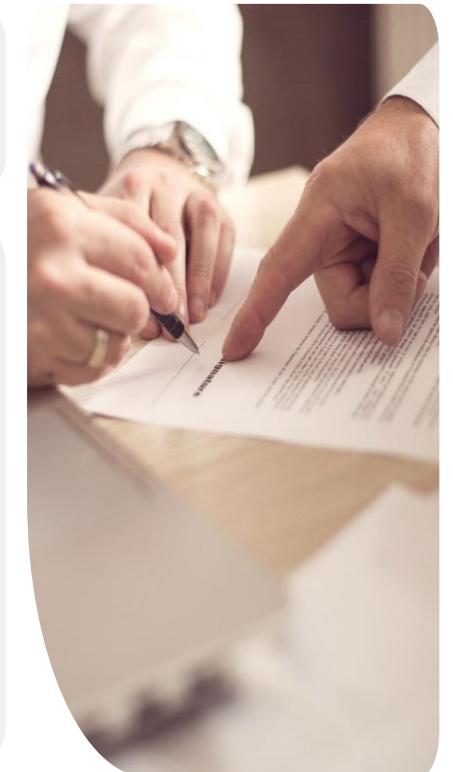
We have not made any written statutory recommendations under Schedule 7 of the Local Audit and Accountability Act 2014.

We have not made an application to the Court or issued any Advisory Notices under Section 28 of the Local Audit and Accountability Act 2014.

We have not made an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014.

We have not identified any issues that required us to issue a Public Interest Report (PIR) under Schedule 7 of the Local Audit and Accountability Act 2014.

It should be noted that this is the second year that we have raised four Value for Money key recommendations, with an additional key recommendation raised for the first time in 2024/25. If we are not satisfied that sufficient progress is being made on these key recommendations during the 2025/26 financial year, we will consider use of our wider auditor reporting powers.



03 Opinion on the financial statements and use of auditor's powers

Opinion on the financial statements

These pages set out the key findings from our audit of the Authority's financial statements, and whether we have used any of the other powers available to us as the Authority's auditors.

Audit opinion on the financial statements

Our audit of your financial statements is complete and we have issued an unqualified audit opinion on 5 February 2026.

The full opinion will be included in the Authority's Statement of Accounts for 2024/25, which can be obtained from the Authority's website.

Grant Thornton provides an independent opinion on whether the Authority's financial statements:

- give a true and fair view of the financial position of the Authority as at 31 March 2025 and of its expenditure and income for the year then ended
- have been properly prepared in accordance with the CIPFA/LASAAC Code of practice on local authority accounting in the United Kingdom 2024/25
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014.

We conducted our audit in accordance with: International Standards on Auditing (UK), the Code of Audit Practice (2024) published by the National Audit Office, and applicable law. We are independent of the Authority in accordance with applicable ethical requirements, including the Financial Reporting Council's Ethical Standard.

Findings from the audit of the financial statements

The Authority provided draft accounts on 11 July 2025, which was after the national deadline of 30 June 2025.

Draft financial statements were of a reasonable standard and supported by detailed working papers.

We report the detailed findings from our audit in our Audit Findings Report. This report was presented to the Authority's Standard Audit & Performance Committee on 16 December 2025 and Audit and Standards Committee on 2 February 2026. Requests for this Audit Findings Report should be directed to the Authority.

Other reporting requirements

Annual Governance Statement

Under the Code of Audit Practice published by the National Audit Office we are required to consider whether the Annual Governance Statement does not comply with the requirements of the CIPFA/LASAAC Code of Practice 2024/25 on Local Authority Accounting, or is misleading or inconsistent with the information of which we are aware from our audit.

We are not required to consider whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls.

We have nothing to report in this regard.



04 Value for Money commentary on arrangements

Value for Money – commentary on arrangements

This page explains how we undertake the value for money assessment of arrangements and provide a commentary under three specified areas.

The Authority is the statutory governing authority responsible for overseeing fire and rescue services across Shropshire, including Telford and Wrekin. Shropshire and Wrekin Fire and Rescue Service (the Service) carries out day-to-day operations, whilst the Authority sets the strategic direction for the Service and is responsible for governance and oversight of the Service.

All Fire and Rescue Authorities are responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness from their resources. This includes taking properly informed decisions and managing key operational and financial risks so that they can deliver their objectives and safeguard public money. Fire and Rescue Authorities report on their arrangements, and the effectiveness of these arrangements, as part of their individual Annual Governance Statements.

Under the Local Audit and Accountability Act 2014, we are required to be satisfied whether the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The National Audit Office (NAO) Code of Audit Practice ('the Code'), requires us to assess arrangements under three areas:



Financial sustainability

Arrangements for ensuring the Authority can continue to deliver services. This includes planning resources to ensure adequate finances and maintain sustainable levels of spending over the medium term (3-5 years).



Governance

Arrangements for ensuring that the Authority makes appropriate decisions in the right way. This includes arrangements for budget setting and budget management, risk management, and making decisions based on appropriate information.



Improving economy, efficiency and effectiveness

Arrangements for improving the way the Authority delivers its services. This includes arrangements for understanding costs and delivering efficiencies and improving outcomes for service users.

Financial sustainability – commentary on arrangements

We considered how the Authority: **Commentary on arrangements:**

Rating

<p>identifies all the significant financial pressures that are relevant to its short and medium-term plans and builds these into them</p>	<p>The Authority achieved a final outturn position of £0.437m surplus for the year, against the £29.178m revenue budget. We observed some inconsistencies in the reporting of the outturn position and have raised an improvement recommendation relating to financial monitoring reports in the Governance section. The Authority maintains contingency reserves to cushion the impact of unexpected events or emergencies. At the end of 2024/25, the balance of contingency reserves was £1.483m (4.94% of 2025/26 net revenue expenditure), made up of General Reserves (£0.577m), the extreme Incidents reserve (£0.219m) and the Income Volatility Reserve (£0.687m). As part of the budget setting process, the Authority refreshes its Medium-Term Financial Plan (MTFP) and Reserves Strategy. However, the budget report taken to the Authority in February 2025 included the previous year's MTFP and Reserves Strategy with delegated responsibility for any necessary amendments given to the Treasurer, in consultation with the Chair and Vice Chair. Authority members therefore did not receive the updated MTFP for approval/scrutiny. We identify further areas for improvement and raise an improvement recommendation on the following pages of our report. The Authority set a revenue budget for 2025/26 of £30.084m, with an expected surplus of £0.042m and no planned use of contingency reserves. The 2025/26 budget is based on the 2024/25 base budget, adjusted for current assumptions around cost pressures and funding streams. The assumption relating to pay awards was set at 2% for 2025/26 and future years of the MTFP. This assumption appears optimistic, with a 3.2% pay award agreed in July 2025 and current inflation rates above 2%. The additional cost of the pay award for 2025/26 was £0.114m, which will be funded from pay award contingency reserves. The Authority should review the appropriateness of the pay award assumption, which is key to the financial plan, during the budget setting process for 2026/27.</p>	<p>A</p>
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G No significant weaknesses or improvement recommendations.

A No significant weaknesses, improvement recommendations made.

R Significant weaknesses in arrangements identified and key recommendation(s) made.

Financial sustainability – commentary on arrangements (continued)

We considered how the Authority: **Commentary on arrangements:**

Rating

<p>plans to bridge its funding gaps and identify achievable savings</p>	<p>The MTFP for the period 2025/26 to 2027/28 identifies budget gaps in 2026/27 of £0.274m (0.8% of the net revenue budget) and £0.474m in 2027/28 (1.4% of the net revenue budget) which will be balanced with the use of reserves. However, this would use half of the Authority's contingency reserve balances (amounting to £1.483m at the end of 2024/25) and the Authority does not have a plan to replenish these reserves once used.</p> <p>The Authority refreshes its Productivity and Efficiency Plan annually, as mandated by central government which has set a national target of achieving measurable improvements in non-pay efficiency (2%) and productivity (3%) annually. For 2024/25, the plan included £0.210m in recurrent efficiencies, mainly relating to reduced borrowing costs as external borrowing to fund the Telford refurbishment was replaced by internal borrowing, and greater use of virtual tools to reduce transport and staff development costs. The Authority reports that these were achieved.</p> <p>For 2025/26, £0.207m of efficiency savings are planned. However, these are noted as being non-recurrent and therefore will not support achievement of savings in the medium term. Efficiency savings set out in the plan are not reflected in the annual budget and MTFP papers presented to the Fire Authority.</p> <p>We have raised improvement recommendations on the following pages of our report.</p>	<p>A</p>
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G

No significant weaknesses or improvement recommendations.

A

No significant weaknesses, improvement recommendations made.

R

Significant weaknesses in arrangements identified and key recommendation(s) made.

Financial sustainability – commentary on arrangements (continued)

We considered how the Authority: **Commentary on arrangements:**

Rating

<p>plans finances to support the sustainable delivery of services in accordance with strategic and statutory priorities</p>	<p>The Authority has seven priorities focused on three main areas: the Use of Innovative Technology, Climate and Environmental Impact and Operational Excellence which are outlined in the Community Risk Management Plan (CRMP) 2025-28. The MTFP and Reserves Strategy are designed to demonstrate that the Authority has considered the funding streams available into future years and has plans in place to deliver the priorities identified by its CRMP. A review of the Capital Programme showed it incorporates property, fleet, operational equipment and ICT requirement based on the priorities identified in the respective strategies.</p> <p>We note the Outturn Capital Expenditure was £6.162m compared to a budget of £15.644m (including past slipped schemes), this means £9.341m (60%) has slipped to 2025/26. The Authority has also had significant slippage on the Capital Programme in recent years. We have reported an improvement recommendation in relation to this, on the following pages.</p>	<p>A</p>
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G

No significant weaknesses or improvement recommendations.

A

No significant weaknesses, improvement recommendations made.

R

Significant weaknesses in arrangements identified and key recommendation(s) made.

Financial sustainability – commentary on arrangements (continued)

We considered how the Authority: Commentary on arrangements:

Rating

<p>ensures its financial plan is consistent with other plans such as workforce, capital, investment and other operational planning which may include working with other local public bodies as part of a wider system</p>	<p>The approved MTFP confirms that the 2025/26 budget-setting process prioritised growth and investment in key areas, with a particular focus on delivering the CRMP and associated proposals. This includes addressing areas for improvement identified by His Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) in its November 2024 inspection report. The 2025/26 revenue budget includes £0.250m of investment in staffing to support this work, with a further £0.250m planned in future years. Additionally, £0.150m has been earmarked for system improvements from 2026/27 onwards to further enable delivery. We have rated this area as amber to reflect the need for improvement but do not raise a further recommendation, as we have an overarching key recommendation relating to addressing HMICFRS findings.</p> <p>The Authority has published its People Strategy 2025-28; the strategy provides a framework to support the aims and objectives of the Authority as outlined in the CRMP. At the time of our review, the Fleet Strategy 2025–2028 and Property Strategy 2025–2028 were still under development by the Head of Resources, who joined the Authority in summer 2025. These new strategies will replace the previous versions covering 2018–2023. As work is actively underway to update these strategies, and given that the Capital Programme already reflects CRMP priorities for operational excellence, including estate, fleet, and equipment assets, we have not raised an improvement recommendation in this area.</p>	<p>A</p>
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G No significant weaknesses or improvement recommendations.

A No significant weaknesses, improvement recommendations made.

R Significant weaknesses in arrangements identified and key recommendation(s) made.

Financial sustainability – commentary on arrangements (continued)

We considered how the Authority: Commentary on arrangements:

Rating

<p>identifies and manages risk to financial resilience, e.g. unplanned changes in demand, including challenge of the assumptions in underlying plans</p>	<p>Financial delivery risks are monitored through quarterly Financial Monitoring Reports presented to the Strategy and Resources (S&R) Committee. These reports update members on revenue budgets and treasury management activities, including prudential indicators. The year-end outturn report is submitted to the Fire Authority. In addition, the Strategy, Audit and Performance (SAP) Committee receives quarterly Corporate Risk Management Summaries, which include financial risks. Minutes from both committees are reported to every Fire Authority meeting.</p> <p>The 2025/26 budget reflects the wider external environment and incorporates scenario planning for precept setting. It provides a forecast position for each year of the MTFP across all considered models.</p>	<p>G</p>
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- G No significant weaknesses or improvement recommendations.
- A No significant weaknesses, improvement recommendations made.
- R Significant weaknesses in arrangements identified and key recommendation(s) made.

Financial sustainability (continued)

Area for Improvement identified: MTFP and Reserves Strategy

Key Finding: The Fire Authority did not receive the full MTFP and Reserves Strategy as part of the 2025/26 budget-setting process. In addition, the MTFP and Reserves Strategy documents contain outdated narrative, with a heavy focus on past budgets and references as far back as 2019/20.

Evidence: The budget report presented in February 2025 included the previous year's MTFP and Reserves Strategy, with delegated authority given to the Treasurer (acting in consultation with the Chair and Vice Chair) to make any necessary amendments. While the cover report did include a forward financial projection to 2027/28 and outlined key assumptions, the updated MTFP was not subsequently presented to the full Authority and therefore did not receive appropriate scrutiny.

The MTFP contains extensive narrative focused on the 2023/24 and 2024/25 budgets (pages 3 to 15). Although historical context can be helpful, the emphasis should be on forward-looking financial planning to support sustainability, growth and resilience. Similarly, the Reserves Strategy includes outdated references, such as the General Fund balance as of 1 April 2023 and adequacy assessments based on the 2019/20 budget.

Impact: The lack of an opportunity to review the updated MTFP and Reserves Strategy during the budget-setting process significantly impacts the ability of Authority members to scrutinise and challenge financial planning effectively, reducing transparency and weakening assurance over the Authority's financial sustainability.

Improvement Recommendation 1

The Authority should ensure that the full and up-to-date MTFP and Reserves Strategy are presented to the Fire Authority as part of the annual budget-setting process. This will support effective scrutiny, transparency, and assurance over financial sustainability. Key actions should include:

- Presenting the most up-to-date versions of the MTFP and Reserves Strategy to Members as part of the annual budget-setting process, ensuring the narrative is forward-looking, focused on financial resilience, and based on timely, relevant, and accurate data.
- Ensuring that any delegated amendments to financial plans are subsequently reported back to the full Authority for formal review and approval.



Financial sustainability (continued)

Area for Improvement identified: savings plans

Key Finding: The MTFP identifies budget gaps in 2026/27 and 2027/28 which are currently planned to be funded through the use of reserves. The Authority does not have a strategy in place to replenish these reserves, raising concerns about long-term financial sustainability. Additionally, the 2025/26 P&E Plan consists solely of non-recurrent savings, limiting its contribution to ongoing budget resilience.

Evidence: The MTFP approved in February 2025 identifies budget deficits of £0.274m in 2026/27 and £0.474m in 2027/28. While these gaps are relatively modest compared to the overall revenue budget, they are planned to be balanced through the use of reserves. Although the Authority currently holds sufficient reserves to meet these gaps, the MTFP does not include a strategy to replenish the reserves used. The proposed use of reserves would consume approximately half of the Authority's contingency reserves, which were £1.483m at the end of 2024/25. The budget assumption of a 2% pay award in 2025 has added additional pressure, with the actual award agreed at 3.2%. Without further adjustments, this will increase the budget gap and require additional reserve usage. The scale of savings needed to restore reserve levels exceeds any efficiencies previously achieved by the Authority and is likely to be challenging.

The 2025/26 P&E Plan identifies £0.207m in planned savings (equivalent to 2.9% of non-payroll budgets) and exceeding the national 2% target. However, all identified savings are noted as non-recurrent, limiting their impact on long-term financial sustainability.

Impact: Using reserves to cover budget gaps without a replenishment plan undermines the Authority's financial resilience. Reliance on non-recurrent savings limits long-term sustainability, and the scale of savings needed to restore reserves exceeds what the Authority has previously achieved, making future financial stability more challenging.

Improvement Recommendation 2

The Authority should ensure it has comprehensive savings plans that support financial sustainability and resilience in the medium term, by:

- Developing a formal plan to address future funding gaps and replenish reserves, with a focus on identifying recurrent savings and establishing a savings pipeline to support later years of the MTFP if required; and
- Regularly monitoring delivery against the savings plan and reporting progress through finance updates to the Strategy & Resources Committee.



Financial sustainability (continued)

Area for Improvement identified: capital programme delivery

Key Finding: The Authority's capital spending in 2024/25 was £6.612m compared to the programme budget of £15.644m. Slippage of £9.341m (60%) is significant.

Evidence: The Fire Authority approved the 2024/25 Capital Plan in February 2024 alongside the revenue budget and MTFP. The plan included schemes totalling £15.644m, some of which had been deferred from previous years. Actual capital expenditure during 2024/25 was £6.612m, with the remaining projects rescheduled into 2025/26, in addition to £1.364m of planned spending for that year.

Several projects were delayed due to a decision to pause capital works pending a review by the CRMP working group. While some other delays are beyond the Authority's control (for example, vehicle supply chain issues), consistently high levels of slippage may point to weaknesses in capital programme governance or shortcomings in procurement processes.

Impact: Delays in delivering the capital programme increases the risk of cost escalation due to inflation, rising material prices, and contractor adjustments. Delays may also lead to higher maintenance costs for ageing assets and may compromise operational service delivery if critical assets are unavailable or older equipment fails to meet service requirements.

Improvement Recommendation 3

The Authority should:

- Formally consider the impact of slippage in the capital programme on financial and operational performance and ongoing service delivery.
- Review the approach to developing the programme, including evaluating whether historic projects that no longer align with strategic priorities should be removed, and report this to Authority members.



Governance – commentary on arrangements

We considered how the Authority: **Commentary on arrangements:**

Rating

<p>monitors and assesses risk and how the Authority gains assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud</p>	<p>The HMICFRS 2023–25 inspection report, published in November 2024, raised a Cause of Concern that the Service lacked adequate arrangements to manage strategic risks. In response, the Authority introduced a new Risk Management Protocol in July 2025, setting out responsibilities, the risk management cycle, risk types, and risk appetite, along with risk treatment approaches. A new Corporate Risk Register is in place, which captures eight risks to service delivery based on the CRMP and strategic goals for 2025–28. Risks are reviewed monthly by the Senior Leadership Team to monitor changes, triggers, and control measures, with assurance provided through the Performance & Risk Group and summary reporting to the SAP Committee. HMICFRS revisited the Service in July 2025 to assess progress against the Cause of Concern action plan. While improvements were noted, the Cause of Concern remains in place. Consequently, we conclude that significant weaknesses persisted in the Authority's risk management arrangements during 2024/25, and this is reflected in Key Recommendation 5 set out later in this report.</p> <p>The Authority appointed Worcester Internal Audit Shared Service (WIASS) to provide its internal audit function in 2022. After three single-year agreements, the Authority was invited to join WIASS as a partner from 1 April 2025. The Internal Audit Plan and progress reports are presented to the SAP Committee; however, we identified opportunities to strengthen oversight of internal audit activity and have made an improvement recommendation, detailed later in this report. The Head of Internal Audit issued an overall opinion of 'Reasonable Assurance' on the organisation's system of internal control. No opinion was provided on risk management or governance due to the ongoing organisational change programme, which limited audit coverage in these areas. Both topics are scheduled for review in the 2025/26 Internal Audit Plan.</p>	<p>R</p>
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G No significant weaknesses or improvement recommendations.

A No significant weaknesses, improvement recommendations made.

R Significant weaknesses in arrangements identified and key recommendation(s) made.

Governance – commentary on arrangements (continued)

We considered how the Authority: **Commentary on arrangements:**

Rating

approaches and carries out its annual budget setting process	<p>The Authority's budget setting process includes four stages. Stage One begins with a review of the base budget, assessing the previous year's figures and identifying committed changes and necessary adjustments. Stage Two focuses on identification of efficiencies and productivity improvements, in line with the Authority's E&P Plan which is submitted to central government. Stage Three involves setting pay and price inflation assumptions and contingencies. Stage Four includes a review of the capital programme and confirmation of any new schemes. The proposed budget is presented to the Strategy & Resources Committee in late January for scrutiny, followed by submission to the Full Authority for approval in February.</p>	G
ensures effective processes and systems are in place to ensure budgetary control; to communicate relevant, accurate and timely management information; supports its statutory financial reporting; and ensures corrective action is taken where needed, including in relation to significant partnerships	<p>The Strategy & Resources Committee received quarterly financial monitoring reports covering revenue budgets and treasury management, with the 2024/25 outturn report presented to the Full Authority. While our previous audit work identified areas for improvement, no formal recommendation was raised due to planned changes to financial reporting during 2024/25. However, our review of financial monitoring reports for 2024/25 identified examples of inconsistent reporting, delays in reporting and a general lack of clarity in reporting, which may have hindered effective scrutiny and reduced transparency. We have therefore raised an improvement recommendation.</p> <p>During 2024/25, the Strategy & Resources Committee received the 2023/24 Annual and the 2024/25 Mid-Year Treasury Management reports. The Annual Treasury Management Review for 2024/25 is scheduled for presentation to the Committee in November 2025. Good practice would see the year-end Treasury Management reporting presented alongside the revenue and capital outturns, shortly after the financial year concludes.</p>	A

G No significant weaknesses or improvement recommendations.

A No significant weaknesses, improvement recommendations made.

R Significant weaknesses in arrangements identified and key recommendation(s) made.

Governance – commentary on arrangements (continued)

We considered how the Authority: Commentary on arrangements:

Rating

<p>ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency, including from audit committee</p>	<p>Our review of the Authority's governance arrangements and decision-making processes confirms that while formal structures exist to support informed and transparent decision-making (for example, consistent committee paper formats and the establishment of a permanent Scrutiny Committee in October 2025), significant weaknesses remain that require urgent attention.</p> <p>Progress in addressing the lack of capacity at Statutory Officer level during 2024/25 was limited. Although a new arrangement was agreed in Autumn 2025 to enhance Monitoring Officer provision, and the Authority has opted to recruit an in-house s151 Officer, the recruitment process was still ongoing at the time of writing and the impact of these changes has yet to be realised. Our audit identified examples of key decisions which, in our view, lacked formal consideration, documentation, and transparency. We are also concerned that the Authority's approach to managing conflicts of interest is not adequate. There is evidence of persistent cultural issues (particularly within the Senior Leadership Team) that have contributed to instability, diminished staff confidence in systems and processes and a perception that decision-making is not always open and transparent.</p> <p>Although it is encouraging to see that the Authority has begun to implement some of the key recommendations raised in 2023/24, progress remains at an early stage. We have therefore concluded that the previously reported significant weaknesses in arrangements relating to leadership and culture, decision-making, and statutory officer capacity, remain relevant and have been re-raised on the following pages of our report. In addition, we have raised a new Key Recommendation 4 to reflect our view that there is a significant weaknesses in the Authority's arrangements for managing conflicts of interest in decision-making.</p>	R
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G No significant weaknesses or improvement recommendations.

A No significant weaknesses, improvement recommendations made.

R Significant weaknesses in arrangements identified and key recommendation(s) made.

Governance – commentary on arrangements (continued)

We considered how the Authority: Commentary on arrangements:

Rating

<p>monitors and ensures appropriate standards, such as meeting legislative/regulatory requirements and standards in terms of staff and board member behaviour</p>	<p>In April 2024, allegations were made against the Fire Authority and senior leaders regarding inappropriate WhatsApp messages. Misconduct investigations followed, resulting in a written warning and mandatory training for the Chief Fire Officer, while an Assistant Chief Fire Officer resigned before the investigation concluded. We reported a significant weakness in our 2023/24 Auditor's Annual Report regarding the Authority's leadership and tone from the top. We have concluded that these significant issues continue to persist, as set out in Key Recommendation 2. We have also issued Key Recommendation 4, reflecting our view that there is a significant weakness in arrangements for managing conflicts of interest. These significant weaknesses impact on this VFM criteria, therefore we have assessed the arrangements as red.</p> <p>In 2024/25, the Authority took steps to strengthen its standards framework, including the development of a new Social Media Policy and a Disciplinary Policy for Senior Officers, as well as updates to the Whistleblowing Policy and the Code of Conduct for Members. Member training is scheduled for October 2025, following changes in membership after the local government elections earlier in the year. However, the Code of Conduct for Employees has not been reviewed since 2019, and we have included an Improvement Recommendation in this regard.</p> <p>Our review of arrangements for procurement and contract management also identified opportunities for improvement, which have been reported in the next section of the report. The Authority maintains registers for gifts and hospitality; declarations of interest are updated annually and included as a standing item on all Authority meeting agendas. Terms of Reference are in place for the Fire Authority, its Committees, and officer groups such as the Senior Leadership Team. In July 2025, the Authority approved a revised governance structure, which included an increase in membership and the establishment of a new Performance & Scrutiny Committee. This Committee will include two independent members to enhance oversight.</p>	R
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G No significant weaknesses or improvement recommendations.

A No significant weaknesses, improvement recommendations made.

R Significant weaknesses in arrangements identified and key recommendation(s) made.

Governance (continued)

Significant weakness identified in relation to governance – culture and leadership

Key finding: Over the past 18 months, the Authority has experienced turnover within its Senior Officer Team. There is ongoing evidence of cultural challenges, particularly at the Senior Leadership Level, which continue to affect the wider organisation.

Evidence: The November 2024 HMICFRS inspection report rated the Service's performance in *Promoting the right values and culture* as requires improvement; highlighting five areas for improvement. The Authority's action tracker shows that all related actions were still in progress as of September 2025.

In autumn 2024, the Senior Leadership Team launched a Development Programme incorporating 360-degree feedback and training sessions. However, by February 2025, it was acknowledged that these activities had lost momentum.

In early 2025/26, the Authority engaged an external partner to support cultural development. Initial scoping discussions revealed hope and pride for the service but persistent challenges at Senior Leadership Level. This includes a lack of Trust and misalignment amongst the Senior Management Team. There was evidence of some difficult and unaddressed narratives being told within the organisation. There was also frustration with systems and processes and a lack of trust in systems to be confidential and fair. A significant amount of work has been undertaken within the Cultural Transformation Programme which was launched in June 2025. Management have reported that progress has been made but it is acknowledged that the cultural transformation actions will take time to embed. We will follow up on the reported progress and any subsequent feedback from the external partner as part of our 2025/26 Value for Money Work.

We have also noted a reluctance to proactively engage with us, as your Statutory External Auditor, on sensitive issues which are of relevance to our work.

Impact: Organisational instability and diminished trust among staff can undermine morale, reduce engagement, and create resistance to change initiatives which may ultimately impact service delivery and damage the Authority's public credibility. A lack of alignment among senior officers may result in strategic drift, reducing focus on long-term objectives.

Key recommendation 1

The Authority must:

- Continue to sustain and deepen cultural development efforts in collaboration with external partners, with a focus on embedding values and behaviours across all levels of the service.
- Implement a formal accountability framework for senior leaders, directly linking performance to cultural outcomes and strategic alignment.
- Proactively engage with External Audit on sensitive issues, which are of relevance to Financial Statement and Value for Money audit responsibilities.

Governance (continued)

Significant weakness identified in relation to governance – making informed decisions

Key finding: We have identified significant payments which have been made without a clear record of value for money considerations, conflict of interest risk and approval. It should be noted that whilst a documented value for money case was not prepared before the payments were made, contemporaneous consideration of value for money has since been explained to us verbally and in writing in response to our audit queries.

Evidence: In our view, there is insufficient evidence that the Authority:

- prepared a documented VFM assessment prior to making these payments;
- considered conflict of interest risks; and
- maintained a clear record of approvals.

We are not satisfied that the Authority has fully complied with relevant statutory guidance.

Impact: In our view, there is a governance and compliance risk arising from the Authority's failure to formally document and transparently approve significant payments. In addition, weak internal controls and a lack of transparency in decision-making processes increases the risk of reputational damage and may undermine public trust.

Key recommendation 2

The Authority must:

- Ensure decision making complies with Statutory Guidance;
- Develop and adopt a consistent template for documenting all decisions relating to significant payments. This should include the rationale for the payment, including value for money considerations; advice received; a risk assessment; and the names, roles and dates of all individuals involved in the approval process;
- Maintain a centralised register of all such decisions, supported by a complete audit trail to ensure accountability and ease of review; and
- Provide periodic reports to the Fire Authority or a relevant Committee detailing significant payments, with explicit assurance that statutory guidance has been followed in each case.

Governance (continued)

Significant weakness identified in relation to governance – capacity of statutory officers

Key finding: Progress in addressing the previously identified lack of capacity at statutory officer level during 2024/25 was limited. New arrangements were agreed with effect from October 2025 to enhance Monitoring Officer provision, and the Authority has opted to recruit an in-house Section 151 Officer (with the vacancy being advertised in October 2025). There is currently insufficient evidence to conclude whether these changes have had the required impact on capacity.

Evidence: A member of staff from Shropshire Council currently fulfils the role of the Authority's Section 151 Officer under a Service Level Agreement (SLA) that has been in place since the Fire Authority's establishment in 1998. The Authority estimates that the current post-holder provides approximately 72 hours of support per year. This level of input is significantly below what would typically be expected for a Fire and Rescue Authority, raising concerns about the adequacy of financial oversight.

Until the end of September 2025, the roles of Monitoring Officer and Deputy Monitoring Officer were delivered by Telford & Wrekin Council staff under an SLA operating on a "pay as you go" basis (also dating back to the Fire Authority's establishment in 1998). Since October 2025, a revised SLA has been introduced, providing two days per week of dedicated capacity and contact time for the Authority. However, from an audit perspective, there is currently limited evidence that the new arrangements have yet delivered a demonstrable improvement in capacity. We note that the Authority plans to periodically review this arrangement to allow flexibility as needed.

Impact: A continued lack of sufficient capacity at statutory officer level undermines the Authority's ability to exercise effective oversight, challenge, and assurance over key decisions and financial management. It increases the risk of non-compliance with legal, regulatory, and financial reporting requirements, particularly in areas such as budget setting, financial monitoring and governance disclosures.

Key recommendation 3

The Authority must:

- Evaluate the early implementation of the revised Monitoring Officer SLA to determine whether two days per week of dedicated capacity are being fully utilised, the arrangement is delivering improved governance, legal oversight and timely advice and to assess whether further adjustments are needed to ensure the Authority receives proactive and effective support from the Monitoring Officer.
- Expedite the planned recruitment and onboarding of an in-service Section 151 Officer. The appointed individual should have appropriate qualifications and experience, be supported by senior leadership, receive a structured handover to ensure continuity and effective transition and be supported by a finance team of appropriate size.

Governance (continued)

Significant weakness identified in relation to governance – managing conflicts of interest

Key finding: It is our view that the Authority's approach to managing conflicts of interest is not adequate.

Evidence: Some key decisions taken in 2024/2025 were made, in our view, without appropriate consideration of the risk of an actual or perceived conflict of interest. These decisions were connected to previous complaints against senior management and the Authority. We consider that insufficient safeguards have been put in place to ensure that the relevant member of senior management played no role in subsequent decisions related to any complaints they were previously subject to. This is evidence, in our view, of a significant weakness in arrangements for managing conflicts of interest.

In our view, the Authority has considered conflict of interest on a strict legal interpretation of conflict of interest which does not reflect broader public perception or the view a reasonable, independent observer might hold.

Impact: A strict legal interpretation of conflict of interest fails to consider public perception. This could damage public trust and confidence.

Key recommendation 4

The Authority must:

- Review and update the Authority's conflict of interest policy to ensure it reflects both the strict legal interpretation and broader standards of ethical governance. The policy should explicitly consider perceived conflicts, not just actual or financial ones; the perspective of a reasonable, independent observer; and the importance of maintaining public confidence in decision-making.
- Ensure that where a Senior Officer has a personal or historical connection to a matter under consideration, they are formally recused from the decision-making process; and an independent officer or external adviser is appointed to oversee or advise on the matter.
- Document and report considerations relating to conflicts of interest and recusal decisions to the Authority or appropriate Committee for oversight.

Governance (continued)

Area for Improvement identified: Internal Audit

Key Finding: One Internal Audit progress report was presented to the SAP Committee during 2024/25, and the information provided on outstanding recommendations was limited. No internal audit opinion on risk management was provided.

Evidence: Our review of 2024/25 papers found that the SAP Committee received only one Internal Audit progress report during the year—in December 2024—covering April to November 2024. No further updates were provided until the annual report in July 2025.

The December report included only a brief narrative on outstanding recommendations, stating the number of open items but omitting key details such as the nature of the recommendations, the audits they relate to, implementation timelines, or responsible officers.

Two reviews scheduled in the 2024/25 Internal Audit Plan - Data Quality and Procurement & Contract Management - were deferred to 2025/26 due to ongoing changes in governance arrangements. In addition, no opinion was provided over risk management. These areas will be reviewed by Internal Audit in 2025/26; however, the SAP Committee was not informed of the deferrals until the annual report was presented in July 2025.

Impact: Infrequent internal audit progress reporting and the absence of updates on outstanding recommendations limit the SAP Committee's ability to monitor audit activity effectively and track the implementation of agreed actions. Changes to internal audit coverage may weaken oversight of key risk areas and delay the identification and resolution of control weaknesses.

Improvement Recommendation 4

The Authority should strengthen oversight of internal audit work by:

- Ensuring that internal audit progress reports are presented at every SAP Committee meeting;
- Implementing a dashboard to monitor all open internal audit recommendations, including assigned owners and target completion dates; and
- Providing the SAP Committee with the opportunity to challenge and approve any proposed changes to the Internal Audit Plan after its initial approval.



Governance (continued)

Area for Improvement identified: financial reporting

Key Finding: From our review of financial monitoring reports, we noted inconsistencies, typos, issues with timeliness and lack of transparency.

Evidence: Our review of financial monitoring reports presented to the S&R Committee during 2024/25 identified multiple changes over the year. Some were positive, such as the introduction of quarterly revenue outturn reforecasts, enhanced variance analysis against the revenue budget, and updated capital programme reporting. However, other changes added complexity that hindered clarity, making it difficult to interpret the Authority's financial position. Examples include:

- The Outturn report presented in June 2025 showed a discrepancy between the variance analysis and the summary table. The summary table shows a total budget variance of £0.511m (underspend), whilst the detailed variance lists of individual over/underspends across service areas, totals £0.262m. There was no supporting reconciliation or explanation for this difference of £0.249m.
- We observed inconsistencies in the quarterly reforecast budgets presented across different financial reports, with the Q3 reforecast budget figures shown in the Q3 finance report differing from the reforecast budget Q3 figures in the subsequent Q4 report.
- Significant variations between forecast and actual outturn for the use of / contribution to reserves – at Q3, there was a forecast use of reserves of £1.080m but following a year-end adjustment of -£4.383m, the total reported against this line was a contribution to reserves of £3.303m, with a spend of £2.900m. This presentation is hard to follow and no explanation is provided for the year-end adjustments, which relate to funding of the capital programme.
- Financial monitoring reports do not indicate plans for mitigation of significant variances.
- Several typographical errors were identified in financial reports, reducing clarity and making them harder to interpret. For example, the outturn report's variance analysis and Prudential Indicators incorrectly stated they covered the period to December 2024. It was later confirmed these were typographical errors and should have referred to the period ending March 2025.
- There were delays in the provision of some financial reports. For example, the Q1 2024/25 report was presented to the S&R Committee in September 2024, the Q1 2025/26 report to the Full Authority in October 2025, and the Draft Statement of Accounts also to the Full Authority in October 2025, following publication in July 2025, after the statutory deadline.

(continued on following page)

Governance (continued)

Area for Improvement identified: financial reporting (continued)

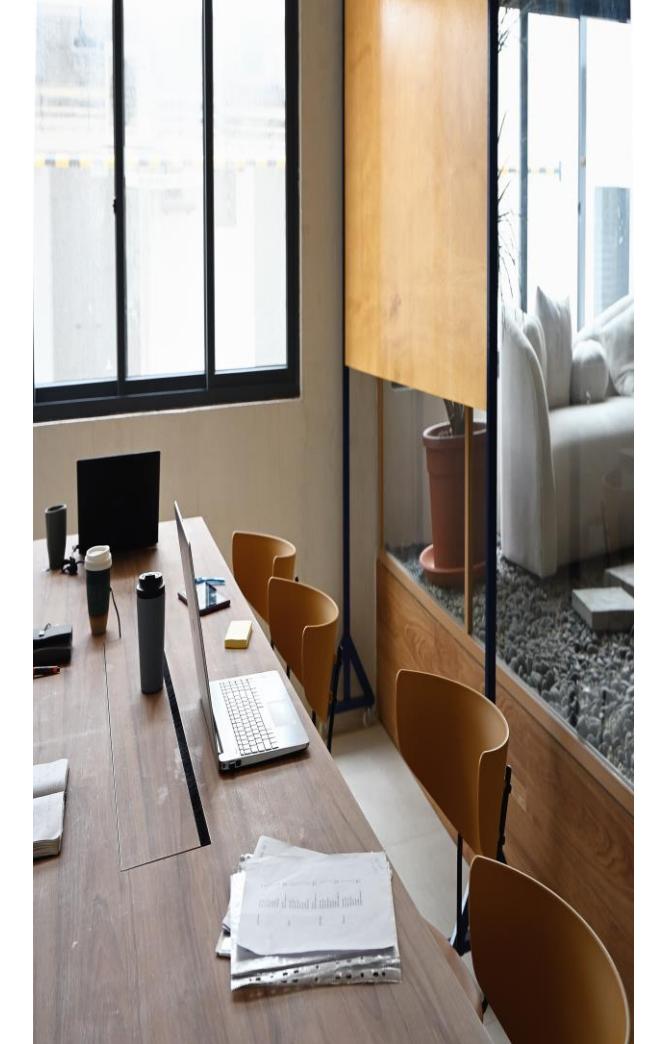
Our review found that the outturn position was not clearly explained to members. The June 2025 Outturn Report stated a surplus of £0.511m, but discussions with Management indicated the actual figure was £0.700m. Subsequently, the cover report for the Draft Statement of Accounts 2024/25, presented in October 2025, reported an outturn surplus of £0.815m while showing a General Fund balance (which holds the surplus or deficit for the year) of £0.700m. It was later confirmed the General Fund balance was incorrectly shown and should have reflected £0.437m. Members were presented with four different figures for the outturn position.

Impact: Inconsistencies and lack of transparency make it difficult for members to accurately assess the Authority's financial position, increasing the risk of misinformed decisions and reducing accountability. In addition, delays in reporting weaken financial oversight and expose the Authority to operational and reputational risks.

Improvement Recommendation 5

The Authority needs to improve the governance arrangements in respect of financial reporting, including the structure, data quality, consistency and explanatory detail of its to better support decision-making and oversight by:

- Including the original budget, forecast outturn, and forecast outturn variance in the summary table.
- Ensuring the variance analysis reconciles to the forecast variance in the summary table.
- Ensuring consistency in budget adjustments across quarterly reports and year-end adjustments, with clear narrative where changes occur.
- Maintaining timely reporting of the quarterly finance reports and the bi-annual Treasury Management reports.
- Ensuring that the statutory financial reporting timetable is achieved.



Governance (continued)

Area for Improvement identified: Code of Conduct for Employees

Key Finding: The Code of Conduct for Employees has not been reviewed or updated since 2019.

Evidence: The Authority has a Code of Conduct in place for Employees, but this has not been reviewed or updated since 2019. Our review indicates that the Code is aligned with core values and covers a wide range of conduct areas, including honesty, respect, stewardship, conflicts of interest, openness, and disciplinary actions. However, it does not reference the new Social Media Protocol and lacks illustrative examples to help staff understand how to apply the principles in the Code to real situations. There is also no scheduled review period included in the document.

Impact: Out of date policies and procedures increases the risk of non-compliance with laws and regulations, may lead to a lack of consistency and may undermine cultural change initiatives.

Improvement Recommendation 6

The Authority should update the Employee Code of Conduct ensuring that it:

- References the Social Media Protocol and other relevant policies and procedures.
- Incorporates illustrative examples to aid understanding.
- Aligns fully with current legislation and best practice.
- Specifies a defined review interval to maintain ongoing relevance and compliance.



Improving economy, efficiency and effectiveness – commentary on arrangements

We considered how the Authority: Commentary on arrangements:

Rating

<p>uses financial and performance information to assess performance to identify areas for improvement</p>	<p>The Authority monitors operational performance through quarterly Corporate Performance Indicator (CPI) reports which are presented to the SAP Committee. Each CPI has an associated tolerance for deviation, and the Authority uses these metrics to track performance trends and maintains a flexible, agile approach throughout the year. The CPI metrics and tolerances are reviewed annually by the SAP Committee and approved by the S&R Committee. From October 2025, oversight will transfer to the newly established Scrutiny & Performance Committee. Our review of performance monitoring reports identified areas for improvement, which are detailed on the following pages of this report.</p> <p>The HMICFRS 2023–25 inspection report, published in November 2024, identified a Cause of Concern which included issues relating to the Service’s performance management arrangements. HMICFRS reported that the Service lacked appropriate systems to manage performance effectively and recommended ensuring access to accurate data and analysis to support effective performance management. The Authority developed an action plan to address the issues raised but reported to the Fire Authority in October 2025 that delivery of this project was behind schedule. HMICFRS revisited the Service in July 2025 to assess progress against the action plan. Whilst recognising the challenges faced and progress made, HMICFRS found that the Authority had not sufficiently prioritised the current timeframe for completing this activity, and greater focus was needed.</p> <p>We conclude that the significant weaknesses identified by HMICFRS in November 2024 and which we incorporated into our Auditors Annual Report for 2023/24 continued to affect the Authority’s performance management arrangements during 2024/25, as reflected in Key Recommendation 5 later in this report.</p>	<p>R</p>
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G No significant weaknesses or improvement recommendations.

A No significant weaknesses, improvement recommendations made.

R Significant weaknesses in arrangements identified and key recommendation(s) made.

Improving economy, efficiency and effectiveness – commentary on arrangements (continued)

We considered how the Authority: **Commentary on arrangements:**

Rating

<p>evaluates the services it provides to assess performance and identify areas for improvement</p>	<p>The HMICFRS 2023–25 inspection, published in November 2024, evaluated the Service across eleven areas covering effectiveness, efficiency, and people. The Service was rated as <i>Good</i> or <i>Adequate</i> in four areas, <i>Requires Improvement</i> in six, and <i>Inadequate</i> for <i>Making Best Use of Resources</i>. HMICFRS identified a <i>Cause of Concern</i> relating to five aspects of the Service's arrangements within <i>Making best use of resources</i>, as well as 30 <i>Areas for Improvement</i> across all inspection areas. We raised a key recommendation in our 2023/24 Auditor's Annual Report that the Authority should develop a comprehensive action plan with regular progress on delivery being reported publicly to Members.</p> <p>We have confirmed that the Authority developed an action plan to address the issues raised by HMICFRS, and has reported on progress to the Fire Authority. In October 2025, progress was reported as on track for four of the five elements of the <i>Cause of Concern</i>. The remaining element - ensuring access to accurate data and analysis to support effective performance management - was behind schedule, as noted on the previous page. Of the 30 <i>Areas for Improvement</i> (AFI), 14 were reported as on schedule, eight were behind schedule, and eight were deferred to future periods.</p> <p>HMICFRS revisited the Service in July 2025 to assess progress. While they found that governance arrangements were in place to monitor delivery of the action plan, they noted that the robustness of these arrangements required improvement. Specific concerns included the need for more detailed updates to the Fire Authority and better maintenance of the action tracker, with sufficient evidence to support the closure of actions. Following the revisit, the <i>Cause for Concern</i> remains open.</p> <p>We have retained the Key Recommendation reported in 2023/24, which is set out on the following pages of our report.</p>	<p>R</p>
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G No significant weaknesses or improvement recommendations.

A No significant weaknesses, improvement recommendations made.

R Significant weaknesses in arrangements identified and key recommendation(s) made.

Improving economy, efficiency and effectiveness – commentary on arrangements (continued)

We considered how the Authority: Commentary on arrangements:

Rating

<p>ensure they deliver their role within significant partnerships and engages with stakeholders they have identified, in order to assess whether they are meeting their objectives</p>	<p>The Authority has established strong arrangements for engaging stakeholders and partners in the development of strategic priorities. In November 2024, it launched an eight-week formal consultation to inform the development of the CRMP for 2025–2028, involving both internal and external stakeholders. The consultation concluded in December 2024; the Authority received 162 fully completed responses and over 300 partially completed submissions. This engagement was noted by HMICFRS in the 2023–25 inspection report, which stated that the Authority had consulted with staff, emergency service partners, and both Shropshire Council and Telford & Wrekin Council during the CRMP's development. The Authority's active engagement in partnership working is further demonstrated by its involvement in collaborative initiatives such as the Integrated Fire Control Collaboration, which aims to deliver a joint command and control system with three other fire and rescue services to provide increased resilience by helping the services to take emergency calls for each other and mobilise resources when necessary. All partnerships are developed under a clear and accountable framework, ensuring they are grounded in sound evidence, mutual benefit, and alignment with the Authority's strategic objectives. These arrangements are formally recorded in the Authority's Partnership Register.</p>	<p>G</p>
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G No significant weaknesses or improvement recommendations.

A No significant weaknesses, improvement recommendations made.

R Significant weaknesses in arrangements identified and key recommendation(s) made.

Improving economy, efficiency and effectiveness – commentary on arrangements (continued)

We considered how the Authority: Commentary on arrangements:

Rating

<p>commissions or procures services, assessing whether it is realising the expected benefits</p>	<p>The Authority's Contract Standing Orders (CSO) were last updated in June 2024 however, they do not yet reflect the requirements of the Procurement Act 2023. The CSOs are supported by Procurement Policies and Procedures outlined in Brigade Orders, which cover key areas such as contract documentation, contract management, the contracts register, and tender evaluation. The Authority has an agreement with Telford & Wrekin Council to provide ad-hoc procurement support, though in practice, requests for support have been limited. Recognising the need to strengthen procurement and contract management capacity, the Authority has appointed an interim Procurement Manager and is preparing to enter a new agreement with West Mercia Police in late 2025. This new arrangement will include a refresh of procurement policies, procedures, and strategy documents, access to a procurement helpline, and support for larger or more complex procurement exercises. We discuss the Authority's arrangements for procurement and contract management arrangements further, and raise an improvement recommendation, on the following pages of our report.</p> <p>Capital project spending is monitored monthly by the Senior Leadership Team. In addition, the Authority's Service Programme Board (SPB) meets bi-monthly to review progress on capital schemes and associated expenditure. To support member oversight and scrutiny, quarterly capital updates are presented to the S&R Committee. Major projects, such as the refurbishment of Telford Fire Station, have also been subject to dedicated reporting to the Fire Authority.</p> <p>An Integrated Fire Control Collaboration Strategic Project Board has been established, with representation from each participating fire and rescue service. The Board provides oversight and strategic direction for the project, supporting the Deputy Chief Fire Officer of Hereford & Worcester FRS, who serves as the Senior Responsible Owner. Within the Authority, the project is overseen by an internal project board. The new Integrated Fire Control system is scheduled to go live in 2026.</p>	<p>A</p>
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G No significant weaknesses or improvement recommendations.

A No significant weaknesses, improvement recommendations made.

R Significant weaknesses in arrangements identified and key recommendation(s) made.

Improving economy, efficiency and effectiveness (continued)

Significant weakness identified in relation to the 2023-2025 HMICFRS Inspection

Key Finding: The Authority has developed a comprehensive action plan to address the Cause of Concern and AFIIs identified by HMICFRS in its November 2024 inspection report. However, the Cause of Concern remains open and further work is required to strengthen the Authority's arrangements to support implementation of all required actions within the planned timeframe. We acknowledge that the changes required to address the Cause of Concern will take time to embed and will revisit this assessment as part of our 2025/26 VFM work.

Evidence: The HMICFRS 2023–25 inspection report, published in November 2024, expressed disappointment at the Authority's limited progress since the previous inspection in 2021, despite having a strong foundation to build upon. Of the 16 AFIIs identified in 2021, only three had been suitably addressed. Inspectors noted deterioration in several areas, particularly those relating to efficiency and people. They also raised concerns about the Authority's overall performance in keeping communities safe from fire and other risks. The Service was rated as Good or Adequate in four areas, Requires Improvement in six, and Inadequate for Making Best Use of Resources (see graphic on following page). A Cause of Concern was issued, with HMICFRS concluding that the Service lacked adequate processes, controls, and internal governance arrangements to manage strategic risks, performance, and improvement plans. The inspection also identified 30 new AFIIs. We raised a key recommendation in our 2023/24 Auditor's Annual Report that the Authority should develop a comprehensive action plan and ensure regular public reporting of progress to members.

Our review of 2024/25 documentation confirmed that the Authority had developed a detailed action plan to address the Cause of Concern and AFIIs identified by HMICFRS. The action plan was presented to the Fire Authority in December 2024 and shared with HMICFRS.

The Cause of Concern action plan was structured around five key themes, each broken down into 61 specific objectives. Senior officers were assigned responsibility for each theme to identify cross-cutting issues, oversee day-to-day progress, and prioritise actions effectively. A separate action plan was developed to address the 30 AFIIs, broken down into 168 specific objectives to support a structured and systematic approach to implementation. Each AFI has an assigned owner responsible for providing updates via a standardised AFI Update Template, which includes commentary on risks, barriers, and opportunities. The action plan is coordinated using an electronic tool to record progress, with live updates made to the system by action owners. The Authority has also established an Improvement Board, which meets monthly to oversee progress against both the Cause of Concern and the AFI action plan.

Progress reports have been provided regularly to the SAP Committee and the Full Authority, with the format evolving over the course of the year to enhance clarity and oversight. From October 2025, responsibility for monitoring the action plan transitioned to the newly established Performance & Scrutiny Committee.

Improving economy, efficiency and effectiveness (continued)

Significant weakness identified in relation to the 2023-2025 HMICFRS Inspection (continued)

Continued: Our review of the most recent progress reports found that they included narrative updates across all areas and were accompanied by appendices containing full action trackers. However, these trackers were provided as links that are not publicly accessible, which limits transparency. Overall, we conclude that the reports support Member understanding of the Authority's position, but there remains scope for improvement. In particular, the reports would benefit from more detailed commentary on risks, barriers to delivery, and mitigation strategies.

As at October 2025, progress was reported as on track for four of the five elements of the Cause of Concern. The remaining element - ensuring access to accurate data and analysis to support effective performance management, was behind schedule. Of the 30 Areas for Improvement, 14 were reported as on schedule, eight were behind schedule, and eight were deferred to future periods.

HMICFRS revisited the Service in July 2025 to assess progress in delivering the Cause of Concern action plan, with findings formally published in September 2025. Inspectors acknowledged that the Authority had made progress in addressing the Cause of Concern but emphasised that further work was required. They highlighted the need to strengthen the robustness of governance arrangements, noting that some updates provided to the Fire Authority were brief and lacked sufficient detail on the challenges affecting progress. Additionally, inspectors found that some action owners had marked objectives as complete without providing appropriate supporting evidence. The Authority has acknowledged these findings and committed to improvement, setting deadlines for completing all tasks within its action plan—although some extend beyond the timeframe of the next HMICFRS revisit which is due in 2026. Although the Cause of Concern was not closed following the July 2025 revisit, HMICFRS confirmed that a further visit would not be required prior to the next full inspection.

Key Recommendation 5

The Authority must continue to address the Cause of Concern reported by HMICFRS following the 2024 inspection, including:

- Enhancing the quality of progress reporting by ensuring updates to Members include detailed commentary on risks, barriers to delivery, and mitigation strategies;
- Implementing a robust evidence assurance process to ensure that action owners validate completed objectives with appropriate supporting documentation before closure; and
- Improving public accessibility of progress documentation to strengthen transparency and enable wider stakeholder scrutiny.

The Authority must also maintain active oversight of progress against the Areas for Improvement action plan to ensure timely delivery and measurable impacts.

Improving economy, efficiency and effectiveness (continued)

Significant weakness identified in relation to the 2023-2025 HMICFRS Inspection (continued)

The HMICFRS 2023-25 inspection published in November 2024 rated the Authority's performance in eleven areas:

Outstanding	Good	Adequate	Requires improvement	Inadequate
	Understanding fire and risk	Preventing fire and risk	Public safety through fire regulation	Best use of resources
		Responding to fires and emergencies	Future affordability	
		Responding to major incidents	Promoting values and culture	
			Right people, right skills	
			Promoting fairness and diversity	
			Managing performance and developing leaders	



His Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS)

His Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) independently assesses the effectiveness and efficiency of police forces and fire and rescue services in the public interest.

Their work includes assessing and reporting on the efficiency, effectiveness and people of the 44 fire and rescue services in England.

External Auditors consider the outcome of these assessments when performing our VFM work.

Improving economy, efficiency and effectiveness (continued)

Area for Improvement: Performance Monitoring

Key Finding: The Authority's Corporate Performance Indicator (CPI) reports are extensive but not always provided on a timely basis. The CPIs are not linked to CRMP priorities and data is difficult to verify due to incompatible ICT systems.

Evidence: Our review of CPI reports found that these break down every CPI with its monthly performance, cumulative performance (YTD), tolerance and target if applicable and narrative explaining main causes. We note many of the CPIs were taken from a Performance dashboard (not provided in the report) which plots the monthly performance as well as the tolerance limits. These reports were extensive and a consolidated dashboard with the Authority's general performance was not provided. We also found that there was no explicit link between CPIs and CRMP priorities.

CPI Reports are also not always taken to the SAP Committee on a timely basis; for example, the Q1 2024/25 report was taken to the October 2024 SAP. We note that financial performance is reported to the S&R Committee and non-financial to the SAP Committee and then the minutes of both S&R and SAP Committees are presented to the Full Authority every meeting. However, due to the issues with timeliness of reporting of both reports, the Full Authority has received the financial and non-financial performances from different periods. For example, the December 2024 Fire Authority was provided the minutes from the November S&R Committee which discussed Q2 financial performance and the minutes from the October SAP Committee which discussed the Q1 non-financial performance.

The 2023-25 HMICFRS inspection found that the Authority's arrangements for managing its performance were weak and did not clearly link resource use to its annual plan and service aims. Inspectors found that it was difficult to obtain accurate, timely information/data from the various incompatible ICT systems, which limited the ability of managers to address performance problems.

Impact: The lack of timely CPI reporting, a summary dashboard, and clear links to CRMP priorities limits the Authority's ability to make informed decisions and align performance monitoring with strategic objectives.

Improvement Recommendation 7

The Authority needs to improve its performance monitoring arrangements by:

- Aligning CPIs with the Authority's CRMP priorities.
- Introducing a consolidated summary dashboard that presents all CPIs in a clear and accessible format.
- Providing timely CPI reports.
- Ensuring full compatibility across ICT systems.



Improving economy, efficiency and effectiveness (continued)

Area for Improvement: Procurement and contract management

Key Finding: The Authority's Contract Standing Orders (CSOs) have not yet been updated to reflect the requirements of the Procurement Act 2023, and some supporting policies and procedures have not been reviewed for over four years. The Contract Register also contains incomplete information. While Contract Managers are responsible for overseeing contract management, we found no evidence confirming that contract management activity is being consistently carried out. Although the Authority is taking steps to strengthen procurement and contract management capacity during 2025/26, we conclude that the current arrangements require improvement.

Evidence: CSOs were last updated in June 2024 but reference the Public Contracts Regulations 2015 which have been superseded by the Procurement Act 2023. Our review of the supporting procurement policies found that the Contract Documentation Brigade Order, Contract Management and Review Brigade Order and Contracts Register Brigade Order were last updated in 2023 but the Evaluation of Tenders Brigade Order and the Tender Procedure Electronic Brigade Order have not been updated since 2021 despite a three-yearly review cycle being specified.

The Authority publishes a Contract Register on its website. However, our review of the register as at July 2025 identified several gaps in key contract information, including missing start and expiry dates, contract status, and the basis of award for some entries. The Contract Management and Review Brigade Order requires Contract Managers to assess and document risks and associated controls for each contract, to ensure that contracts are managed appropriately according to their risk level. While risk levels should be recorded in the Contract Register, we found no evidence that this is currently being done. Additionally, there is no indication that central records of contract management activity are being maintained.

The Authority has an agreement with Telford & Wrekin Council to provide ad-hoc procurement support, though in practice, requests for support have been limited. Recognising the need to strengthen procurement and contract management capacity, the Authority has appointed an interim Procurement Manager and is preparing to enter a new agreement with West Mercia Police in late 2025. This new arrangement will include a refresh of procurement policies, procedures, and strategy documents, access to a procurement helpline, and support for larger or more complex procurement exercises.

Impact: Failure to update the CSOs and supporting procurement policies to reflect the requirements of the Procurement Act 2023 exposes the Authority to legal and compliance risks, such as the potential for procurement decisions to be challenged and reputational damage arising from non-compliance with statutory obligations. Incomplete information within the Contract Register undermines transparency and accountability. The lack of visibility and oversight of contract risks and management activity increases the likelihood that contracts will not be managed in line with their risk profile. This could result in financial, legal, or operational issues being overlooked, hinder strategic decision-making and financial planning, and impair the Authority's ability to respond to emerging issues or renegotiate contract terms effectively.

Improving economy, efficiency and effectiveness (continued)

Improvement Recommendation 8

The Authority should:

- Update the CSOs and relevant supporting policies, ensuring consistency and compliance with relevant legislation and regulations;
- Ensure that the Contract Register is complete and regularly maintained, with all key data recorded;
- Establish and maintain central records of contract management activity, with an initial focus on contracts assessed as higher risk;
- Ensure that internal audit completes the planned review of procurement and contract management arrangements in 2025/26; and
- Formalise the planned procurement support arrangement with West Mercia Police through a clear SLA, outlining roles, responsibilities, and service expectations.



Grant Thornton insight

Our national report on procurement and contract management sets out lessons learned from our VfM audits. Key findings include:

- Align contracts with priorities and the procurement strategy and include relevant performance indicators so that the corporate plan and procurement strategy can be measured and monitored.
- Maintain high level controls over the whole life of a contract, including supplier health checks and internal management resilience checks.
- Consider how contract management arrangements can protect against and identify potential fraud.



05 Summary of Value for Money Recommendations raised in 2024/25

Key recommendations raised in 2024/25

Recommendation	Relates to	Management Actions
<p>KR1</p> <p>The Authority must:</p> <ul style="list-style-type: none"> Continue to sustain and deepen cultural development efforts in collaboration with external partners, with a focus on embedding values and behaviours across all levels of the service. Implement a formal accountability framework for senior leaders, directly linking performance to cultural outcomes and strategic alignment. Proactively engage with External Audit on sensitive issues, which are of relevance to Financial Statement and Value for Money audit responsibilities. 	<p>Governance (page 28)</p>	<p>Actions:</p> <ul style="list-style-type: none"> The Cultural Transformation Programme (CTP) continues with the learning report being published on 6 January 2026. Work is now underway to develop the next steps with a Middle Managers development day undertaken on 14 January 2026. The Service will also establish a working group with representation from staff across the Service to assist in building our culture. As well as being modelled by Brigade Managers, the Fire Authority plays a significant role in doing likewise, particularly given its role in some employee processes. As a result, the work programme for the CTP includes workshops with Members. Not only that, but Member training also includes matters relevant to culture such as Code of Conduct Training, unconscious bias etc. This work will form part of the CTP with co-creation with colleagues in relation to values and behaviours, which will be aligned to the Core Code of Ethics and Workplace Charter. This will then provide the framework for accountability to be assessed against, including as part of the IPDR process. New process agreed that will see regular quarterly meetings with External Audit take place. This will ensure regular updates are provided and progress tracked. <p>Responsible Officers: Chief Fire Officer, Head of Human Resources & Administration, Monitoring Officer, Section 151 Officer</p>

Key recommendations raised in 2024/25

Recommendation	Relates to	Management Actions
<p>KR2</p> <p>The Authority must:</p> <ul style="list-style-type: none"> • Ensure decision making complies with Statutory Guidance; • Develop and adopt a consistent template for documenting all decisions relating to significant payments. This should include the rationale for the payment, including value for money considerations; advice received; a risk assessment; and the names, roles and dates of all individuals involved in the approval process; • Maintain a centralised register of all such decisions, supported by a complete audit trail to ensure accountability and ease of review; and • Provide periodic reports to the Fire Authority or a relevant Committee detailing all significant payments, with explicit assurance that statutory guidance has been followed in each case. 	<p>Governance (page 29)</p>	<p>Actions:</p> <ul style="list-style-type: none"> • A policy and process is in draft format currently, with template documents to satisfy the recommendation being created. The policy complies with statutory guidance around best value and decision-making. It will be reported to Audit & Standards Committee on 23 April 2026 before moving on to be considered by the Fire Authority. • As part of the policy and process documents referred to above, a register will also be created for completion in respect of each matter as they arise. <p>Responsible Officers: Monitoring Officer, Section 151 Officer</p>

Key recommendations raised in 2024/25

	Recommendation	Relates to	Management Actions
KR3	<p>The Authority must:</p> <ul style="list-style-type: none"> Evaluate the early implementation of the revised Monitoring Officer SLA to determine whether two days per week of dedicated capacity are being fully utilised, the arrangement is delivering improved governance, legal oversight and timely advice and to assess whether further adjustments are needed to ensure the Authority receives proactive and effective support from the Monitoring Officer. Expedite the planned recruitment and onboarding of an in-service Section 151 Officer. The appointed individual should have appropriate qualifications and experience, be supported by senior leadership, receive a structured handover to ensure continuity and effective transition and be supported by a finance team of appropriate size. 	Governance (page 30)	<p>Actions:</p> <ul style="list-style-type: none"> The involvement of the Monitoring Officer in Service activity has increased significantly since the revised SLA has been implemented. This has included weekly meetings as part of the governance improvements. Statutory Officers are now part of Executive Leadership Team, meeting weekly and supporting recruitment activity (Assistant CFO and Section 151 Officer roles). A review date 6 months after the implementation was diarised at the stage of implementation and is scheduled for 20 April 2026. This will initially comprise consideration by the CFO and Chair of Fire Authority and will then be reported to Fire Authority for consideration at the next meeting thereafter. The recruitment of a Section 151 Officer has been completed and ratified by Fire Authority on 13 January 2026. As part of the recruitment process, qualifications were confirmed and the individual will be working closely with the Deputy Section 151 Officer to enable a detailed handover and close working arrangements. The size of the finance team will be an initial focus for the post holder. <p>Responsible Officer: Chief Fire Officer</p>

Key recommendations raised in 2024/25

	Recommendation	Relates to	Management Actions
KR4	<p>The Authority must:</p> <ul style="list-style-type: none"> Review and update the Authority's conflict of interest policy to ensure it reflects the strict legal interpretation and broader standards of ethical governance. The policy should explicitly consider perceived conflicts, not just actual or financial ones; the perspective of a reasonable, independent observer; and the importance of maintaining public confidence in decision-making. Ensure that where a Senior Officer has a personal or historical connection to a matter under consideration, they are formally recused from the decision-making process; and an independent officer or external adviser is appointed to oversee or advise on the matter. Document and report considerations relating to conflicts of interest and recusal decisions to the Authority or appropriate Committee for oversight. 	Governance (page 31)	<p>Actions: A policy is in the process of being prepared to cover the points raised in the recommendation. In particular, it will include the need for Brigade Managers to complete a declaration of interests form. It is intended that a draft policy will be presented to Audit & Standards Committee before progressing to a meeting of Fire Authority.</p> <p>Responsible Officers: Head of Human Resources & Administration, Monitoring Officer</p>

Key recommendations raised in 2024/25

Recommendation	Relates to	Management Actions
<p>The Authority must continue to address the Cause of Concern reported by HMICFRS following the 2024 inspection, including:</p> <ul style="list-style-type: none"> • Enhancing the quality of progress reporting by ensuring updates to Members include detailed commentary on risks, barriers to delivery, and mitigation strategies; • Implementing a robust evidence assurance process to ensure that action owners validate completed objectives with appropriate supporting documentation before closure; and • Improving public accessibility of progress documentation to strengthen transparency and enable wider stakeholder scrutiny. <p>The Authority must also maintain active oversight of progress against the Areas for Improvement action plan to ensure timely delivery and measurable impacts.</p>	<p>Improvement economy, efficiency and effectiveness (page 40-42)</p>	<p>Actions:</p> <ul style="list-style-type: none"> • Progress is being made against the CoC reported by HMICFRS. Evidence to support progress can be found within the CoC Teams planner and regular reporting to members. Reviews of all CoC timelines are completed and CoC Scrutiny meetings scheduled monthly. • A review of the content of reporting was undertaken following feedback from members and a workshop for report writing with members is to be scheduled. New reports have included timelines and progress tracking to enable members to have clear oversight of progress. • A sign off process has been implemented by the Transformation & Collaboration team which incorporates a 3 lines of defence methodology. This will prevent sign off without validation by CoC owners. • Reports to Authority are already published on the Service website to enable public access. A new Service website will support accessibility and transparency of reporting. A Performance & Scrutiny Committee has been established as part of the and will include independent persons to provide independent scrutiny, with recruitment to these posts already underway. • The AFI action plan has been incorporated into a single report with CoC to ensure effective oversight of both action plans. This includes progress and timescales to enable effective scrutiny and oversight <p>Responsible Officers: Chief Fire Officer, Area Manager Transformation & Collaboration</p>

Improvement recommendations raised in 2024/25

Recommendation	Relates to	Management Actions
<p>The Authority should ensure that the full and up-to-date MTFP and Reserves Strategy are presented to the Fire Authority as part of the annual budget-setting process. This will support effective scrutiny, transparency, and assurance over financial sustainability. Key actions should include:</p> <ul style="list-style-type: none"> • Presenting the most up-to-date versions of the MTFP and Reserves Strategy to Members as part of the annual budget-setting process, ensuring the narrative is forward-looking, focused on financial resilience, and based on timely, relevant, and accurate data. • Ensuring that any delegated amendments to financial plans are subsequently reported back to the full Authority for formal review and approval. 	<p>Financial sustainability (page 21)</p>	<p>Actions:</p> <ul style="list-style-type: none"> • Work is ongoing to improve data collation and reporting to ensure assurance around financial resilience. The MTFP and Reserves Strategy will be presented to Fire Authority as part of the 2026/27 budget-setting process in February 2026. The Fair Funding Review and multi-year settlement will support with this piece of work. • Any delegated amendments will be included as part of the Financial Monitoring reports presented to Fire Authority. <p>Responsible Officer: Section 151 Officer</p>

Improvement recommendations raised in 2024/25

	Recommendation	Relates to	Management Actions
IR2	<p>The Authority should ensure it has comprehensive savings plans that support financial sustainability and resilience in the medium term, by:</p> <ul style="list-style-type: none"> Developing a formal plan to address future funding gaps and replenish reserves, with a focus on identifying recurrent savings and establishing a savings pipeline to support later years of the MTFP if required; and Regularly monitoring delivery against the savings plan and reporting progress through finance updates to the Strategy & Resources Committee. 	<p>Financial sustainability (page 22)</p>	<p>Actions: Government annual productivity and efficiency plan produced to identify savings made and productivity improvements in line with reserves policy review. Work will be done alongside the CRMP to review potential service changes to bridge future funding gaps.</p> <p>Responsible Officer: Section 151 Officer</p>

Improvement recommendations raised in 2024/25

	Recommendation	Relates to	Management Actions
IR3	<p>The Authority should:</p> <ul style="list-style-type: none"> Formally consider the impact of slippage in the capital programme on financial and operational performance and ongoing service delivery. Review the approach to developing the programme, including evaluating whether historic projects that no longer align with strategic priorities should be removed, and report this to Authority members. 	Financial sustainability (page 23)	<p>Actions:</p> <ul style="list-style-type: none"> Review of prior year capital programme activity not yet completed to be undertaken, to determine which items will continue to be delivered. Capital programme being reviewed in line with PMO prioritisation activity, to be reviewed through the Programme Board. <p>Responsible Officers: Section 151 Officer, Portfolio Manager</p>
IR4	<p>The Authority should strengthen oversight of internal audit work by:</p> <ul style="list-style-type: none"> Ensuring that internal audit progress reports are presented at every SAP Committee meeting; Implementing a dashboard to monitor all open internal audit recommendations, including assigned owners and target completion dates; and Providing the SAP Committee with the opportunity to challenge and approve any proposed changes to the Internal Audit Plan after its initial approval. 	Governance (page 32)	<p>Actions:</p> <ul style="list-style-type: none"> As part of the Governance review, SAP now restructured into Audit & Standards Committee and separate Performance & Scrutiny Committee. Dashboard to be developed to monitor internal audit recommendations for review at the Audit & Standards Committee. Audit & Standards Committee to be notified of any proposed changes to the internal audit programme for verification. <p>Responsible Officer: Section 151 Officer</p>

Improvement recommendations raised in 2024/25

	Recommendation	Relates to	Management Actions
IR5	<p>The Authority needs to improve the governance arrangements in respect of financial reporting, including the structure, data quality, consistency and explanatory detail of its to better support decision-making and oversight by:</p> <ul style="list-style-type: none"> Including the original budget, forecast outturn, and forecast outturn variance in the summary table. Ensuring the variance analysis reconciles to the forecast variance in the summary table. Ensuring consistency in budget adjustments across quarterly reports and year-end adjustments, with clear narrative where changes occur. Maintaining timely reporting of the quarterly finance reports and the bi-annual Treasury Management reports Ensuring that the statutory financial reporting timetable is achieved. 	<p>Governance (page 33 - 34)</p>	<p>Actions:</p> <ul style="list-style-type: none"> Reporting processes being reviewed to capture forecast outturn position against original budgets and in-year management activity to inform variance analysis. Improved data capture and reporting from systems to ensure consistency and integrity of data. Annual Treasury Management Report to be incorporated into revised timetable to ensure timely reporting. Improved planning processes to be in place for 2026/27 to achieve required timescales. <p>Responsible Officer: Section 151 Officer</p>

Improvement recommendations raised in 2024/25

Recommendation	Relates to	Management Actions
<p>The Authority should update the Employee Code of Conduct ensuring that it:</p> <ul style="list-style-type: none"> • References the Social Media Protocol and other relevant policies and procedures. • Incorporates illustrative examples to aid understanding. • Aligns fully with current legislation and best practice. • Specifies a defined review interval to maintain ongoing relevance and compliance. 	Governance (page 35)	<p>Actions: Link to key recommendation 1 - the Employee Code of Conduct will be reviewed alongside the culture work being undertaken, ahead of being updated.</p> <p>Responsible Officer: Head of Human Resources & Administration</p>
<p>The Authority needs to improve its performance monitoring arrangements by:</p> <ul style="list-style-type: none"> • Aligning CPIs with the Authority's CRMP priorities. • Introducing a consolidated summary dashboard that presents all CPIs in a clear and accessible format. • Providing timely CPI reports. • Ensuring full compatibility across ICT systems. 	Improvement economy, efficiency and effectiveness (page 43)	<p>Actions: A refresh of the Corporate Performance Indicator (CPI) framework is now being undertaken to ensure that performance measurement is clearly aligned to the Service's seven Service Goals and provides transparent lines of sight between strategic intent, operational activity and community outcomes. Draft CPIs have been circulated to be reviewed to inform future reporting.</p> <p>Responsible Officer: Area Manager, Transformation & Collaboration</p>

Improvement recommendations raised in 2024/25

	Recommendation	Relates to	Management Actions
IR8	<p>The Authority should:</p> <ul style="list-style-type: none"> Update the CSOs and relevant supporting policies, ensuring consistency and compliance with relevant legislation and regulations; Ensure that the Contract Register is complete and regularly maintained, with all key data recorded; Establish and maintain central records of contract management activity, with an initial focus on contracts assessed as higher risk; Ensure that internal audit completes the planned review of procurement and contract management arrangements in 2025/26; and Formalise the planned procurement support arrangement with West Mercia Police through a clear SLA, outlining roles, responsibilities, and service expectations. 	<p>Improvement economy, efficiency and effectiveness (page 45)</p>	<p>Actions:</p> <ul style="list-style-type: none"> Procurement arrangements in place with West Mercia Police from November 2025, supported by a defined contract. Contract will cover the review of CSO to comply with legislation and regulations and determine central records management. Qualified internal secondment covering the procurement officer role 2 days per week, ahead of permanent recruitment into post in quarter 4 of 2025/26 to strengthen internal management. Internal Audit date to be reviewed. <p>Responsible Officer: Deputy Section 151 Officer</p>

06 Follow up of previous Key recommendations

Follow up of 2023/24 Key recommendations

	Prior Recommendation	Raised	Progress	Current status	Further action
KR1	<p>In order to demonstrate progress against His Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) November 2024 inspection report the Fire Authority needs to develop a comprehensive action plan to address the Cause for Concern and Areas for Improvement raised. Progress on delivery should be reported publicly to Members regularly.</p>	2023/24	<p>The Authority has made good progress in developing and initiating delivery of its HMICFRS 2023–25 inspection action plan. However, further work is required to demonstrate sufficient progress against the Cause of Concern and Areas for Improvement identified by HMICFRS.</p>	Partly Implemented	Yes, see Key Recommendation 5
KR2	<p>The Fire Authority should:</p> <ul style="list-style-type: none"> - Develop and implement an action plan to address the five "Areas for Improvement" identified by His Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) November 2024 inspection report under "Promoting the right values and culture". This needs to include ensuring that Senior Officers lead by example and act as role models. - Undertake a review of the Fire Authority's leadership and 'tone from the top' and consider whether a wider review is required of the Fire Authority's culture. 	2023/24	<p>Although the Authority has begun implementing the recommended actions, progress is still at an early stage. Over the past 18 months, the Authority has experienced considerable turnover within its Senior Officer Team. There is ongoing evidence of cultural challenges, particularly at the Senior Leadership Level, which continue to affect the wider organisation. To determine whether the arrangements relating to the Authority's culture and tone from the top are adequate, the recommended actions must be fully completed, with improvements clearly embedded and measurable.</p>	In progress	Yes – see Key Recommendation 1

Follow up of 2023/24 Key recommendations (continued)

Prior Recommendation	Raised	Progress	Current status	Further action
KR3 The Fire Authority should ensure that key decisions are formally considered by Members of the Fire Authority. This should include documented evidence of VfM considerations in decisions which lead to the Fire Authority incurring significant additional costs. This will promote a culture of transparency throughout the Fire Authority.	2023/24	Our 2024/25 audit identified further examples of key decisions which lacked formal consideration, documentation, and transparency.	Limited progress made	Yes – see Key Recommendation 2
KR4 The Fire Authority should ensure there is sufficient capacity at Statutory Officer level to lead the Fire Authority and respond to the increased demands on these roles.	2023/24	Progress in addressing the previously identified lack of capacity at statutory officer level during 2024/25 was limited. New arrangements were agreed with effect from October 2025 to enhance Monitoring Officer provision, and the Authority has opted to recruit an in-house Section 151 Officer (with the vacancy being advertised in October 2025). There is currently insufficient evidence to conclude whether these changes have had the required impact on capacity.	Partially implemented	Yes – see Key Recommendation 3

07 Appendices

Appendix A: Responsibilities of the Authority

Public bodies spending taxpayers' money are accountable for their stewardship of the resources entrusted to them. They should account properly for their use of resources and manage themselves well so that the public can be confident.

Financial statements are the main way in which local public bodies account for how they use their resources. Local public bodies are required to prepare and publish financial statements setting out their financial performance for the year. To do this, bodies need to maintain proper accounting records and ensure they have effective systems of internal control.

All local public bodies are responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness from their resources. This includes taking properly informed decisions and managing key operational and financial risks so that they can deliver their objectives and safeguard public money. Local public bodies report on their arrangements, and the effectiveness with which the arrangements are operating, as part of their annual governance statement.

The Chief Financial Officer (or equivalent) is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Chief Financial Officer (or equivalent) determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Chief Financial Officer (or equivalent) is required to prepare the financial statements in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom. In preparing the financial statements, the Chief Financial Officer (or equivalent) is responsible for assessing the Authority's ability to continue as a going concern and use the going concern basis of accounting unless there is an intention by government that the services provided by the Authority will no longer be provided.

The Authority is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in their use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.



Appendix B: Value for Money Auditor responsibilities

Our work is risk-based and focused on providing a commentary assessment of the Authority's Value for Money arrangements

Phase 1 – Planning and initial risk assessment

As part of our planning, we assess our knowledge of the Authority's arrangements and whether we consider there are any indications of risks of significant weakness. This is done against each of the reporting criteria and continues throughout the reporting period.

Phase 2 – Additional risk-based procedures and evaluation

Where we identify risks of significant weakness in arrangements, we will undertake further work to understand whether there are significant weaknesses. We use auditor's professional judgement in assessing whether there is a significant weakness in arrangements and ensure that we consider any further guidance issued by the NAO.

Phase 3 – Reporting our commentary and recommendations

The Code requires us to provide a commentary on your arrangements which is detailed within this report. Where we identify weaknesses in arrangements we raise recommendations.



A range of different recommendations can be raised by the auditors as follows:

Statutory recommendations – recommendations to the Authority under Section 24 (Schedule 7) of the Local Audit and Accountability Act 2014.

Key recommendations – the actions which should be taken by the Authority where significant weaknesses are identified within arrangements.

Improvement recommendations – actions which are not a result of us identifying significant weaknesses in the Authority's arrangements, but which if not addressed could increase the risk of a significant weakness in the future.

Information that informs our ongoing risk assessment

Cumulative knowledge of arrangements from the prior year

Key performance and risk management information reported to Senior Officers and the Authority

Interviews and discussions with key stakeholders

External review such as by CIPFA

Progress with implementing recommendations

Regulatory inspections such as from HMICFRS

Findings from our opinion audit

Annual Governance Statement including the Head of Internal Audit annual opinion

Appendix C: Follow up of 2023/24 improvement recommendations

	Prior Recommendation	Raised	Progress	Current position	Further action
IR1	The Fire Authority should estimate the financial impact of the claims and potential claims it is facing. It should consider the likely impact on useable reserves and ensure that this is reflected in the budget and medium-term financial plan.	2023/24	The Authority has made a contribution to the Pensions and Other Staff Issues Reserve to mitigate the impact of future employment liabilities. Regular legal strategy meetings have been held with legal advisors to discuss ongoing claims. We are satisfied that appropriate disclosures have been made in the Authority's 2024/25 financial statements.	Implemented	Whilst we are satisfied this recommendation has been implemented, monitoring should continue and any changes to the current position should be reflected in the MTFP.
IR2	In order to ensure that staff are aware of how to use social media appropriately the Fire Authority needs to have an up to date policy that is communicated to staff and to provide training on the policy.	2023/24	A draft Social Media Protocol was taken to the Fire Authority in July 2025 for noting before incorporation into Brigade Policies.	Implemented	No

Appendix C: Follow up of 2023/24 improvement recommendations

Prior Recommendation	Raised	Progress	Current position	Further action
IR3 The Fire Authority should ensure that policies and procedures in relation to the investigation of complaints and disciplinary matters are updated in line with best practice.	2023/24	<p>A Code of Conduct is in place for Employees, but this was last updated in June 2019 and should be reviewed.</p> <p>A disciplinary procedure for senior officers (DCFO and CFO) approved by the FA in July 2024 - this is in addition to the disciplinary procedure which applies to all other staff, which dates back to July 2022. The Disciplinary Procedure confirms the complaints process is separate from the disciplinary process. Where a complaint is investigated and there are disciplinary issues that need to be addressed, an appropriate Officer will be assigned to investigate it under the Disciplinary Policy.</p> <p>The Whistleblowing Policy was last updated in March 2025 and the Grievance Procedure in July 2022.</p>	Partly Implemented	Yes, see Improvement Recommendation 6



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