

**CO/FI/1/24-25**

**Investigation into the financial affairs of the Fire Brigades Union**

**Inspector's report by Michael Kidd: 11 February 2025**

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## Executive summary

- 1 The Fire Brigades Union (“FBU” or “the Union”) has not been able to conclusively demonstrate that it has followed its Rules when settlement agreements with financial compensation elements have been agreed.
- 2 Notwithstanding the above, I found no conclusive evidence that any of the matters referred to in section 37B(2) of the Trade Union and Labour Relations (Consolidation) Act 1992 (the 1992 Act) have occurred.
- 3 The Union Rules relevant to my investigation are unclear, and I found that the leadership of the Union has no agreed understanding of their meaning or impact. There has been no attempt to resolve this using the resolution procedure set out in the Rulebook.
- 4 There are a variety of views regarding delegated authorities. Some people believe that decision-making powers are delegated to sub-committees. Some people believe that decision-making powers are delegated to individuals. Some people believe that no decision-making powers are delegated, and that every decision, no matter how small, must be taken by the Executive Council (EC). Beyond the Rulebook, the Union holds no written schedule of delegation and there is no agreed understanding.
- 5 The Union is not able to rely on the minutes of the EC as a true and accurate record of its discussions, decisions, or actions. No one that I spoke to throughout my investigation gave me an account of an EC meeting that mirrored an account recorded in the minutes of one of its meetings.
- 6 The Union is struggling with record-keeping. When requesting documents, I have often received responses such as: “*they cannot be located*”, or “*I have been unable to find a record of the discussion.*”
- 7 The shortcomings referred to in paragraphs 3-6 are the primary causes of the Union’s difficulties in conclusively refuting the allegations made against it, in turn making my investigation necessary.
- 8 I have made several governance-related recommendations, and I believe that by following these recommendations, the Union will be better equipped

to account for its decision-making and actions in the future. My recommendations can be found in the final section of this report.

## Introduction

9 On 30 July 2024 I was appointed by the Certification Officer (“CO”) as an inspector to investigate the financial affairs of the FBU. My appointment was made under the powers contained in s 37B of the 1992 Act.

10 I was assisted throughout my investigation by Kanta Hirji, Operations Manager for the CO.

11 The terms of reference I was set by the CO are:

*I am exercising my powers under section 37B because it appears to me that there are circumstances suggesting that a rule (or rules) of the union relating to its financial affairs has not been complied with. This is because the union has been unable to provide me with the relevant governance documents which show that such payments have been authorised within the rules of the union. These documents could be minutes of the meetings at which the relevant payments were authorised, agreed terms of reference for the relevant decision-making committee or a schedule of delegation which shows that authority had been delegated and/or evidence of instructions to union staff to make those payments.*

*In the absence of such documents, I cannot be satisfied that payments have been properly authorised under the rules of the union.*

*The terms of your inspection are as follows:*

*To examine all available governance documents from 2010 – 2024, and, where you consider it appropriate, to interview employees and members (including former members and employees) of the union to establish:*

- a) *Whether any documents are available in relation to the approval process for the payments made under Settlement Agreements (SAs) between the Union and its former employees.*
- b) *Whether there is an agreed approval process for all SA payments made to employees leaving the union under a SA. This should include whether there is a common understanding within the Union's Executive Council and staff as to the approval process. It should also consider whether the approval process for SAs is consistent with the approval process for other union payments. You may, therefore, need to inspect governance documents relating to other payments.*
- c) *The recording and reporting of the SA payments.*
- d) *In the absence of documentation, to interview employees and members of the union (including, where you consider it necessary, former employees and members) who would have either been involved in any decision making or might be aware of the approval process that was followed.*
- e) *The general protocol for payment of salaries for employees, for example the process for FBU staff pay rises.*
- f) *With the consent of the CO, any other matters indicating financial irregularities within the description set out in section 37B(2) of the 1992 Act, that may come to light during the investigation.*

12 In its most simple terms, my investigation aimed to answer a straightforward question: when settlement agreements with a financial element were agreed between the Union and departing employees, were the Rules of the Union followed?

- 13 While the question may appear to invite a simple ‘yes or no’ response, I have found that the answer is, in fact, much more nuanced. I have not been able to conclusively determine that the Rules of the Union have been broken, but conversely, the Union has not been able to conclusively demonstrate that the Rules have been followed. This should be a matter of concern for the Union and its members.
- 14 I found several factors that have contributed to the Union’s difficulty in conclusively showing that its Rules were followed and accounting for its decision-making. All of the identified factors relate to governance practices and procedures.
- 15 I have also found that governance shortcomings appear to have amplified pre-existing disagreements within the Union. The effect has been to provide a catalyst for disputes that, in truth, appear to have as much to do with factionalism as with substantive concerns about financial irregularities.
- 16 Engaging with my investigation has demanded considerable time and resource from the Union, and I am grateful to everyone who contributed, including the people who raised the initial allegations.
- 17 It is clear however, that the Union would prefer to have been able to dedicate the time and resource to its objectives, as defined within its Rules. It is my view that by implementing the recommendations included in this report, the Union should be able to properly account for its decision-making and actions as it moves forwards positively, refocussing its attention on its objectives.

### **Additional information**

- 18 For the purposes of my report, I define the leadership of the Union as inclusive of the following roles, all of which are elected positions:
- President (lay)
  - Vice-President (lay)
  - National Treasurer (lay)
  - Executive Council members (lay)

- General Secretary (employed)
- Assistant General Secretary (employed)
- National Officer (employed)

19 Although the people who raised the initial allegations of financial irregularities have had no formal role as part of my investigation, for the purposes of my report I have referred to them as the complainants.

20 I have reached certain conclusions based on the balance of probabilities. Because of the quantity of evidence, my report does not refer to absolutely everything, but I have taken account of all of the evidence that was available to me.

21 For the avoidance of doubt, this report is not a judicial determination. Therefore, I have deliberately avoided reaching findings regarding the correct meaning of any ambiguities within the Union's Rules.

22 A draft of this report was shared with the Union prior to publication. Following this, on 7 February 2025, I met with the Union's newly elected General Secretary, Steve Wright, and the Union's National Officer with responsibility for legal matters, Mark Rowe, to discuss the draft report. I was pleased that the report was welcomed by the Union. Mr Wright and Mr Rowe confirmed that the Union would produce an action plan to ensure that the report's recommendations are acted upon.



## The allegations and the CO's initial enquiries

- 23 The allegations that led to my appointment as an inspector were first raised with the CO on 12 July 2023, in the form of a letter signed by:
- Dean Gillen, former chairman of Nottinghamshire FBU.
  - Simon Beadle, member Derbyshire FBU.
  - Grant Mayos, former member of the FBU's EC.
  - Ian Smith, former member of the FBU's London regional committee.
  - Paul Embery, former member of FBU's EC.
- 24 On 14 August 2023, a further letter raising the same allegations, was sent to the CO by:
- Michael Edwards.
- 25 The allegations were that “*secret ex-gratia payments*” had been made to employees of the Union, including National Officers, across a ten-year period. It was suggested that the EC of the Union had not had any input into the decision to make the payments, and therefore that the Rules of the Union had not been followed.
- 26 The Rule alleged to have been broken is Rule C3(6)(i):
- (6) The Executive Council shall, subject to these rules and to the decision of Conference, have full power and authority to take such action as it deems necessary for the conduct of the Union's affairs and the realisation of the objects set out in Rule A2. The Executive Council shall have the following powers that shall not in any way limit its powers as set out above.*
- (i) To determine the salaries of all the full-time employees of the Union and to administer arrangements for pension, retirement and kindred benefits for these employees.*

- 27 It was also alleged that the National Officers who received payments were members of the executive for the purposes of s 32A of the 1992 Act, and that therefore, the payments should have been detailed on the Union's Annual Returns to the CO.
- 28 On behalf of the CO, Ms Hirji conducted initial enquiries with the complainants and the Union. The purpose of the initial enquiries was to help the CO establish whether the circumstances listed in s 37B(2) (a)-(d) appear to have occurred, and if so, what steps the CO might wish to take.
- 29 During an exchange of correspondence, Mr Rowe put forward three arguments:
- i. That a custom and practice had developed, whereby day -to-day staffing matters are addressed by the General Secretary, full-time officials, or a relevant employee.
  - ii. That many years ago, the EC had delegated authority for staffing matters to an EC sub-committee called the Finance and Administration Committee (FAC), including termination terms.
  - iii. That irrespective of the previous 2 points, the EC retained decision-making power and power to ask any questions it wished about any of the matters referred to in the allegations.
- 30 The 3 arguments were contradicted by statements received from 4 former members of the EC, submitted by the complainants.
- 31 On 13 February 2024, the complainants submitted further evidence to the CO. The evidence suggested that the General Secretary of the Union had refused to provide information about settlement agreements following a request from the EC member for London, David Shek.
- 32 As a result of the inconsistencies highlighted by the additional evidence referred to in paragraphs 29-30, Ms Hirji wrote to the Union asking it to provide documentary evidence showing how the Union had reached the decision to offer a settlement agreement to a departing employee. Ms Hirji

also asked for the Union's comments on the suggestion that the General Secretary had refused to provide information to a member of the EC.

33 In response, Mr Rowe stated that he had not been able to locate any further documentary evidence. Instead, he offered to provide an affidavit from someone who had attended a relevant meeting of the FAC, which would confirm that an appropriate level of detail was provided to EC members.

34 Mr Rowe also stated that the General Secretary had not refused to provide information to Mr Shek but had told Mr Shek that the request for information had not been submitted through normal channels, and that if it were to be resubmitted correctly, the information would be provided. I later discussed the point with Mr Shek directly and he confirmed that he had chosen not to pursue the matter through normal channels, so I did not pursue that line of enquiry any further.

35 Following the initial enquiries, the CO concluded that the National Officers were not members of the executive for the purposes of s 32A of the 1992 Act and so confirmed to the Union and the people who raised the allegations that she would be taking no further action regarding that element of the allegations.

36 Since the Union had not yet been able to demonstrate that its Rules had been complied with, the CO decided to appoint an inspector to consider the matter further.

37 Ms Hirji wrote to the Union on 30 July 2024 telling them that the CO had appointed an inspector, attaching a copy of the terms of reference for the inspection.

38 A copy of my full letter of appointment can be found at Appendix 1.

## The investigation

39 Following my appointment, I began by reviewing all the correspondence and associated paperwork falling within the CO's initial enquiries. I also started developing a list of people who I thought might be able to help me in my investigation.

40 I wrote to the General Secretary, Matt Wrack on 8 August 2024, explaining how I intended to use the powers granted to inspectors by the 1992 Act. I also explained that while I intended to conduct a comprehensive investigation, I wanted to ensure that it did not expand beyond manageable limits. I told him that I was in the process of drawing together a list of people to speak to, and I requested lists of names in the following categories:

- All members of the FBU's EC 2010-2024.
- All members of the FBU's FAC 2010-2024.
- All current and former employees of the FBU who have been involved in authorising and administering payments.
- All senior employees of the FBU not captured within the previous category.
- Any other people who may be able to provide me with information which would help in my investigation.

The Union provided me with the lists on 29 August 2024. I was given 86 names in total.

41 To determine who might be best able to help me with my investigation, I applied a series of shortlisting questions: was the person a member of the FAC during a year when a settlement agreement was known to have been agreed? Did the person have direct experience of working within the finance department? Had I been told that the person had signed a settlement agreement? Had the person been suggested by either the Union or the complainants?

42 By applying these questions, I was able to reduce the list of names from 86 to 31.

43 I wrote to the 31 people on 13 September 2024, requesting written responses to a list of questions by 4 October 2024. In some cases, the contact details I had been given were incorrect, or people requested extensions for a variety of reasons. Since my terms of reference placed no formal time limit on my investigation, I was happy to agree any extensions requested.

44 A list of the people contacted has been included at appendix 3, along with the date their response was received. A copy of the questions has been included at appendix 2.

### **Questionnaires and interviews**

45 I asked for written answers for two reasons. Firstly, to help me respond to the issues identified in the terms of my investigation. Secondly, to help me identify which people were most likely to provide valuable insights and might therefore need to be interviewed.

46 2 people indicated that they were keen to assist me but believed that they were bound by confidentiality clauses within settlement agreements, committing them to never speak negatively about the FBU in public. I sought clarification from the Union, who wrote to me on 3 October 2024, confirming that:

*“any individuals subject to confidentiality terms imposed by settlement agreements with the Fire Brigades Union are free to assist you in your investigation, and the FBU will not seek to enforce such confidentiality terms to restrict their ability to do so.”*

I shared the confirmation with the 2 people who had expressed concerns, and both then confirmed they were happy to help in my investigation.

47 From the written responses, I identified 10 interviewees, as well as 6 potential interviewees who I felt might have been appropriate to contact as

my investigation progressed. Ultimately, I chose not to interview the additional 6 people, because the initial 10 interviews revealed such a variety of views that I concluded that further interviews would likely introduce more variability instead of clarity. For completeness, all 16 people have been identified at appendix 3, along with the date of interview where applicable.

48 All interviews were recorded, and all but 2 were conducted using videoconferencing. The 2 exceptions were Mr Wrack and the Assistant General Secretary, Ben Selby, whose interviews, at their request, were conducted in person at FBU headquarters.

49 Interview questions were developed through an iterative process. Initially, questions were drafted with the aim of exploring any points of interest identified in a person's written answers and clarifying any ambiguities. As the interviews progressed, insights gained in earlier interviews were used to inform additional questions. This iterative approach allowed me to explore emerging themes and address inconsistencies.

### **Evidence analysis**

50 At the conclusion of the interviews, I had a significant amount of evidence available to reach findings. The evidence fell broadly into the following categories:

- Correspondence (received from the Union and the people who raised the allegations)
- Official records (e.g., agreed minutes of meetings, redacted settlement agreements)
- Draft notes (e.g., draft notes of a FAC meeting)
- Questionnaire responses (inclusive of first-person observations and subjective opinions)
- Recorded interviews (inclusive of first-person observations and subjective opinions)

- 51 Upon reviewing the evidence, my primary observation was that there was a notable level of inconsistency in the views of the people who had contributed to my investigation.
- 52 Many of the events I investigated took place several years ago, and so it is not surprising that recollections vary. When assessing the questionnaire responses and recorded interviews, I was mindful of several limitations. Firstly, I considered each interviewee's level of direct involvement in the agreement of settlement agreements. Secondly, I took into account that some interviewees identified personal or political differences between those involved. Thirdly, I considered the consistency of answers, to identify patterns or discrepancies. Finally, given the passage of time, I was mindful not to place an overreliance on the confidence, or lack of, that interviewees placed on their memories of the events.
- 53 A lack of consensus was also evident in the correspondence, official records, and draft notes; however I found no indication of dishonesty. Instead, on the balance of probabilities, I believe it is likely a reflection of broader challenges with information management and record-keeping practices, as detailed in the conclusions and recommendations section of my report.

## Findings

- 54 The initial allegations received by the CO suggest that within the FBU there is a:
- “practice of the union’s most senior officials agreeing to award each other substantial ex-gratia payments, as well as making similar payments to other close colleagues, and then deciding that these transactions must be insulated from scrutiny.”*
- 55 My investigation has found that on several occasions, former employees of the Union departed under settlement agreements. The settlement agreements I have seen have all included confidentiality clauses. In my experience, this is not unusual in cases where an employer is seeking to end an employment relationship and preclude future legal claims. The

agreements have also included non-disparagement clauses, and again, in my experience, this is not unusual for such agreements.

56 I found that on at least one occasion, a settlement agreement between a departing National Officer and the Union was signed by both parties before it went to the EC for agreement. It is not relevant to my investigation to name the person so for the purposes of this example I will refer to them as NO1.

57 Regarding the departure of NO1, the Union received legal advice stating that the EC could be told the following key points:

- NO1 had been on sick leave for several months.
- NO1 had asked to leave [their] employment.
- NO1's departure had been facilitated via a mutually agreed SA.
- The settlement agreement had already been signed, and a final date agreed.
- NO1 had resigned their elected position.
- The negotiations had not been reported to the EC at an earlier stage on the strong advice of the Union's lawyers, although the matter was reported to the FAC.
- A payment had already been made, which the FBU had been advised was reasonable.

58 Mr Rowe told me that a report was given to the EC including the list of bullet points at paragraph 57. He also told me that the EC sought no further information.

59 The minutes of the relevant meeting record only that NO1 would be leaving the Union, with no details given about a settlement agreement, no record of a decision, and no reference to any redaction or discussion of confidential matters.

60 5 of the EC Members I spoke to were present at the meeting when that departure was discussed. All 5 told me that they had not known that the settlement agreement had already been signed when it was presented to



them. 2 told me that they were not told that a settlement agreement was being negotiated. 1 told me that they were simply told that NO1 was leaving and no questions could be asked. Another told me that although they had not known the settlement agreement had already been signed, they did not consider it a problem, as the EC had the power to overturn a signed settlement agreement. 4 of the 5 told me that Rule C3(6) restricts the power to agree settlement agreements to the EC, and that the EC had not delegated that power to any other committee or individual.

61 The difficulty for the Union is twofold. Firstly, the minutes of the meeting do not give any indication that a conversation took place other than that which is recorded. Secondly, the accounts of the EC members I spoke to do not support the Union's assertion that the bullet points listed at paragraph 57 were reported.

62 Even putting aside the ambiguities within the relevant Rules, the inconsistencies referred to in paragraph 60 have prevented me from reaching a finding that the Union followed its Rules at all times.

63 The initial allegations raised with the CO suggest there is a culture of bullying at a senior level in the Union. I have not seen evidence of this, so I think it also important to comment on what, in my view, the underlying factors are that have led to the agreement of settlement agreements between the FBU and its former employees.

64 In many cases, individual members of the leadership of the Union told me of their discomfort with the duality of their roles as trade union activists alongside their roles as agents of the employer on behalf of the FBU. The discomfort many expressed to me appears to foster a culture in which difficult management decisions are avoided, especially those involving formal processes such as performance management, capability, and absence management, or decisions that could lead to the termination of employment.

65 This sentiment was best encapsulated in the comments of Mr Selby, who told me he was "*a trade unionist first and foremost and an employer second*".

66 Further, many of the people I spoke to throughout my investigation told me that the Union has a long-standing policy position of objection to capability dismissals, expressed as:

*“This conference deplores the actions of Fire Authorities to dismiss FBU members through capability. We urge all members to support whatever action is necessary to stop such dismissals.”*

67 A commonly held view is that it would be hypocritical of the Union to adopt a position opposing capability dismissals on behalf of its members, while appearing to dismiss its own employees on grounds of ill-health capability. Therefore, alternative solutions such as settlement agreements become a necessity when the employment relationship becomes unsustainable.

68 Reliance on alternative solutions is further compounded for those full-time officials who are employed by the Union as the result of an election process. This includes the Union’s National Officers, Assistant General Secretary, and General Secretary. For these roles, the Union does not appear to have even a basic suite of HR policies, such as disciplinary, grievance, capability, or absence management. Therefore, when performance issues arise, the only process available to the employer, is the process outlined within the Union’s Rulebook. The Rulebook is not equipped to deal with employment matters.

69 The Union’s compensation policy for any full-time official who loses their role following an election is extremely generous. In some cases, a losing incumbent will be entitled to compensation totalling 30 months’ salary. This is an additional factor in increasing the likelihood of settlement agreements.

70 Some of the people I spoke to told me that the payments linked to settlement agreements might seem large but argued that they were more economical than the alternative. In this argument, the alternative would be a full-time official choosing to be absent from work while remaining on full pay indefinitely. Ultimately, in this alternative, the absent full-time official might then choose to stand for re-election, in the knowledge that if they failed to be re-elected, they would be entitled to the accompanying compensation.

- 71 I found that the Union's compensation policy increases the perception that settlement agreements should be viewed as economic options for the Union.
- 72 It would not be appropriate for me to reach findings on the legitimacy of the Union's decision to rely on settlement agreements, the practicalities of the Union's policy choices, or the attitudes of its leadership towards their responsibilities as agents of the employer. These are all questions for the Union and its members to resolve.
- 73 However, to assist members in making sense of what has happened, I think it is important to observe that the effect of taking the factors described between paragraphs 64-71 together, is that the use of settlement agreements appears to be as much an inevitable outcome as it is a choice. While payments have been made, my investigation has found that they appear to reflect systemic organisational practices rather than giving the appearance of fraud, misfeasance, or other misconduct.

#### **Findings related to each issue identified in my terms of investigation**

*(a) Whether any documents are available in relation to the approval process for the payments made under Settlement Agreements (SAs) between the Union and its former employees.*

- 74 I have not been provided with any documents relating to the approval process for payments made under settlement agreements between the Union and its former employees.
- 75 On the balance of probabilities, I have concluded that no such documents exist. Further comments are included under the delegations sub-heading of the conclusions and observations section of my report.

*(b) Whether there is an agreed approval process for all SA payments made to employees leaving the union under a SA. This should include whether there is a common understanding within the Union's Executive Council and staff as to the approval process. It should also consider whether the approval*

*process for SAs is consistent with the approval process for other union payments. You may, therefore, need to inspect governance documents relating to other payments.*

76 I have not seen evidence of an agreed approval process for settlement agreement payments. The Rules of the FBU would appear to require such a process to be either agreed or endorsed by the EC and I have not seen evidence of any such agreement, nor of an attempt to reach an agreement.

77 I heard a variety of views about the approval process for settlement agreements within the Union's EC and employees.

78 The process for approving settlement agreement payments does not appear to be consistent with the approval process for other Union payments. To establish this, I asked questions about expense payments and the answers I received were consistent and demonstrated a common understanding.

*(c) The recording and reporting of the SA payments.*

79 The Union has provided redacted copies of several settlement agreements. Beyond these, I have been given no evidence of the recording or reporting of settlement agreement payments.

80 On the balance of probabilities, I do not believe that documentary evidence has been withheld. My conclusion is that no documentary evidence exists beyond, perhaps, incidental references in historic emails, although none have been provided.

*(e) The general protocol for payment of salaries for employees, for example the process for FBU staff pay rises.*

81 I explored the general protocol for payment of salaries in my initial request for written answers to questions. I was not given any documents relating to the process but saw no evidence of irregularities in the approach taken by the Union.

82 In brief, the process involves negotiations between the recognised Union, GMB, and the FBU National Officer with responsibility for staffing. Updates are given to the EC, which makes the final decision on whether to award the negotiated pay rise.

83 Ian Murray, President of the FBU, told me that on one occasion, the EC were told that the National Officer had agreed the pay rise with GMB before EC agreement had been sought. He explained that the Mr Wrack had made clear to the EC that it could still disagree with the offer, and that if it chose to do so, the Union would explain to GMB that a mistake had been made and the pay rise was, in fact, not agreed.

*(f) With the consent of the CO, any other matters indicating financial irregularities within the description set out in section 37B(2) of the 1992 Act, that may come to light during the investigation.*

84 2 matters came to light during my investigation which I wish to bring to the attention of the CO.

85 Firstly, 1 person told me about being tasked with withdrawing significant sums of money in cash by the previous General Secretary, Andy Gilchrist (General Secretary: 2000-2005). The person told me that the cash was used to reimburse employees and lay activists for expenses incurred during their work. They also told me that the figures decreased when Mr Wrack became General Secretary.

86 Many people I spoke to told me that the Union had historically used a cash-based system for the payment of expenses but had moved to an online system following advances in technology and advice from HMRC.

87 I am mindful that the person who told me about the cash withdrawals stopped working for the FBU around 10 years ago. Therefore, the historical nature of the allegations makes it difficult to feel confident that further investigation into the matters could go any further than, at most, simply establishing the appearance of any of the circumstances set out in section 37B(2) (a)-(d) of the 1992 Act.

- 88 Secondly, during my investigation, it became apparent that the Union pays an “Officials’ allowance” to its President, Vice-President, and members of the EC. The payments are recorded on the annual EC Report to its delegate conference, but they are not recorded on the Union’s Annual Return to the Certification Officer.
- 89 I have been given no reason to believe that the omission is either a refusal or wilful neglecting of a duty placed on the Union by the 1992 Act, and because the details are published, albeit not on the Annual Return to the CO, I did not think it necessary to seek the CO’s consent to investigate this matter any further.
- 90 Section 32 (3) (aa) of the 1992 Act places an obligation on trade unions to include details of salary and other benefits provided to each member of the executive, the president, and the general secretary, so these payments should be recorded on the Union’s Annual Return to the CO in future years.

## Conclusions and recommendations

### Rules

- 91 In conducting my investigation, I have been mindful that as an inspector, it would not be appropriate for me to make conclusive determinations about the correct meaning of any specific Rules of the Union, particularly when applying the Rules to circumstances they do not explicitly cover. At the outset of my investigation, I had hoped that through speaking to members of the EC and full-time officials, a consensus would emerge about an agreed meaning of the relevant Rules that could be used to determine whether they had been appropriately followed. That consensus does not exist.
- 92 Notwithstanding that, it is plainly arguable that Rule C3(6) may restrict the power to agree settlement agreement payments to the EC. In addition to the basic question of arguability, the Union has provided no documentary evidence of the delegation described at paragraph 29 and none of the EC members I interviewed who were in post for the departure of NO1, believed the power had been delegated.
- 93 Perhaps more surprisingly, many of the leaders of the Union are aware that there is not a shared understanding about the meaning of certain Rules. The General Secretary, Assistant General Secretary, President, and National Treasurer, all told me they knew that the way they understood certain Rules sat at odds with the way others among their number understood the same Rules.
- 94 If the General Secretary, Assistant General Secretary, President, and National Treasurer cannot agree on the meaning of certain Rules, it seems inevitable that the wider EC will also struggle to reach consensus. A consequence of the lack of consensus is that new EC members cannot be offered any training or induction to help them understand any prevailing interpretations, because there are none. Without any training or induction of this kind, it is unsurprising that disagreements about the Rules frequently arise at the EC, which the Union tells me are distracting it from its core purpose.

95 It is also clear that the leadership of the Union is troubled with factionalism, and many people I spoke to were open about the impact this is having on the ability of the EC to take operational and strategic decisions. For example, I was told that factionalism prevented the introduction of HR policies that might have helped the Union deal more effectively with some of the problems discussed throughout this report.

96 The Union’s Rulebook provides a mechanism for resolving disputes about the interpretation of Rules. Rule C13 states:

*“Interpretation of Rules: In the event of a dispute arising on the interpretation of any of the rules which cannot be satisfactorily settled by the Executive Council or any sub-committees thereof, the Standing Orders Committee shall be empowered to adjudicate on the dispute.”*

97 The Union has told me that the meaning of Rule C3(6) has not been considered by the Standing Orders Committee.

**Recommendation 1**

98 When the leadership of the Union become aware of a disagreement at senior level about the meaning of a Rule, they should consider making use of the process outlined in Rule C13.

99 If a disagreement cannot be satisfactorily resolved, the leadership should consider whether the Rule should be amended, in accordance with any relevant procedures.

100 If the Union does choose to amend any of its Rules, new Rules should be drafted in a way that fosters a common understanding across all levels of the Union and its employees. Clear and well-structured Rules will help the Union minimise the risk of future misunderstanding, confusion, or any potential abuse.



## Delegations

- 101 Some current or former members of the FAC believe that decision-making powers have been delegated to it. Most others disagree.
- 102 In practice, the FAC behaves as if it has decision-making powers. Mr Wrack told me that he believes the behaviour has come about because of the absence of challenge at the EC. He told me that once it became established that the recommendations of the FAC would never be subject to challenge, it became more streamlined for the FAC to report decisions rather than make recommendations.
- 103 The Union's Rulebook includes high-level information about the powers reserved to the EC and its power to delegate, as well as the powers reserved to the General Secretary. However, throughout my investigation I have seen that the leadership of the Union does not share a common understanding about the precise way in which responsibility for the day to day running of the Union is delegated to either a sub-committee or the General Secretary, or indeed if it is.
- 104 During my investigation, numerous people told me that they thought the Union would benefit from having an agreed schedule of delegation, but that the task of reaching agreement would be insurmountable.
- 105 Some others told me that they felt agreeing a formal schedule of delegation would hamper the Union's decision-making because it would prevent it from interpreting the Rulebook dynamically.
- 106 Ambiguity may allow the Union to adapt dynamically to an evolving industrial landscape and the varying attitudes of its leadership, but against these positives, the Union must balance the negatives, such as becoming embroiled in internal disputes about Rule interpretation.
- 107 If the leadership of the Union wishes to take a proactive approach to addressing some of the underlying causes of the issues it is facing, it should seek to agree an explicit and clear-cut schedule of delegation so that all decision-makers understand the limit of their authority, as well as the

mechanisms for resolving things that occur outside of the schedule, or disagreements about its application.

### **Recommendation 2**

108 The Union should consider agreeing a schedule of delegation, reflective of how it wishes to govern itself. Doing so will allow the Union to properly account for its decision-making and actions in the future.

### **Minutes of meetings**

109 The EC should be able to rely on its minutes as an accurate record of decisions. It is not able to do so.

110 The Rules of the Union state that the General Secretary will:

*“Attend all meetings of the Executive Council and shall take, or cause to be taken, minutes of the business thereat transacted, the resolutions proposed and the votes given.”*

Mr Wrack told me that throughout the time I have been asked to investigate, responsibility for taking minutes had been delegated to National Officers, and that the quality of minute-taking had varied greatly between them.

111 In the case of each departure of a National Officer under a settlement agreement, the Union has told me that the EC were informed of the existence of a settlement agreement. However, in each case, there is nothing in the minutes to support such an assertion. Personal memories are unreliable, but because a culture has developed in which little confidence is placed in the minutes, people are left with no option but to rely on their own memory or notes. It is no surprise that disagreements have arisen.

112 Some people I spoke to explained that one of the challenges the Union has with accurate minute-taking, is that the minutes are made available to the membership, so cannot contain anything confidential or sensitive. However, since the minutes that have been provided to me also contain special

category personal information, as well as sensitive organisational information regarding ongoing industrial disputes or litigation, I am not persuaded that the Union cannot find a way to record the EC's role in the agreement of settlement agreements in the minutes of a meeting.

- 113 The minutes need not be verbatim, nor need they describe the finer details of confidential information. A simple statement could be included along the lines of:

*“An update was given about the negotiation of a confidential settlement agreement. The EC had an opportunity to ask questions and assure itself that the agreement was in the best interests of the Union.”*

- 114 If the leadership of the Union cannot find a way to ensure that the minutes are able to stand as an accurate record of decisions relating to settlement agreements, they should consider alternatives. Alternatives might be: not offering settlement agreements, not including confidentiality terms within settlement agreements, or publishing abridged minutes to the membership with confidential matters redacted.

### **Recommendation 3**

- 115 The Union should review its approach to minute-taking at meetings of its EC.
- 116 The Union should also consider providing training to minute-takers to ensure a consistent approach is taken.

### **Information management and record-keeping**

- 117 Another governance challenge for the Union relates to its information management and record-keeping practices. All of the people I spoke to appear to have their own method of retaining records, with employed full-time officials relying on junior employees, and EC members appearing to rely on their own ingenuity. The most common practice relating to personal record-keeping appears to be retaining paperwork within the FBU's internal

email system. There appears to be little oversight or organisation-wide approach to a document retention strategy, meaning that when a person leaves the organisation, those who remain have no way to make sense of the departed person's email filing system, resulting in a loss of meaningful access to the documents.

118 One example was found in the EC minutes dated 7 December 2023. The minutes record that the General Secretary presented a paper titled *“Improving financial scrutiny and planning: The role of the FAC and the Executive Council”*.

119 The relevant minutes record 3 members of the EC raising questions, with a noted action of *“Agreed (as amended)”*. However, on exploration with the Union, it appears that the proposed amendments were not recorded, and an amended paper was not circulated.

120 When I discussed the point with Mr Wrack, who had presented the paper, he suggested that aside from the comments made by the 3 members of the EC, the amendment may have related to a further point, not referenced within the minutes.

121 I am doubtful that members of the FBU would find it acceptable that a paper appears to have been amended and agreed by the EC, only for the amendments to have been lost to poor record-keeping, and no amended paper circulated or stored.

122 A further challenge for my investigation relates to the storing and indexing of notes relating to FAC meetings.

123 There was broad agreement about the process for agreeing notes of the FAC and presenting them to the EC. I was told that the notes would refer to all matters the FAC had discussed, including settlement agreements.

124 However, despite having a process for the agreement of notes, the Union has not been able to provide any agreed notes that include even headline information about a settlement agreement. I have only been given a set of draft notes from a single meeting discussing the departure of one employee, with no suggestion that a settlement agreement was discussed.

125 I have no reason to disbelieve the many consistent accounts given to me of the process by which FAC notes are agreed. However, if the notes are not stored and indexed in a way that allows them to be referred to when challenges arise or when there is another need to revisit a decision, their purpose is significantly undermined.

#### **Recommendation 4**

126 The Union should develop an information management strategy. The strategy should have clear protocols around access permissions, data retention periods, secure disposal protocols, and accessibility.

127 The Union should consider developing appropriate training to ensure that all users understand their obligations and feel comfortable with the connection between the Union's information management strategy and the Union's objects.

#### **Closing remarks**

128 This report concludes my investigation into allegations of financial irregularities within the Fire Brigades Union.

129 As detailed, I found no conclusive evidence that any of the matters referred to in s 37B(2) (a)-(d) have occurred. Notwithstanding this, as a result of the governance issues identified, the Union has been unable to conclusively demonstrate that the matters have not occurred.

130 It is my view that if my recommendations are followed and the governance issues identified throughout my report are addressed, then in future the Union will be in a better position to account for its decision-making, financial or otherwise, reducing the likelihood of further inspections.

131 I have been told by some in the Union that several of the governance issues discussed in this report are impossible to address. I do not agree. A sensible first step for the Union's leadership would be to agree an action plan outlining specific tasks, timelines, anticipated hurdles, and identifying any

necessary resources. Crucially, the action plan should have its foundations in a clear strategy, recognising that effective governance will serve all of the Union's objectives.

A handwritten signature in black ink that reads "Michael Kidd". The letters are cursive and somewhat stylized.

Michael Kidd

11 February 2025

Assistant Certification Officer

Inspector appointed under section 37B of the  
Trade Union and Labour Relations (Consolidation) Act 1992



## Appendix 1 – Letter of appointment

Michael Kidd  
Chief Executive | Assistant Certification Officer  
Certification Office  
By email only

Your ref:

Our ref:

Date: 30 July 2024

Dear Michael

### **Authorisation under section 37B(1) of the Trade Union and Labour Relations (Consolidation) Act 1992**

1. This is to confirm your appointment as an Inspector, under section 37B of the Trade Union and Labour Relations (Consolidation) Act 1992 (the Act). Your appointment as an Inspector will be to investigate the affairs of the Fire Brigades Union and provide a report of your inspection as set out in section 37C of the Act.
2. I am exercising my powers under section 37B because it appears to me that there are circumstances suggesting that a rule (or rules) of the union relating to its financial affairs has not been complied with. This is because the union has been unable to provide me with the relevant governance documents which show that such payments have been authorised within the rules of the union. These documents could be minutes of the meetings at which the relevant payments were authorised, agreed terms of reference for the relevant decision-making committee or a schedule of delegation which shows that authority had been delegated and/or evidence of instructions to union staff to make those payments.
3. In the absence of such documents, I cannot be satisfied that payments have been properly authorised under the rules of the union.
4. The terms of your inspection are as follows:



5. To examine all available governance documents from 2010 – 2024, and, where you consider it appropriate, to interview employees and members (including former members and employees) of the union to establish:
  - a) Whether any documents are available in relation to the approval process for the payments made under Settlement Agreements (SAs) between the Union and its former employees.
  - b) Whether there is an agreed approval process for all SA payments made to employees leaving the union under a SA. This should include whether there is a common understanding within the Union's Executive Council and staff as to the approval process. It should also consider whether the approval process for SAs is consistent with the approval process for other union payments. You may, therefore, need to inspect governance documents relating to other payments.
  - c) The recording and reporting of the SA payments.
  - d) In the absence of documentation, to interview employees and members of the union (including, where you consider it necessary, former employees and members) who would have either been involved in any decision making or might be aware of the approval process that was followed.
  - e) The general protocol for payment of salaries for employees, for example the process for FBU staff pay rises.
  - f) With the consent of the CO, any other matters indicating financial irregularities within the description set out in section 37B(2) of the 1992 Act, that may come to light during the investigation.
6. Your powers and responsibilities as an inspector are set out in sections 37A to 37E of the 1992 Act. You will note that, at the conclusion of your investigation, you are required to make a final written report to me (section 37C(1)(b)). This report should be made as soon as possible after the investigation is completed. This report will be published. I may require an interim report before your investigation is completed.
7. You should ensure that a transcript, or recording, is made of any interviews with a witness.
8. You have powers to obtain evidence, by the use of the compulsory powers, which may be used in a prosecution. If during the course of your investigation it appears that an offence may have been committed, you should make an interim report of that matter immediately to me so that I can determine whether to give a direction under section 37C(4). If on completion of your inspection you find that criminal offences may have been committed, I would wish to be able to report such matters





to the relevant prosecution authorities, or to commence any prosecutions I deem appropriate, as soon as possible.

9. No assurances to witnesses should be given about the use to which their evidence may be put, other than that a statement or explanation made under section 37B(3) or a requirement imposed under section 37B(4) may not be used against the person providing this information, except in proceedings specified in section 37B(6) (prosecutions under section 45(9) (false explanations and statements) or for prosecutions for some other offence where in giving evidence the person makes a statement inconsistent with it).
10. The terms of reference of your investigation are set out above. This does not limit the terms of your appointment in any formal sense, but I would certainly wish your inspection to be conducted with due regard to economy and cost effectiveness. If at any stage, you believe that the terms of reference should be extended then please discuss this with me so that I can consider whether this is necessary. It is worth noting here that I have not seen any evidence that there has been misconduct, misfeasance or fraud in relation to any FBU payments. If, during your investigation, you believe that this may be the case then please report to me immediately so that I can consider whether to extend the scope of the investigation or involve any other investigatory authority.
11. If you need legal advice relating to any aspect of the investigation or use of the statutory powers, you should let me know.
12. I think it unlikely that you will need to make enquiries outside the UK's jurisdiction. If, however, you believe that it is necessary to do so you should let me know in advance so that I can alert, and seek advice from, the relevant authorities including the Home Office and/or the Foreign and Commonwealth Office.
13. I hope this is clear. If you have any questions, please let me know.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Sarah Bedwell', with a horizontal line underneath.

Mrs Sarah Bedwell

Certification Officer

## Appendix 2 – Questionnaire

Your responses should be based on your own knowledge and experience. If you are uncertain about anything you are being asked to comment on, or if you simply do not know, please feel free to say so. Honest and genuine answers are vital to the accuracy and integrity of the investigation.

Where appropriate, please tell me if you have evidence to support your answers.

### Introduction

1. What is your role in the FBU? Briefly describe your responsibilities and relevant dates.

### Financial Governance Processes for Settlement Agreements

2. How are Settlement Agreement payments approved, recorded, and reported in the FBU?
3. Can you list any documents related to this process?
4. Do you think the process you described in Q2 has been consistently followed? Why or why not?
5. What process was used for approving, recording, and reporting Settlement Agreement payments before the current system?
6. Why was the process changed?
7. Do you think the processes you described in Q5 were consistently followed? Why or why not?
8. Have you ever had any involvement in the agreement, approval, recording, or reporting of any Settlement Agreement payments made by the FBU?

### Other Financial Governance Matters

9. Can you tell me about the process for agreeing staff pay rises in the FBU?
10. Do you think the process you described in Q9 has been consistently followed? Why or why not?

11. How are other payments to employees (e.g. expenses and ad hoc payments) processed?
12. Do you think the process you described in Q11 has been consistently followed? Why or why not?
13. How are payments to lay activists (e.g. EC members, elected reps) processed?
14. Do you think the process you described in Q13 has been consistently followed? Why or why not?
15. What process was used for making payments to lay activists before the current process?
16. Why were these processes changed?
17. Do you think the processes you described in Q15 were consistently followed? Why or why not?

General Comments

Is there anything else you would like to share that would help with this investigation?

### Appendix 3 – list of people contacted

Name	Role	Date written response received	Identified for interview	Interview date
Arnold, John	EC member	13 September 2024	✓	Not held
Bracher, Kelly	Employee	No written response received		
Carvalho, Ana	Employee	04 October 2024		
Coates, Philip	EC member	01 October 2024	✓	Not held
Dark, Andy	Assistant General Secretary (retired)	04 October 2024	✓	11 November 2024
Green, Dave	National Officer	02 October 2024	✓	Not held
Griffiths, Cerith	EC member, FAC member	18 October 2024		
Handscomb, Keith	EC member, FAC member	18 October 2024	✓	12 November 2024
Headley, Nigel	Employee	No written response received		
Kyriakides, Michael	Employee	06 December 2024		
Lamb, Matt	EC member, FAC member	04 October 2024		
Limer, Dave	EC member, FAC member	02 October 2024	✓	12 November 2024
Lywood, Mark	Employee	13 September 2024		

Mayos, Grant	EC member, FAC member	No written response received		
McFadyen, Gemma	Employee	04 October 2024		
McGlone, Chris	EC member, FAC member	30 September 2024	✓	12 November 2024
McGrane, Niki	Employee	02 October 2024		
Murray, Ian	President	04 October 2024	✓	20 November 2024
Pullen, Stuart	Employee	No written response received		
Quinn, Jim	EC member, FAC member, National Treasurer	04 October 2024	✓	11 November 2024
Ripley, Steve	Employee	Interview requested		4 October 2024
Rowe, Mark	National Officer	17 October 2024	✓	Not held
Selby, Ben	Assistant General Secretary, former EC member and FAC member	17 October 2024	✓	18 November 2024
Shek, David	EC member	04 October 2024		11 November 2024
Skarratts, Les	EC member	08 November 2024		26 November 2024
Smith, Vineeta	Employee	02 October 2024	✓	
Starbuck, Sean	National Officer	02 October 2024	✓	Not held
Wallis, Lynne	Employee	02 October 2024		
Woolstenholmes, Paul	National Officer	30 September 2024		

Wrack, Matt	General Secretary	18 October 2024	✓	09 December 2024
Wright, Steve	Vice President	01 October 2024		