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<b>To:</b> Members of the Governance, Audit and Scrutiny Committee	<b>Enquiries to:</b> Rob Close <b>Email:</b> <a href="mailto:committeemanager@humbersidefire.gov.uk">committeemanager@humbersidefire.gov.uk</a> <b>Tel. Direct:</b> (01482) 393899 <b>Date:</b> 8 November 2024
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Dear Member

I hereby give notice that a meeting of the **GOVERNANCE, AUDIT AND SCRUTINY COMMITTEE** of Humberside Fire Authority will be held on **MONDAY 18 NOVEMBER 2024 at 10.00AM** at HUMBERSIDE FIRE & RESCUE SERVICE HEADQUARTERS, SUMMERGROVES WAY, KINGSTON UPON HULL, HU4 7BB.

The business to be transacted is set out below.

Yours sincerely



**for Lisa Nicholson**  
**Monitoring Officer & Secretary to Fire Authority**

## **A G E N D A**

Business	Page Number	Lead	Primary Action Requested
1. Apologies for absence	-	Monitoring Officer/ Secretary	To record
2. Declarations of Interest (Members and Officers)	-	Monitoring Officer/ Secretary	To declare and withdraw if pecuniary
3. Minutes of the meeting of 9 September 2024	(pages 3 - 6)	Chairperson	To approve
4. External Audit Completion Report	Copy to follow	External Auditors (Mazars)	To receive
5. Annual Accounts 2023/24	(pages 7 - 92)	Executive Director of Finance/S.151 Officer	To consider and make any recommendations to the HFA
6. Finance and Procurement Update - Period ending 30 September 2024	(pages 93 - 118)	Executive Director of Finance/S.151 Officer	To consider and make any recommendations to the HFA
7. Treasury Management Half Year Report 2024/25	(pages 119 - 126)	Executive Director of Finance/S.151 Officer	To consider and make any recommendations to the HFA
8. Internal Audit Reports	(pages 127 - 134)	Internal Audit (TIAA)	To consider and make any recommendations to the HFA

<b>Business</b>	<b>Page Number</b>	<b>Lead</b>	<b>Primary Action Requested</b>
9. Scrutiny Item: Training for Staff in Conducting Complaint and Disciplinary Investigations	(pages 135 - 140)	Head of HR	To consider and make any recommendations to the HFA
10. Scrutiny Item: Draft Estates Strategy 2025/26 – 2029/30	(pages 141 - 144)	Area Manager of Prevention, Protection, Fleet and Estates.	To consider and make any recommendations to the HFA
11. GAS Committee Scrutiny Programme 2024/25	(pages 145 - 148)	Monitoring Officer/ Secretary	To approve

**HUMBERSIDE FIRE AUTHORITY**

**GOVERNANCE, AUDIT AND SCRUTINY COMMITTEE**

**9 SEPTEMBER 2024**

**PRESENT:** Independent Co-opted Members Chris Brown (Chair), Melissa Dearey, Nigel Saxby, and Gerry Wareham.

**Officers Present:** Matthew Sutcliffe – Assistant Chief Fire Officer & Executive Director of Corporate Services, Martyn Ransom - Executive Director of Finance/Section 151 Officer, Steve Duffield – Area Manager of Service Improvement, Jason Kirby – Area Manager of Emergency Response, Jamie Morris –Head of Corporate Assurance, Gareth Naidoo – Senior Corporate Assurance Officer, Mike Anthony – Group Manager (CRMP), Dominic Purchon – Head of Protection, David Robinson – Internal Audit (TIAA), Emma Appleton – Deputy Monitoring Officer/Secretary, and Rob Close – Committee Manager.

Rejoice Mapeto (Mazars) was in remote attendance.

The meeting was held at the Humberside Fire and Rescue Service Headquarters, Kingston upon Hull.

**39/24 APOLOGIES FOR ABSENCE** – No apologies for absence were received.

**40/24 DECLARATIONS OF INTEREST** – No declarations of interest were made with respect to any items on the agenda.

**41/24 MINUTES** – **Resolved** – That the minutes of the meeting held on 10 July 2024 be confirmed as a correct record.

**42/24 FINANCE AND PROCUREMENT UPDATE – PERIOD ENDING 30 JUNE 2024** – The Committee received a report of the Executive Director of Finance/Section 151 Officer summarising the Authority’s current financial position based on information to 30 June 2024. It was advised that the revenue budget was £0.299m underspent, the capital programme remained on budget against its £10.921 allocation and the pensions account was £16.404m in deficit, although it was stressed that this deficit was covered by the Home Office. Moreover, the Committee was guided through some presentational changes to the new reporting format.

The Committee generally appreciated the presentational changes which made up the report and suggested that officers consider providing further narrative detail in relation to the high strategic risk rating contract management. They went on to challenge officers on what was being done to manage the 2024/25 contract management risks. Officers appreciated that a lack of narrative provided limited context but assured the Committee that inclusion in the contract high strategic risk recording did not necessarily mean that work was yet to commence to resolve those risks. It was also explained that non-uniformed employees’ status in the period three 2024/25 Revenue Monitoring detail was rated as ‘Red’ because of the yet to be settled green book pay award.

Noting the recent publication of the Grenfell Tower Inquiry Phase Two report, the Committee asked if the recommendations contained would have an impact upon the Authority’s financial planning. Officers explained that an update on the latest report would be brought to the next meeting of the Fire Authority, however, it was unlikely that such actions would pass the materiality threshold for report, although officers acknowledged that an explanation explaining this in the financial statement may be prudent.

The Committee sought further clarity on the projected variance resulting from lower rates of pay between trainee, development and competent rates of pay for firefighters. Officers explained that the Authority had recruited significantly with new starters progressing through the Authority's firefighter development pathway and its associated pay bandings. The variance in this instance referred to the extent of employee progression and subsequently remuneration.

Referencing the target Non-Pay Efficiency Savings of £0.285m, the Committee asked officers how feasible they thought this target was. Members were reminded that historically, £0.300m was targeted and was achieved as some discretionary budgets were not utilised.

**Resolved** – That the Finance and Procurement Update be received.

**43/24 INTERNAL AUDIT REPORTS – QUARTER TWO** – The Committee received a report of TIAA, the Authority's internal auditors, detailing the internal audit reports and Summary Internal Controls Assurance.

Four audits had been completed since the last reporting period. The first audit reviewed Application and Management of Tactical Plans receiving substantial assurance and two priority three action points. The second audit reviewed the Management of Statutory Building and Licensing Consultation receiving reasonable assurance and one priority two and two priority three action points. The third audit reviewed Application and Management of Disciplinary Procedures received reasonable assurance and two priority two action points and two priority three actions points. The final audit reviewed Training Records receiving reasonable assurance and one priority two action point. There were no changes to the approved plan for 2024/25. A draft report had been issued for the Firefighter Development Pathway audit.

The Committee sought further clarity on the use of Microsoft Planner referenced in the Tactical Plans Audit. Officers explained that Microsoft Planner presented consistency gains across the Authority allowing a more uniformed approach to tactical implementation across directorates. While there were still some legacy spreadsheets still in operation, these did not hold personal data and was not considered to be a significant risk.

In relation to the Application and Management of Disciplinary Procedures audit, the Committee asked if the exemptions presented any particular risk of challenge. The Internal Auditor felt assured that the decisions to exempt the disciplinary procedure was valid and the approvals process to do so was sound. Further to this, the Committee asked how investigation notes would be digitised. Officers noted that, while this was good practice, it was not always possible to directly input investigation notes digitally although they stressed at all handwritten notes were scanned and digitally stored.

The Committee asked how developments in breathing apparatus equipment was cascaded through the workforce. Officers explained that the Authority benefitted from a well-developed programme to roll out training to all staff. Although, some staff on long term sick would remain listed as outstanding for training, upon their return an individual development plan would be devised to ensure all outstanding training was undertaken before being available for operational duty.

**Resolved** – That the Internal Audit Reports be received.

**44/24 HMICFRS STANDARDS OF BEHAVIOUR – THE HANDLING OF MISCONDUCT IN FIRE AND RESCUE SERVICES** - The Area Manager of Service Improvement delivered a verbal report on the publication of His Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) 'Standards of Behaviour – The Handling of Misconduct in Fire and Rescue Services' on 1 August 2024.

The findings of the report were informed by a thematic inspection of ten different fire and rescue services (FRSs), which included Humberside (November 2023), delivered between October 2023 to January 2024. The report made 15 recommendations across three themes. In total, as some of the recommendations have multiple parts, 35 actions have been identified requiring evidence to demonstrate Service compliance, with many of already established practices in the Service.

It was important to note the findings in the report were not individually attributed to any of the ten FRSs inspected, with no individual assessment grading issued.

The report recommendations and resulting actions would be addressed and managed by Corporate Assurance through the Service Improvement Plan (SIP).

The Committee asked what efforts the Authority made to strengthen its anti-corruption processes. Officers stated that drug and alcohol testing was in operation across the Authority in addition to security checking for relevant staff. It was stressed that significant safeguards were also in place for those members of staff who may be subject to allegation.

**Resolved** – That the update be noted.

**45/24 GAS COMMITTEE SCRUTINY PROGRAMME 2024/25** - The Committee Manager submitted a report summarising the Committee's Scrutiny Programme 2024/25.

**Resolved** – That the work programme for 2024/25 be approved





**HUMBERSIDE**  
Fire & Rescue Service

# Humberside Fire Authority Annual Accounts 2023/24

(Subject to Audit)

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## **Narrative Report by the Executive Director of Finance/Section 151 Officer**

### **Introduction**

The Statement of Accounts summarises the financial performance of the Authority for year ended 31 March 2024. These accounts have been prepared in accordance with the requirements of the Code of Practice on Local Authority Accounting in the United Kingdom 2023/24 published by the Chartered Institute of Public Finance and Accountancy (CIPFA).

The purpose of the narrative report is to offer interested parties a fair, balanced and easily understandable guide to the most significant matters reported in the accounts. The inevitable use of technical language has been kept to a minimum. A 'Glossary of Terms' (to help explain some of the technical terms) can be found in the appendices.

### **Organisational Summary**

Humberside Fire and Rescue Service (HFRS) serves the communities within the areas of East Riding of Yorkshire Council, Hull City Council, North East Lincolnshire Council and North Lincolnshire Council. Governance of HFRS is provided through Humberside Fire Authority (HFA) made up of elected Members, nominated by each local authority.

Detailed in the 'Fire and Rescue National Framework for England', as approved under section 21 of the Fire and Rescue Services Act 2004, are the priorities of a fire and rescue authority, required in order to fulfil their statutory duty, to ensure provision of core functions:

- Make appropriate provision for fire prevention and protection activities and response to fire and rescue related incidents.
- Identify and assess the full range of foreseeable fire and rescue related risks their areas face.
- Collaborate with emergency services and other local and national partners to increase the efficiency and effectiveness of the service they provide.
- Be accountable to communities for the service they provide; and
- Develop and maintain a workforce that is professional, resilient, skilled, flexible, and diverse.

### **Humberside**

HFRS serves a population of almost one million people across a geographical area of 1,358 square miles. Each of the unitary authority areas present the Service with different challenges, consisting of urban, rural, and coastal communities with some affluent areas and some areas suffering from significant deprivation.

The service area also includes a broad range of industrial and heavy commercial risks, having the second highest number of high hazard industrial sites in the UK. These include major petrochemical sites, natural gas storage, pharmaceutical industries, and large port complexes. Almost a quarter of the UK's sea borne trade passes through the Humber ports of Hull, Immingham, Grimsby, and Goole including 20 per cent of the UK's gas supply.

### **Service Statistics**

- Number of fire stations: 31
- Number of fire engines: 43 frontline and 11 reserve
- Number of specialist emergency response vehicles: 14 + 32 Flexible Duty System vehicles
- Number of Co-Responding and Falls vehicles: 11
- Number of staff: 903 (headcount)

## Structure and Fire Station Locations

HFRS operates under a Service delivery structure of four districts (mirroring the four local authority areas), divided by the physical boundary of the Humber Estuary and river into North (Kingston upon Hull and East Riding) and South (North Lincolnshire and North East Lincolnshire). The respective Service delivery teams have the responsibility for all operational and safety matters in their area.



## Community Risk Management Plan (CRMP) and Strategic Plan 2021 - 2025

Each Fire and Rescue Authority must produce a CRMP, which is available to the public. The plan must reflect the following information:

- reflect up to date risk analyses including an assessment of all foreseeable fire and rescue related risks that could affect the area of the authority;
- demonstrate how prevention, protection and response activities will best be used to prevent fires and other incidents and mitigate the impact of identified risks on its communities, through authorities working either individually or collectively, in a way that makes best use of available resources;
- outline required service delivery outcomes including the allocation of resources for the mitigation of risks;
- set out its management strategy and risk-based programme for enforcing the provisions of the Regulatory Reform (Fire Safety) Order 2005 in accordance with the principles of better regulation set out in the Statutory Code of Compliance for Regulators, and the Enforcement Concordat;
- cover at least a three-year time span and be reviewed and revised as often as it is necessary to ensure that the authority is able to deliver the requirements set out in this Framework;
- reflect effective consultation throughout its development and at all review stages with the community, its workforce and representative bodies and partners; and
- be easily accessible and publicly available.

The Chief Fire Officer must, in exercising their functions, have regard to the Fire and Rescue Authority's CRMP and any set objectives and priorities which may then be outlined in a Strategic Plan. The Fire and Rescue Authority should give due regard to the professional advice of the Chief Fire Officer while developing the CRMP and when making decisions affecting the fire and rescue service.

The CRMP and Strategic Plan can be found at <https://humbersidefire.gov.uk/about-us/our-vision-and-plans>

### **The work of HFRS**

HFRS has a legal duty to provide a fire and rescue service that meets the needs of the local communities, in accordance with the Service's CRMP. HFRS is prepared to deal with a wide range of emergencies, from house fires and road traffic collisions, to floods and chemical spills.

HFRS is responsible for the enforcement of fire prevention, petroleum, and explosives legislation, working with our communities to help keep people and property safe, providing a fire and rescue service for the people that live, work, and visit the Humberside area.

HFRS's emergency medical response teams are trained to respond immediately to life threatening calls received by the ambulance service, providing first responder intervention and increasing the chances of survival. In partnership with other agencies in the Hull City Council and East Riding of Yorkshire Council areas, HFRS has formed a Falls, Intervention Response, Safety Team (F.I.R.S.T) to deal with non-immediate life threatening incidents, predominantly following a fall, aiming to prevent the medical impact of such incidents while increasing and reducing the impact of less urgent calls on frontline services for both the health service and HFRS.

HFRS believes the most effective way to save lives and reduce injuries, to lessen the broader community impact from emergencies, is to engage in preventative activities to decrease the number of incidents that occur. To support such activities HFRS works closely with partner organisations and communities. Through the use of dedicated HFRS staff teams employed to work within the community, such as Prevention Advisors, they are able to engage with those people most vulnerable to fire, providing information and education. This includes signposting people who are vulnerable from issues not directly related to the fire service such as older people who may be at risk from severe weather, or household security.

HFRS has legal responsibilities to enforce fire safety legislation and do this by providing free advice to businesses to support their compliance with legislative requirements. If it is necessary, to keep the public and our firefighters safe, HFRS will prohibit or restrict the use of premises and prosecute persons responsible for breaches of legislation.

### **Response Standards**

HFRS response standards tell how quickly we aim to have a fire engine in attendance at an incident. They are based on (Domestic) Risk Areas, assessed as High, Medium, or Low. To enable us to assess the dwelling risk within our communities, our area is divided into 41 groupings of around 20,000 residents. We call these 'Risk Regions' with 41 identified in our Service area, varying in geographical size. The dwelling risk rating is based upon the casualty and fatality rate per head of population within each risk region.

In managing these risks, HFRS sends two fire engines to every fire in a home and to road traffic collisions, aiming to arrive within the time frames categorised below:

- **High Risk Area:** 8 Minutes
- **Medium Risk Area:** 12 Minutes
- **Low Risk Area:** 20 Minutes
- **Road Traffic Collision:** 15 Minutes

The performance target for the **first engine** in attendance, is to accomplish the response standards on a least 90% of occasions. In 2023/24 the first engine exceeded these standards achieving 97% on all occasions.

The performance target for the **second engine** in attendance, is to accomplish the response standards on a least 80% of occasions. In 2023/24 the second engine exceeded these standards achieving 92% on all occasions.

### Service Performance Summary 2023/24

Service Performance Indicator (SPI)	Service Target	Actual Performance
SPI 1 Total Fatalities	Aspirational Zero	8
SPI 1.1 Total Casualties	Aspirational Zero	36 ( <i>Fire related incidents</i> )

The proceeding data is a breakdown of the total number of key incidents across 2023/24. Where appropriate Service Performance Indicators (SPI) are performance managed against calculated thresholds to define the range between high and low performance values for each of the different incidents. Thresholds enable the Service to analyse trends more accurately and less reactionary, enabling the deployment of resources and / or intervention activities more effectively.

<b>Red</b>	Performance that is a concern and needs addressing (above the upper threshold limits)
<b>Green</b>	Performance is positive and should be replicated (below the lower threshold limits)
<b>Blank</b>	Performance is stable between upper and lower thresholds

SPI	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	Total
SPI 2.2 Total Deliberate Fires	33	42	37	31	42	47	31	36	23	38	26	29	415
SPI 2.3 Accidental Dwelling Fires	33	23	24	36	25	24	18	31	35	28	29	31	337
SPI 2.4 Deliberate Secondary Fires	143	181	221	169	195	149	126	87	41	72	55	93	1532
SPI 2.5b False Alarm Non - Domestic	19	32	43	56	40	47	54	42	41	37	30	36	477
<b>Total</b>	228	278	325	292	302	267	229	196	140	175	140	189	<b><u>2761</u></b>

More detailed information on each of the above SPIs can be found in our Annual Performance Report published on our website under the section 'Our Performance':

<https://humbersidefire.gov.uk/about-us/our-vision-and-plans>

The Authority's Accounts for the year 2023/24 are set out on pages 1-66 and in addition to this narrative report they consist of:

**The Statement of Responsibilities** details the responsibilities of the Authority and the Executive Director of Finance/S.151 Officer for the Accounts. This statement is signed and dated by the Executive Director of Finance/S.151 Officer under a statement that the Accounts give a True and Fair View of the financial position of the Authority at the accounting date and its income and expenditure for the year ended 31 March 2024.

**The Movement in Reserves Statement** shows the movement in the year on the different Reserves held by the Authority. This statement is split into usable and unusable Reserves; the usable Reserves are those that can be used by the Authority to fund expenditure; and the unusable Reserves are those Reserves that are required to mitigate the effect of some transactions on council tax and those Reserves that are created to mitigate unrealised gains and losses.

**The Comprehensive Income and Expenditure Statement** shows the accounting cost of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. The Authority raises taxation in accordance with regulations which are different from the accounting cost. The taxation position is shown in the Movement in Reserves Statement (the movement on usable reserves).

**The Balance Sheet** which shows the value of the Assets and Liabilities recognised by the Authority at the Balance Sheet date.

**The Cash Flow Statement** which shows the changes in cash and cash equivalents during the year. This statement shows how the Authority generates and uses its cash and cash equivalents by classifying cash flows as operating, investing and financing activities.

**The Pension Fund Account** which shows the movements relating to the Firefighters' Pension Fund.

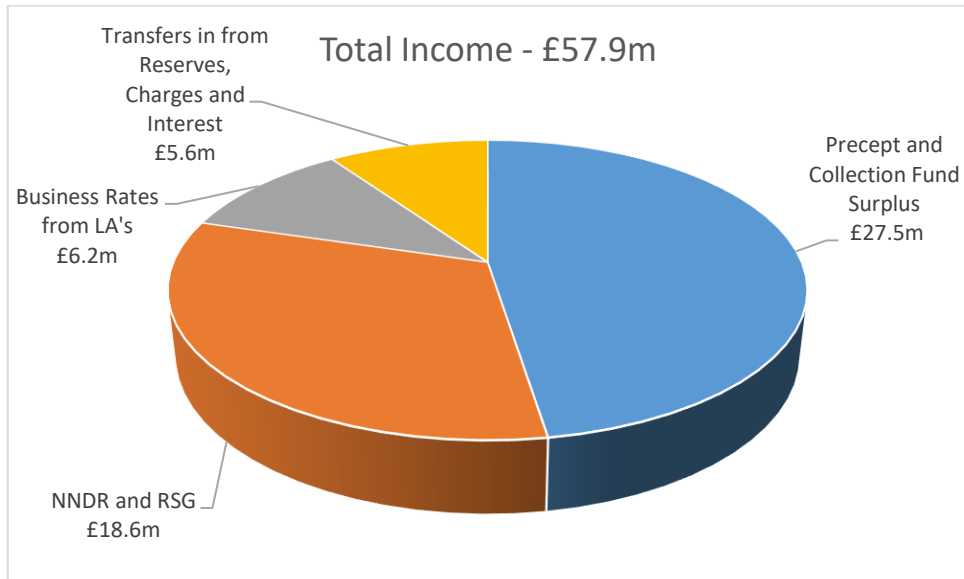
### **2023/24 Financial Year**

Despite significant financial challenges over recent years the Authority continues to take a very prudent approach to its finances.

Historically, the Authority has lived within its means and delivered a modest underspend in recent years. The 2023/24 financial year has seen the Authority deliver an underspend which signifies good financial management given increased cost pressures in relation to annual pay awards and general inflationary increases in relation to commodities such as gas, electricity and fuel.

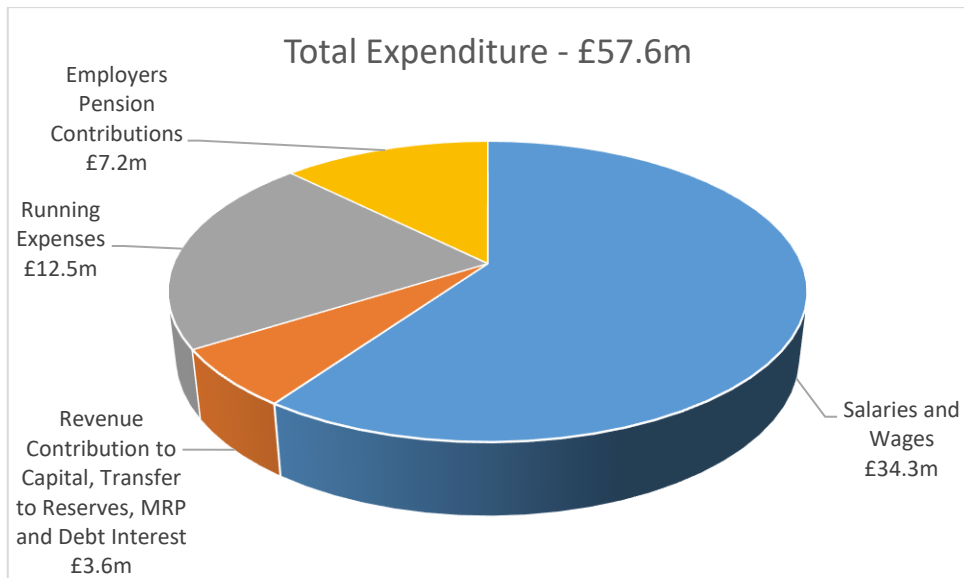
The Authority's position over the medium-term is sound but will be kept under continuous review particularly with regard to any cost pressures arising and also pay awards that may be agreed over the next 2 to 3 years against a backdrop of high but reducing levels of general inflation and tight financial settlements from the Government.

## Income



In 2023/24, the Authority received Revenue Support Grant and an allocation of pooled National Non-Domestic Rates directly from Central Government. It also sets a Precept (council tax) throughout the Humberside area for the balance of its expenditure requirements. The Precept set for 2023/24 was £27.06m (2022/23 was £25.31m) which equated to a Council Tax Band D Equivalent of £95.10 (2022/23 was £90.11).

## Expenditure



## Budget Outturn Position

Income of £57.861m was received by the Authority of which £57.584m was incurred on expenditure during 2023/24 leaving a surplus of £0.277m (appendix 1 shows how this reconciles with the Movement in Reserves Statement and the Expenditure and Funding Analysis in note 2).

## Analysis of the Major Revenue Variances (a comprehensive table is presented in Appendix 1)

### Non-Pay Variances

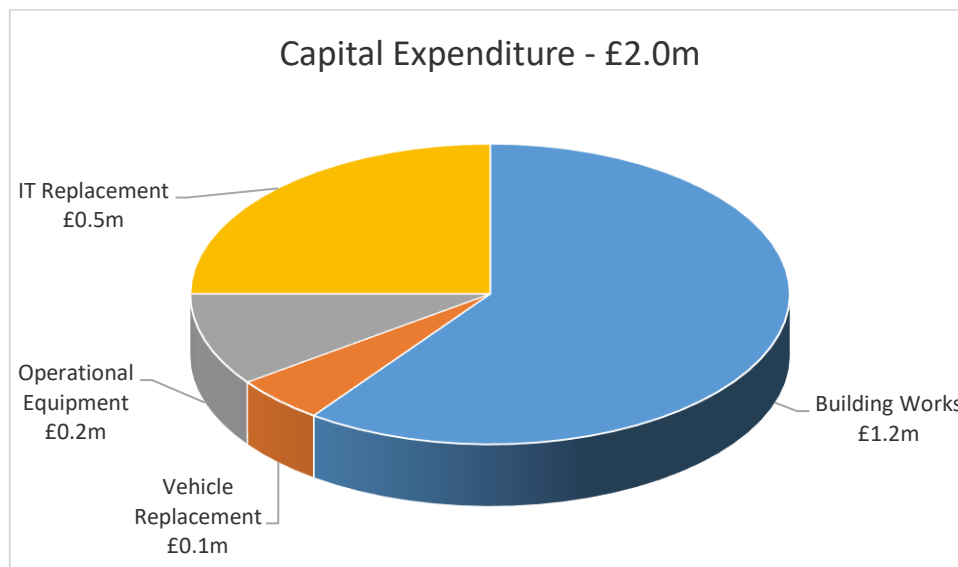
During 2023/24, the overall variance across all non-pay budgets was an overspend of £398k. This was primarily due to not utilising the transfer from general reserve due to additional income received within the year.

### Income

During 2023/24 the Authority received £636k additional income relating mainly to additional Government grants, staff secondments, funding of the Road Safety team and income in relation to an insurance claim.

### Capital Expenditure

During 2023/24, £2.0m was invested in capital projects against a budget of £6.7m due to a number of schemes not starting during the year. These projects include various building works across the estate, replacement programmes for vehicles, operational equipment and IT replacement. (A more detailed breakdown is provided in Appendix 2).



### Financing of Capital Expenditure

The Authority has a rolling capital programme that is reviewed throughout the year. The programme is financed by external borrowing, capital receipts and revenue contributions.

### Humberside Fire Authority Reserves

Balances at 1 April 2023 stood at £14.811m and by adding £277k, the surplus for the year, balances at 31 March 2024 now stand at £15.088m (exclusive of the ESFM (Humberside) Ltd Reserve).

### Future Spending Plans

The Authority has published a Medium-Term Resource Strategy for 2024/25 – 2028/29 which sets out the overall shape of the Authority's budget. It establishes how available resources will best deliver corporate objectives and mitigate corporate risks identified in the Strategic Plan. The current level of borrowing, including long-term leases held by the Authority, is £17.764m. The operational boundary is £35.0m and the authorised limit is £40.0m (these are part of the Authority's prudential indicators that have been previously agreed in the Authority's Treasury Management report; Fire Authority March 2024).

**International Accounting Standard 19 (IAS 19)**

IAS 19 requires employers to report the full cost of pension benefits as they are earned, regardless of whether they have been paid for. The Local Government Pension Scheme has a liability of £0.032m (2022/23 was an asset of £6.939m) and the liability on the Firefighters' Pension Scheme is £526.270m (2022/23 was £521.980m). The Authority's liability includes the Firefighters' Pension Scheme 1992, the Firefighters' Pension Scheme 2006, Firefighters' Pension Scheme 2015 and the Modified Firefighters' Pension Scheme. It should be noted that IAS 19 does not impact upon the level of balances held by the Authority. (Under IAS19 injury awards are now recognised in the accounts of the Authority).

**Humberside Fire Authority Pension Fund Account**

The Financial Statements include a separate section for the Humberside Fire Authority Pension Fund Account. Under the pension funding arrangements each Authority in England is required by legislation to operate a Pension Fund and the amounts that must be paid into and out of the fund are specified by regulation.

**Change in Statutory Function**

There have been no changes to the Authority's statutory functions during 2023/24.

**Significant Change in Accounting Policies**

There have been no significant changes to the accounting policies used by the Authority.

**Material Events after 31 March**

There are no material events after 31 March to disclose.

**Going Concern**

The savings proposals previously agreed have resulted in a balanced budget for 2024/25 and over the life of the Medium-Term Resource Strategy so the Authority will remain a Going Concern. Practice Note 10 of the Financial Reporting Council's Statement of Recommended Practice assumes that public sector organisations will remain as going concerns provided the services continue of which there is no plan to stop delivering a Fire and Rescue Service for Humberside.

**Further Information**

The Statement of Accounts is intended to give electors, Members, employees and other interested parties clear information about the Authority's finances. I would welcome any comments, which would help to improve the information. To this end a questionnaire has been devised and included in the Accounts.

Further information about the accounts is available from the Finance Section, Service Headquarters, Summergroves Way, Hull, HU4 7BB. In addition, interested members of the public have a statutory right to inspect the accounts before the audit is completed. The availability of the accounts for inspection is advertised on the Authority's website [www.humbersidefire.gov.uk](http://www.humbersidefire.gov.uk).

**Acknowledgment**

I would like to express my appreciation to Shaun Edwards and colleagues within the Finance team for their assistance in compiling the financial statements.

**Martyn Ransom FCCA**

Executive Director of Finance/Section 151 Officer – May 2024



**Intentionally left blank for Audit opinion**

**Intentionally left blank for Audit opinion**

**Intentionally left blank for Audit opinion**

I confirm that these accounts were approved at the Fire Authority meeting held on 19 July 2024.

Signed	Date
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**Executive Director of Finance and Section 151 Officer Responsibilities**

The Executive Director of Finance and Section 151 Officer is responsible for the preparation of the Authority’s Statement of Accounts which, in accordance with the *Code of Practice on Local Authority Accounting in Great Britain* (the ‘Code of Practice’), issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) is required to present fairly the financial position of the Authority at the accounting date, and its income and expenditure for year ended 31 March 2023.


In preparing this Statement of Accounts, the Executive Director of Finance/Section 151 Officer has:

- Selected suitable accounting policies and then applied them consistently;
- Made judgements and estimates that were reasonable and prudent;
- Complied with the Code of Practice.

The Executive Director of Finance and Section 151 Officer has also:

- Kept proper accounting records which are up to date;
- Taken reasonable steps for the prevention and detection of fraud and other irregularities.

In accordance with regulation 9(1) of the Accounts and Audit Regulations 2015, I certify that the attached Statement of Accounts presents a True and Fair View of the financial position of the Authority as at 31 March 2024 and its income and expenditure for the year

Signed 	Date <b>31<sup>st</sup> May 2024</b>
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**STATEMENT OF ACCOUNTS**  
**MOVEMENTS IN RESERVES STATEMENT**

This statement shows the movement in the year on the different Reserves held by the Authority, analysed into 'Usable Reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and other Reserves. The Surplus or (Deficit) on the Provision of Services line shows the true economic cost of providing the Authority's services, more details of which are shown in the Comprehensive Income and Expenditure Statement. These are different to the statutory amounts required to be charged to the General Reserve Balance for council tax setting purposes. The Net Increase / (Decrease) before transfers to Earmarked Reserves shows the statutory General Fund before any discretionary transfers to or from Earmarked Reserves undertaken by the Authority.

2023/24

	Earmarked Reserves	General Fund Balance	Usable Capital Receipts Reserve	Total Usable Reserves	Pensions Reserve	Capital Adjustment Account	Revaluation Reserve	Collection Fund Adjustment Account	Accumulated Absences Account	Total Authority Reserves
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Note(s)</b>	<b>6</b>	<b>2</b>			<b>4</b>	<b>6</b>	<b>6</b>			
<b>Balance at 31 March 2023</b>	8,819	6,345	-	15,165	(515,041)	17,139	23,739	617	(440)	(458,819)
Surplus or (Deficit) on Provision of Services (accounting basis)		(20,598)		(20,598)						(20,598)
Other Comprehensive Income and Expenditure				-	8,562		494			9,056
<b>Total Comprehensive Income and Expenditure</b>	-	(20,598)	-	(20,598)	8,562	-	494	-	-	(11,542)
Adjustments between Accounting Basis & Funding Basis under Regulations (Note 10)		21,071	94	21,165	(19,813)	(1,140)	(431)	(41)	260	-
<b>Net Increase / (Decrease) before transfers to Earmarked Reserves</b>	-	473	94	567	(11,251)	(1,140)	63	(41)	260	(11,542)
Transfers to / (from) Earmarked Reserves	(408)	408		-						-
<b>Increase / (Decrease) in Year</b>	(408)	880	94	566	(11,251)	(1,140)	63	(41)	260	(11,542)
<b>Balance at 31 March 2024</b>	8,411	7,225	94	15,730	(526,292)	16,001	23,802	576	(180)	(470,360)

The accompanying notes form part of these Financial Statements.

### MOVEMENT IN RESERVES STATEMENT

2022/23	Earmarked Reserves	General Fund Balance	Usable Capital Receipts Reserve	Total Usable Reserves	Pensions Reserve	Capital Adjustment Account	Revaluation Reserve	Collection Fund Adjustment Account	Accumulated Absences Account	Total Authority Reserves
Note(s)	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Balance at 31 March 2022</b>	6 7,516	2 7,438	29	14,984	4 (710,764)	6 19,549	6 23,190	605	(420)	<b>(652,855)</b>
Surplus or (Deficit) on Provision of Services (accounting basis)		(27,343)		<b>(27,343)</b>						<b>(27,343)</b>
Other Comprehensive Income and Expenditure				-	219,958		1,421			<b>221,379</b>
<b>Total Comprehensive Income and Expenditure</b>	-	<b>(27,343)</b>	-	<b>(27,343)</b>	<b>219,958</b>	-	<b>1,421</b>	-	-	<b>194,036</b>
Adjustments between Accounting Basis & Funding Basis under Regulations (Note 10)		27,553	(29)	<b>27,524</b>	(24,235)	(2,409)	(872)	12	(20)	-
<b>Net Increase / (Decrease) before transfers to Earmarked Reserves</b>	-	210	(29)	<b>181</b>	195,723	(2,409)	549	12	(20)	<b>194,036</b>
Transfers to / (from) Earmarked Reserves	1,303	(1,303)		-						-
<b>Increase / (Decrease) in Year</b>	<b>1,303</b>	<b>(1,093)</b>	<b>(29)</b>	<b>181</b>	<b>195,723</b>	<b>(2,409)</b>	<b>549</b>	<b>12</b>	<b>(20)</b>	<b>194,036</b>
<b>Balance at 31 March 2023</b>	<b>8,819</b>	<b>6,345</b>	-	<b>15,165</b>	<b>(515,041)</b>	<b>17,139</b>	<b>23,739</b>	<b>617</b>	<b>(440)</b>	<b>(458,819)</b>

The accompanying notes form part of these Financial Statements.

## COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

This statement shows the accounting cost in the year for providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. Authorities raise taxation to cover expenditure in accordance with regulations; this may be different from the accounting cost. The taxation position is shown in the Movement in Reserves Statement.

Year ended 31 March 2023			Year ended 31 March 2024			
£'000	£'000	£'000		£'000	£'000	£'000
Gross Expenditure	Gross Income	Net Expenditure		Gross Expenditure	Gross Income	Net Expenditure
3,524	(318)	<b>3,206</b>	Community Fire Safety	3,330	(438)	<b>2,892</b>
39,291	(565)	<b>38,726</b>	Fire Fighting & Rescue Operations *	32,560	(601)	<b>31,959</b>
18,913	(1,343)	<b>17,570</b>	Management and Support	17,930	(709)	<b>17,221</b>
132		<b>132</b>	Corporate and Democratic Core	128	-	<b>128</b>
38		<b>38</b>	Corporate Management	58	-	<b>58</b>
<b>61,898</b>	<b>(2,226)</b>	<b>59,672</b>	<b>Cost of Services</b>	<b>54,006</b>	<b>(1,748)</b>	<b>52,259</b>
224	(49)	<b>175</b>	Other Operating Expenditure	537	(94)	<b>443</b>
19,444	(335)	<b>19,109</b>	Financing and Investment Income and Expenditure	23,967	(811)	<b>23,156</b>
	(51,614)	<b>(51,614)</b>	Taxation and Non-Specific Grant Income	-	(55,259)	<b>(55,259)</b>
		<b>27,343</b>	<b>(Surplus) or Deficit on Provision of Services</b>			<b>20,598</b>
		(1,421)	(Surplus) or Deficit on Revaluation of Non Current Assets			(494)
		(219,958)	Remeasurement of the net defined liability / (asset)			(8,562)
		<b>(221,379)</b>	<b>Other Comprehensive Income and Expenditure (Surplus)/Deficit</b>			<b>(9,056)</b>
		<b>(194,036)</b>	<b>Total Comprehensive Income and Expenditure (Surplus)/Deficit</b>			<b>11,542</b>

\* included within Fire Fighting & Rescue Operations are the costs of Safety work carried out by Firefighters who provide response duties.

The accompanying notes form part of these Financial Statements.

**BALANCE SHEET**

The Balance Sheet shows the value as at the Balance Sheet date, of the Assets and Liabilities recognised by the Authority. The net Assets of the Authority (Assets less Liabilities) are matched by the Reserves held by the Authority. Reserves are reported in two categories; the first category of Reserves are usable Reserves, i.e. those Reserves that the Authority may use to provide services, subject to the need to maintain a prudent level of Reserves and any statutory limitations on their use (for example the Capital Receipts Reserve that may only be used to fund capital expenditure or repay debt); the second category of reserves includes amounts that would only become available to provide services if the assets were sold; and Reserves that hold a timing difference as shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations.'

<b>31 March 2023</b>		<b>31 March 2024</b>
<b>£'000</b>	<b>Note(s)</b>	
61,808 Property, Plant & Equipment	<b>5</b>	59,755
15 Intangible Assets	<b>5</b>	165
6,939 Other Long-Term Assets	<b>4</b>	-
<b>68,762 Long-Term Assets</b>		<b>59,920</b>
489 Inventories		569
8,974 Short-Term Investments	<b>7</b>	10,168
10,750 Short-Term Debtors	<b>8</b>	9,317
112 Cash and Cash Equivalents	<b>16</b>	82
<b>20,325 Current Assets</b>		<b>20,136</b>
(6,349) Short-Term Creditors	<b>8</b>	(5,937)
(313) Short-Term Provisions		(340)
(1,599) Short-Term Borrowing	<b>7</b>	(946)
<b>(8,261) Current Liabilities</b>		<b>(7,223)</b>
(16,669) Long-Term Borrowing	<b>7</b>	(15,828)
(522,976) Other Long-Term Liabilities	<b>4/7</b>	(527,364)
<b>(539,645) Long-Term Liabilities</b>		<b>(543,192)</b>
<b>(458,819) Net Assets/(Liabilities)</b>		<b>(470,360)</b>
15,165 Usable Reserves	<b>2/6</b>	15,730
(473,984) Unusable Reserves	<b>4/6</b>	(486,090)
<b>(458,819) Total Reserves</b>		<b>(470,360)</b>

The accompanying notes form part of these Financial Statements.



## CASH FLOW STATEMENT

The Cash Flow Statement shows the changes in cash and cash equivalents of the Authority during the accounting period. The statement shows how the Authority generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the Authority are funded by way of taxation and grant income or from the recipients of services provided by the Authority. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Authority's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the Authority.

<b>31 March 2023</b>		<b>31 March 2024</b>
<b>£'000</b>	<b>Note(s)</b>	<b>£'000</b>
(27,343) Net Surplus or (Deficit) on the Provision of Services	2	(20,598)
Adjust Net Surplus or Deficit on the Provision of Services for Non		
29,084 Cash Movements	16	25,121
Adjust for items included in the Net Surplus or Deficit on the		
(49) Provision of Services that are Investing and Financing Activities	16	(94)
<u>1,693</u> Net Cash Flows from Operating Activities		<u>4,429</u>
(800) Investing Activities	16	(2,979)
(930) Financing Activities	16	(1,479)
<u><b>(37)</b></u> Net Increase or (Decrease) in Cash and Cash Equivalents		<u><b>(30)</b></u>
Cash and Cash Equivalents at the Beginning of the		
148 Reporting Period	16	112
Cash and Cash Equivalents at the End of the Reporting		
112 Period	16	82
<u><b>(37)</b></u> Total Movement		<u><b>(30)</b></u>

The accompanying notes form part of these Financial Statements.

## Notes to the Financial Statements

### 1. Accounting Policies

The Financial Statements must meet the accounting requirements of the CIPFA Code of Practice on Local Authority Accounting which has been agreed with HM Treasury. Consequently, the following financial statements have been prepared in accordance with the CIPFA Code of Practice on Local Authority Accounting 2023/24. The accounting policies contained in the CIPFA Code of Practice follow International Financial Reporting Standards to the extent that they are meaningful and appropriate to Local Authority Accounts, as determined by HM Treasury, who are advised by the Financial Reporting Advisory Board. Where the CIPFA Code of Practice on Local Authority Accounting permits a choice of accounting policy, the accounting policy which is judged to be the most appropriate to the particular circumstances of the Authority for the purpose of presenting fairly the position of the Authority is selected. The particular policies adopted by the Authority are described below and they have been applied consistently in dealing with items considered material in relation to the Accounts.

#### Accounting Convention

These Accounts have been prepared under the historical cost convention, modified to account for the revaluation of property, plant and equipment, intangible assets and inventories. Where appropriate, financial assets and liabilities have been impaired or discounted to bring them to fair value.

#### Acquisitions and Discontinued Operations

Activities are considered to be 'acquired' only if they are taken on from outside the public sector. Activities are considered to be 'discontinued' only if they cease entirely. They are not considered to be 'discontinued' if they transfer from one public sector body to another. The Authority has not acquired or discontinued any operations during the reporting period.

#### Going Concern

After making enquiries, the Authority has formed a judgement, at the time of approving the Financial Statements that there is a reasonable expectation that the Authority has access to adequate resources to continue in operational existence for the foreseeable future. For this reason, the Authority continues to adopt the Going Concern basis in preparing the accounts.

#### Critical Judgements in Applying Accounting Policies

In applying the accounting policies of the Authority, the Authority has had to make certain judgements about complex transactions or those involving uncertainty about future events. Where a critical judgement is required for the accounts, the judgement is made using the knowledge and experience of relevant officers.

The Authority has to decide whether the leases it enters into should be treated as operating or finance leases and whether contractual arrangements it enters into have the substance of a lease. These judgements are made on the professional opinion of the Authority's valuers, accountants and procurement officer.

The Authority has to decide whether there is a group relationship between the Authority and other entities. The accountants assess each relationship that exists between the Authority and other entities that may result in a group accounts relationship.

Judgement is required to determine whether the Authority can be reasonably assured that the conditions of grant and contribution monies received have been met before recognising them as income in the Comprehensive Income and Expenditure Statement. Where conditions require specified expenditure to have taken place, the grant monies will not be recognised until this happens. Equally, where conditions specify that a grant or contribution must be repaid in the event of non-expenditure, the income is not recognised until expenditure is incurred.

### **Key Sources of Estimation Uncertainty**

The Statement of Accounts contains estimated figures that are based on assumptions made by the Authority about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates. The items in the Authority's Balance Sheet at 31 March for which there is a significant risk of material adjustment in the following financial year are those relating to Pensions and PPE valuations, details of which can be found on page 31. Revisions to accounting estimates are recognised in the period in which the estimate is revised and if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

### **Pensions Liability and Reserve**

Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected return on Pension Fund assets. Hymans Robertson (Actuaries) are contracted to provide an estimate of the net liability relating to the Local Government Pension Scheme. The Government Actuaries Department are contracted to provide an estimate of the net liability relating to the Firefighters' Pension Schemes.

### **Valuation and Depreciation Charges**

Professional opinions of the values of land and buildings are made by Clark Weightman Ltd, who are contracted to provide valuation advice to the Authority. Estimates of the useful lives of property, plant and equipment are made by the relevant officers who have knowledge of such issues based on their professional judgement.

### **Revenue**

Revenue in respect of services provided is recognised when the performance occurs, and is measured at the Fair Value of the consideration receivable.

Where income is received for a specific activity that is to be delivered in the following year the income is deferred.

Goods are sold on an incidental basis. Income is recognised at the point the sale transaction occurs.

### **Accruals of Income and Expenditure**

Activity is accounted for in the year that it takes place, not simply when cash payments are made or received in accordance with section 2.7 of IFRS15. In particular:

- Revenue from the provision of services is recognised when the Authority can measure reliably the completion of the transaction.
- Supplies are recorded as expenditure when they are consumed.
- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made.
- Fees, charges and rents due are accounted for as income at the date the Authority provides the relevant goods or services.
- Interest payable on borrowings and receivable on investments is accounted for as expenditure or income respectively on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract.
- Where income and expenditure has been recognised but cash has not yet been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where it is doubtful that debts will be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

## Overheads and Support Services

Management and Support Services form part of the overall net cost of service and are reflected as they are reported to management and the Fire Authority with the exceptions of the two headings below which are separately disclosed within net cost of services.

- Corporate and Democratic Core – costs relating to the democratic processes of the Authority and other corporate costs.
- Non Distributed Costs – the cost of discretionary benefits awarded to employees retiring early and impairment losses chargeable on Assets Held for Sale.

These two cost categories are accounted for as separate headings in the Comprehensive Income and Expenditure Statement as part of Cost of Services.

## Agency Income

Precept income is collected on behalf of the Authority by the four unitary authorities (East Riding of Yorkshire Council, Kingston upon Hull City Council, North East Lincolnshire Council and North Lincolnshire Council). This income is collected under an agency arrangement with the Authority including an appropriate share of taxpayer transactions within the financial statements.

## Employee Benefits

### Benefits Payable during Employment

Short-term employee benefits are those due to be settled within 12 months of the year-end. They include benefits such as salaries, paid annual leave and flexitime, bonuses and non-monetary benefits (for example cars) for current employees and are recognised as an expense in the year in which employees render service to the Authority. The CIPFA Code of Practice on Local Authority Accounting requires the Authority to recognise the amount of untaken annual leave at the 31<sup>st</sup> March as a liability which is reflected on the Balance Sheet.

### Termination Benefits

Termination benefits are amounts payable as a result of a decision by the Authority to terminate an officer's employment before the normal retirement date or of an officer's decision to accept voluntary redundancy in exchange for those benefits. These are charged on an Accruals basis to the Comprehensive Income and Expenditure Statement at the earlier of when the Authority can no longer withdraw the offer of those benefits or when the Authority recognises costs for a restructuring.

When termination benefits involve the enhancement of pensions, statutory provisions require the General Fund Balance to be charged with the amount payable by the Authority to the Pension Fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, appropriations are required to and from the Pensions Reserve to remove the notional debits and credits for pension enhancement termination benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end.

### Retirement Benefits

Employees of the Authority are members of the following pensions schemes:

- The Firefighters' Pension Schemes (FPS) - this is an unfunded scheme, which means that there are no investment assets built up to meet the pensions liabilities, and cash has to be generated to meet the actual payments as they fall due. The Authority is required by legislation to operate a Pension Fund, with the amounts that must be paid into or out of the Pension Fund being specified by regulation. The Authority set up a Pension Fund on 1 April 2006 from which pension payments are made and into which contributions, from the Authority and employees, are received. The Pension Fund receives a top-up grant from the Government equal to the deficit each year, with any surplus on the Pension Fund being repaid to the Government. The Pension Fund is shown separately in the Accounts.
- The Local Government Pension Scheme (LGPS) for support staff, administered by the East Riding of Yorkshire Pension Fund, is a funded scheme, which means that the Authority and

employees pay contributions into a fund, calculated at a level intended to balance the pensions liabilities with investment Assets.

The above schemes provide defined benefits to members (retirement lump sums and pensions), earned as employees work for the Authority. They are accounted for in accordance with the requirements for Defined Benefits Schemes, based on the principle that an organisation should account for retirement benefits when it is committed to give them, even though this may be many years into the future.

A pensions Asset or Liability is recognised in the Balance Sheet, made up of the net position of retirement Liabilities and pension scheme Assets. Retirement Liabilities are measured on an actuarial basis using the projected unit method, by assessing the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates and projections of earnings for current employees. Pension scheme assets (LGPS only) attributable to the Authority are included at their Fair Value. The Authority currently has a net pensions liability and this is matched in the Balance Sheet by a Pensions Reserve.

The change in net pensions Liability during the year is analysed into the following components:

Service cost comprising:

- Current service cost – the increase in Liabilities as a result of service earned by employees in the current year. This is charged to services within the Comprehensive Income and Expenditure Statement.
- Past service cost – the increase in Liabilities as a result of a scheme amendment or curtailment whose effect relates to service earned in earlier years. This is part of Non Distributed Costs in the Comprehensive Income and Expenditure Statement.
- Net interest on the net defined benefit Liability – the change during the period in the net defined benefit Liability that arises from the passage of time. This is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit Liability at the end of the period, taking into account any changes in the net defined benefit Liability during the period as a result of contribution and benefit payments. This is charged to the Financing and Investment Income and Expenditure line within the Comprehensive Income and Expenditure Statement.

Remeasurements comprising:

- The return on plan assets (LGPS only) – this excludes amounts included in net interest on the net defined benefit Liability and is charged to the Pensions Reserve as Other Comprehensive Income and Expenditure
- Actuarial gains and losses – changes in the net pensions Liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions. This is charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.
- Contributions paid / benefits paid – cash paid as employer's contribution by the Authority either to LGPS or directly to pensioners to reduce the scheme Liabilities.

Statutory provisions require that the amount charged to the General Fund Balance is that payable by the Authority to Pensions Funds or directly to pensioners during the year rather than that calculated under accounting standards. This means that an appropriation to or from the Pensions Reserve is done within the Movement in Reserves Statement to replace the notional sums for retirement benefits with the actual pension costs. The negative balance on the Pensions Reserve thereby measures the beneficial impact to the General Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.

### **Other Expenses**

Other operating expenses are recognised when, and to the extent that, the goods or services have been received. They are measured at the Fair Value of the consideration payable.

## Property, Plant and Equipment

### Recognition

Property, plant and equipment is capitalised if:

- it is held for use in delivering services or for administration purposes;
- it is probable that service potential will be provided to the Authority;
- it is expected to be used for more than one financial year;
- the cost of the item can be measured reliably; and
- the item has a cost of at least £6,000.

Donated Assets are recognised at their value and are defined in the CIPFA Code of Practice on Local Government Accounting as those Assets that are transferred at nil value or acquired at less than Fair Value. Donated Assets that are from other public bodies are accounted for as a government grant (as required by IAS 20).

### Valuation

All property, plant and equipment are measured initially at cost, representing the cost attributable to acquiring or constructing the Asset and bringing it to the location and condition necessary for it to be capable of operating in the manner intended by management. All Assets are measured subsequently at Fair Value.

Land and buildings used by the Authority are stated in the Balance Sheet at their re-valued amounts, being the Fair Value at the date of valuation. Revaluations are performed with sufficient regularity to ensure that carrying amounts are not materially different from those that would be determined at the end of the Reporting Period. Fair Values are determined as follows:

- Operational Buildings – Depreciated Replacement cost.
- Land and non-specialised buildings – market value for existing use.
- Vehicles, plant and equipment – historic cost less accumulated depreciation (as a proxy for current replacement cost).

Properties in the course of construction are carried at cost, less any impairment loss. Costs include professional fees but not borrowing costs, which are recognised as expenses immediately, as allowed by IAS 23 for assets held at Fair Value. Assets are re-valued and Depreciation commences when they are brought into use.

An increase arising on revaluation is taken to the Revaluation Reserve except when it reverses an impairment previously recognised in expenditure, in which case it is credited to expenditure to the extent of the decrease previously charged there. A revaluation decrease is recognised as an Impairment charged to the Revaluation Reserve to the extent that there is a balance on the Reserve for the Asset, and, thereafter, to expenditure. Gains and losses recognised in the Revaluation Reserve are reported as other comprehensive income in the Comprehensive Income and Expenditure Statement.

### Subsequent Expenditure

Where subsequent expenditure enhances an Asset beyond its original specification, the directly attributable cost is capitalised. Where subsequent expenditure restores the Asset to its original specification, the expenditure is capitalised and any existing carrying value of the item replaced is written-off and charged to the Comprehensive Income and Expenditure Statement.

### Disposals

Capital receipts from the sale of non-current assets are held in the Capital Receipts Unapplied Account until such time as they are used to finance other Capital Expenditure or to repay debt. Gains and losses on the disposal of non-current assets are recognised in the Comprehensive Income and Expenditure Statement.

### Intangible Assets

#### Recognition

Intangible assets are non-monetary Assets without physical substance, which are capable of sale separately from the rest of the Authority's business or which arise from contractual or other legal rights. They are recognised only when it is probable that future economic benefits or service potential will be provided to the Authority; where the cost of the Asset can be measured reliably, and where the cost is at least £6,000.

Intangible Assets recognised by the Authority are purchased IT software systems and are Amortised over 5 years.

Intangible Assets acquired separately are initially recognised at Fair Value. Software that is integral to the operating of hardware, for example an operating system is capitalised as part of the relevant item of property, plant and equipment. Software that is not integral to the operation of hardware, for example application software, is capitalised as an Intangible Asset.

### **Measurement**

The amount initially recognised for internally-generated Intangible Assets is the sum of the expenditure incurred from the date when the criteria are initially met. Where no internally-generated Intangible Assets can be recognised, the expenditure is recognised in the period in which it is incurred.

Following initial recognition, Intangible Assets are carried at Fair Value by reference to an active market, or where no active market exists, at Amortised replacement cost (modern equivalent assets basis). Internally-developed software is held at historic cost to reflect the opposing effects of increases and development costs and technological advances.

### **Depreciation, Amortisation and Impairments**

Assets under construction are not Depreciated. Otherwise, Depreciation and Amortisation are charged to write off the costs or valuation of property, plant and equipment and intangible non-current assets, less any residual value, over their Useful Economic Lives, on a reducing balance basis (with the exception of assets acquired under finance leases). The Useful Economic Life of an Asset is the period over which the Authority expects to obtain economic benefits or service potential from the Asset. This is specific to the Authority and may be shorter than the physical life of the Asset itself. The Useful Economic Life and Residual Values are reviewed each year end, with the effect of any changes recognised on a prospective basis. The approximate average useful lives (depreciation periods) are categorised below:

- |  |          |
|--|----------|
| • Buildings  | 40 years |
| • Vehicles – Fire Appliances                       | 15 years |
| • Vehicles – Lorries and Vans                      | 7 years  |
| • Vehicles – Non FDS Cars and Light Vans           | 7 years  |
| • Vehicles – FDS Cars                              | 5 years  |
| • Equipment  | 5 years  |
| • Specialised Equipment (e.g. Breathing Apparatus) | 10 Years |

Assets acquired under Finance Leases are Depreciated over the term of the lease (or the life of the asset if this is lower than the term of the lease) on a straight-line basis.

At each reporting period end, the Authority checks whether there is any indication that any of its tangible or intangible non-current Assets have suffered an impairment loss. If there is indication of an Impairment loss, the recoverable amount of the Asset is estimated to determine whether there has been a loss and, if so, its amount. Intangible Assets not yet available for use are tested for Impairment annually.

If there has been an Impairment loss, the Asset is written down to its recoverable amount, with the loss charged to the Revaluation Reserve to the extent that there is a balance on the Reserve for the Asset and, thereafter, to expenditure. Where an impairment loss subsequently reverses, the carrying amount of the Asset is increased to the revised estimate of the recoverable amount but capped at the amount that would have been determined had there been no initial impairment loss. The reversal of the impairment loss is credited to expenditure to the extent of the decrease previously charged there and thereafter to the Revaluation Reserve.

The Authority is not required to raise council tax to cover Depreciation, Impairment or Amortisation, however it is required to make an Annual Provision from its revenue budget to contribute towards the reduction in its overall borrowing requirement, the Minimum Revenue Provision (MRP). This is equal to 4% of the adjusted capital financing requirement at 31 March and subsequent supported borrowing, together with an amount equal to any Capital Expenditure funded from unsupported borrowing, apportioned over the Useful Economic Life of the Asset.

### **Government Grants**

Government grants are grants from Government bodies. Revenue grants are matched against the expenditure to which they relate. Capital grants are credited to income once any conditions of the grant have been satisfied. Assets purchased from government grants are valued, Depreciated and Impaired as described for purchased Assets.

### **Non-Current Assets Held for Sale**

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met when the sale is highly probable, the Asset is available for immediate sale in its present condition and management is committed to the sale, which is expected to qualify for recognition as a completed sale within one year from the date of classification. Non-current Assets held for sale are measured at the lower of their previous carrying amount and Fair Value less costs to sell. Fair Value is open market value including alternative uses.

The profit or loss arising on the disposal of an Asset is the difference between the sale proceeds and the carrying amount and is recognised in the Comprehensive Income and Expenditure Statement. On disposal, the balance for the Asset on the Revaluation Reserve is transferred to the Capital Adjustment Account.

Property, Plant and Equipment that is to be scrapped or demolished does not qualify for recognition as Held for Sale. Instead, it is retained as an operational Asset and its Useful Economic Life is adjusted. The asset is de-recognised when it is scrapped or demolished.

### **Leases**

Leases are classified as Finance Leases when substantially all of the risks and rewards of ownership are transferred to the lessee. All other leases are classified as Operating Leases.

### **The Authority As A Lessee**

The Authority has a single Asset held under a Finance Lease. The outstanding Liability relating to Finance Leases is reflected in the Authority's Balance Sheet, with the Assets acquired under Finance Leases added to the Authority's Asset register and the value reflected in the Property, Plant and Equipment total on the Balance Sheet. Interest costs relating to Finance Leases are reflected in the Comprehensive Income and Expenditure Statement. Payments for Finance Leases are made in equal amounts over the term of the lease. Operating Lease payments are recognised as an expense on a straight-line basis over the lease term. Lease incentives are recognised initially as a Liability and subsequently as a reduction of rentals on a straight-line basis over the lease term. Where a lease is for land and buildings, the land and building components are separated. Leased land is treated as an Operating Lease. Leased buildings are assessed as to whether they are Operating Leases or Finance Leases.

### **Inventories**

Inventories are valued at the lower of cost and Net Realisable Value using the average cost method. This is considered to be a reasonable approximation to Fair Value.

### **Cash and Cash Equivalents**

Cash is cash in hand and deposits with any financial institution repayable without penalty on notice of not more than 24 hours. The balances on the current account and the business reserve account are cash. The balance in the liquidity manager account is a cash equivalent (as this is held for investment purposes until a sufficient balance is achieved and a short-term investment entered into).

In the Cash Flow Statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and that form an integral part of the Authority's cash management.



### **Provisions**

Provisions are recognised when the Authority has a present legal or constructive obligation as a result of a past event, it is probable that the Authority will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the expenditure required to settle the obligation at the end of the reporting period, taking into account the risks and uncertainties.

### **Contingencies**

A Contingent Liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Authority, or a present obligation that is not recognised because it is not probable that a payment will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability. A Contingent Liability is disclosed unless the possibility of payment is remote.

A Contingent Asset is a possible Asset that arises from past events, the existence of which will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Authority. A Contingent Asset is disclosed where an inflow of economic benefits is virtually certain.

Where the time value of money is material, contingencies are disclosed at their present value.

### **Reserves**

The Authority sets aside specific reserves for future policy purposes. The Authority has a number of revenue reserves:

- General Reserve
- Capital Funding Reserve
- National Flood Resilience Centre Reserve
- Resilience Reserve
- Emergency Services Fleet Management (Humberside) Ltd Reserve
- Insurance Reserve
- ESMCP Reserve
- Pay and Prices Reserve
- Grenfell and Protection Reserve
- Strategic Transformation Fund Reserve
- East Coast & Hertfordshire Control Room Consortium Reserve
- Environmental Initiative Reserve

The Authority has three capital reserves:

- Capital Adjustment Account
- Revaluation Reserve
- Capital Receipts Reserve

Other reserves held by the Authority, are held to meet accounting requirements:

- Pensions Reserve
- Collection Fund Adjustment Account
- Accumulated Absences Reserve

### **Financial Assets**

Financial assets are recognised when the Authority becomes party to the Financial Instrument contract or in the case of trade receivables, when goods or services have been delivered. Financial assets are derecognised when the contractual rights have expired or the Asset has been transferred. Financial Assets are initially recognised at Fair Value.

Financial Assets are classified into the following categories: Financial Assets at Fair Value through profit and loss; held to maturity investments; available for sale Financial

Assets, and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

### **Loans and Receivables**

Loans and receivables are non-derivative Financial Assets with fixed or determinable payments which are not quoted in an active market. After initial recognition, they are measured at Amortised cost using the Effective Interest Method, less any Impairment. Interest is recognised using the Effective Interest Rate Method.

Fair Value is determined by reference to quoted market prices where possible or failing that by reference to similar arms-length transactions between knowledgeable and willing parties.

The Effective Interest Rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset.

At the end of the reporting period the Authority assesses whether any Financial Assets, other than those held at 'Fair Value through profit and loss' are impaired. Financial assets are impaired and Impairment losses recognised if there is objective evidence of impairment, as a result of one or more events which occurred after the initial recognition of the Asset and which has an impact on the estimated future cash flows of the Asset.

For Financial Assets carried at amortised cost, the amount of the Impairment loss is measured as the difference between the Assets carrying amount and the present value of the revised future cash flows discounted at the Asset's original effective interest rate. The loss is recognised in expenditure and the carrying amount of the Asset reduced directly.

If, in a subsequent period, the amount of the Impairment loss decreases and the decrease can be related objectively to an event occurring after the Impairment was recognised, the previously recognised impairment loss is reversed through expenditure to the extent that the carrying amount of the receivable at the date of the Impairment is reversed does not exceed what the amortised cost would have been had the Impairment not been recognised.

### **Financial Liabilities**

Financial Liabilities are recognised in the Balance Sheet when the Authority becomes party to the contractual provisions of the Financial Instrument or, in the case of trade payables, when the goods or services have been received. Financial liabilities are derecognised when the liability has been discharged, that is, the Liability has been paid or expired. Financial Liabilities are recognised at Fair Value.

### **Foreign Currencies**

The Authority's functional currency and presentational currency is sterling. Transactions denominated in a foreign currency are translated into sterling at the exchange rate ruling on the date of transactions. At the end of the Reporting Period, monetary items denominated in foreign currencies are retranslated at the spot exchange rate on 31 March. Resulting exchange gains and losses from either of these are recognised in the Authority's surplus/deficit in the period in which they arise.

### **Joint Operations**

Joint operations are activities undertaken by the Authority in conjunction with one or more other parties but which are not performed through a separate entity.

### **Accounting Standards That Have Been Issued But Have Not Yet Been Adopted**

The following standards and amendment to standards have been issued but not yet adopted:

- IFRS 16 Leases
- Classification of Liabilities as Current or Non-current (Amendments to IAS1)
- Lease liability in sale and leaseback (Amendments to IFRS 16)
- Non-current liabilities with covenants
- International tax reform: Pillar two model rules (Amendments to IAS 12)
- Supplier finance arrangements (Amendments to IAS 7 and IFRS 7)

None of the above amendments are expected to have any material impact on future financial statements.

**Accounting Standards Issued That Have Been Adopted Early**

There are no accounting standards issued that have been adopted early.

**Exceptional Items**

Exceptional items shall be included in the costs of the service to which they relate and noted accordingly.

**Prior Period Adjustments**

Unless otherwise sanctioned by the Code of Practice on Local Authority Accounting, material prior period adjustments shall result in restatement of prior year figures and disclosure of the effect.

**Events After The Reporting Period**

Material events after the Balance Sheet date shall be disclosed as a note to the Accounts and amended in the Accounts as required. Other events after the Balance Sheet date will be disclosed in a note with an estimate of the likely effect.

**Group Accounts**

Each reporting period the Authority will review its interests and influence on all types of entities including, but not limited to, other authorities and similar statutory bodies, common good trust funds, charities, companies, joint committees and other joint arrangements. If appropriate, then Group Accounts will be prepared in accordance with the Code of Practice on Local Authority Accounting.

**VAT**

Where output VAT is charged or input VAT is recoverable, the amounts are stated net of VAT. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of Non-Current Assets.

## 2. Expenditure and Funding Analysis

The objective of the Expenditure and Funding Analysis is to demonstrate to council tax payers how the funding available to the Authority (i.e. government grants, council tax and business rates) for the year has been used in providing services in comparison with those resources consumed or earned by authorities in accordance with generally accepted accounting practices. The Expenditure and Funding Analysis also shows how this expenditure is allocated for decision making purposes within the Authority. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

Year ended 31 March 2023			Year ended 31 March 2024			
£'000	£'000	£'000		£'000	£'000	£'000
Net Expenditure Chargeable to the General Fund	Adjustments between the funding and accounting basis	Net Expenditure in the Comprehensive Income and Expenditure Statement		Net Expenditure Chargeable to the General Fund	Adjustments between the funding and accounting basis	Net Expenditure in the Comprehensive Income and Expenditure Statement
2,690	(516)	<b>3,206</b>	Community Fire Safety	2,932	39	<b>2,893</b>
30,132	(8,594)	<b>38,726</b>	Fire Fighting & Rescue Operations	31,797	(162)	<b>31,959</b>
15,573	(1,997)	<b>17,570</b>	Management and Support	17,003	(218)	<b>17,221</b>
132	-	<b>132</b>	Corporate and Democratic Core	128	-	<b>128</b>
38	-	<b>38</b>	Corporate Management	58	-	<b>58</b>
<b>48,566</b>	<b>(11,107)</b>	<b>59,672</b>	<b>Net Cost of Services</b>	<b>51,918</b>	<b>(341)</b>	<b>52,259</b>
(47,473)	(15,143)	<b>(32,330)</b>	Other Income and Expenditure	(52,798)	(21,138)	<b>(31,660)</b>
<b>1,093</b>	<b>(26,250)</b>	<b>27,342</b>	<b>(Surplus) or Deficit</b>	<b>(880)</b>	<b>(21,479)</b>	<b>20,599</b>
<b>7,438</b>		<b>Opening General Fund Balance</b>		<b>6,345</b>		
1,093		<b>Less/Plus (Surplus) or Deficit on the General Fund in the Year</b>		(880)		
<b>6,345</b>		<b>Closing General Fund Balance at 31 March</b>		<b>7,225</b>		

### 3. Material Risk and Uncertainty

Item	Uncertainties	Effect if actual results differ from assumptions
Pensions Liability (Firefighters' Pension Scheme)	The estimation of the net Liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement and mortality ages. The Authority receives advice from two separate actuaries, one for the Firefighters' Pension Schemes and one for the Local Government Pension Scheme.	The opening balance on the Firefighters' pension Liabilities at 1 April 2023 was £521.980m. The effects on the net pension Liabilities of changes in individual assumptions can be measured. For instance, a 0.5% decrease in the discount rate would result in an increase in the pension liabilities of £37m. However, the assumptions interact in complex ways so changes in individual assumptions should be treated with caution.
Pensions Liability (Local Government Pension Scheme)	The estimation of the net Liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement and mortality ages and expected returns on investment funds. The Authority receives advice from two separate actuaries, one for the Firefighters' Pension Scheme and one for the Local Government Pension Scheme.	The opening balance on the Local Government pension Liabilities at 1 April 2023 was £40.101m (The opening balance on scheme Assets was £47.040m). The effects on the net pension Liabilities of changes in individual assumptions can be measured. For instance, a 0.5% decrease in the real discount rate would result in an increase in the pension Liabilities of £4.280m. However, the assumptions interact in complex ways so changes in individual assumptions should be treated with caution.
Property, Plant and Equipment	Assets are regularly re-valued by an external valuer to ensure values are a true reflection of the market at the 31 March. Asset values could be under or overstated. Depreciation is calculated based on the estimated useful life of the asset.	For each 1% of under/over statement the value of Property would need to be adjusted by £487k. The carrying value of Property, Plant and Equipment is £59.829m. If the estimated useful life is under or overestimated by one year then the depreciation charge to the Comprehensive Income and Expenditure would be increased or reduced by £948k. The Depreciation charge is £3.786m.

## 4. Pensions

### Participation in Pension Schemes

As part of the terms and conditions of employment of its officers and other employees, the Authority offers retirement benefits. Although these will not actually be payable until employees retire, the Authority has a commitment to make the payments and these should be disclosed at the time that employees earn their future entitlement.

The Authority participates in five pension schemes:

- The 1992, 2006, 2015 and Modified (1992) Firefighters' Pension Schemes (FPS) - these are unfunded schemes, which means that there are no investment assets built up to meet the pensions liabilities, and cash has to be generated to meet the actual payments as they fall due. The Authority is required by legislation to operate a Pension Fund, with the amounts that must be paid into or out of the Pension Fund being specified by regulation. The Authority set up a Pension Fund on 1 April 2006 from which pension payments are made and into which contributions, from the Authority and employees, are received. The Pension Fund receives a top-up grant from the Government equal to the deficit each year, with any surplus on the Pension Fund being repaid to the Government. The Pension Fund is shown separately in the Accounts.
- The Local Government Pension Scheme for non-uniformed employees, administered by the East Riding of Yorkshire Council, is a funded scheme which means that the Authority and employees pay contributions into a fund, calculated at a level estimated to balance pension liabilities with investment assets.

The table below shows the key features of the four Firefighters' Pension Schemes and details of the Local Government Pension Scheme.

Key Features	1992 Firefighters' Scheme	2006 Firefighters' Scheme	Modified (1992) Pension Scheme	2015 Firefighters' Scheme	Local Government Pension Scheme
Status	Closed	Closed	Closed	Open	Open
Contribution Rate <ul style="list-style-type: none"> <li>• employee</li> <li>• employer</li> <li>• ill health</li> </ul>	11% to 17%	8.5% to 12.5%	11% to 17%	11% to 14.5%	5.5% to 12.5%
	37.3%	27.4%	37.3%	28.8%	18.5%
	5.2%	3.2%			
Benefits <ul style="list-style-type: none"> <li>• maximum pension</li> <li>• minimum lump sum</li> </ul>	2/3 final salary	½ final salary		CARE Scheme	Varies  Nil or 3/80ths
Maximum pensionable service	30 years	None	30 years	None	None
Normal retirement age	55 years	60 years	55 Years	60 years	68 years
Accrual rate	1/60 <sup>th</sup> for 20 years 2/60 <sup>th</sup> for 20+ years up to a maximum of 30 years	1/60 <sup>th</sup>	1/45 <sup>th</sup>	1/59.7 <sup>th</sup>	1/49 <sup>th</sup>

### Transactions Relating to Retirement Benefits

The costs of retirement benefits are recognised in the Net Cost of Services when they are earned by employees, rather than when the benefits are eventually paid as pensions. The charge the Authority is required to make against the levies raised is based on the cash payable in the year, so the real cost of retirement benefits is reversed out of the revenue account after Net Operating Expenditure.

The following transactions have been made in the Comprehensive Income and Expenditure Account during the year.

	Firefighters' 1992 Pension Scheme		Firefighters' 2006 Pension Scheme		Firefighters' 2015 Pension Scheme		Local Government Pension Scheme	
	2023/24 £'000	2022/23 £'000	2023/24 £'000	2022/23 £'000	2023/24 £'000	2022/23 £'000	2023/24 £'000	2022/23 £'000
<i>Net Cost of Service</i>								
Current Service Cost	(100)	(230)	(30)	(80)	(2,380)	(9,090)	(1,506)	(2,882)
Unfunded Benefits	-	-	-	-	-	-	-	-
Past Service Costs	-	-	-	-	-	-	-	-
<i>Net Operating Expenditure</i>								
Interest Cost	(21,890)	(15,950)	(1,080)	(890)	(890)	(1,610)	(1,922)	(1,677)
Expected Return on Assets in the Scheme	-	-	-	-	-	-	2,467	1,396
<b>Retirement costs included in the Comprehensive Income and Expenditure Statement</b>	<b>(21,990)</b>	<b>(16,180)</b>	<b>(1,110)</b>	<b>(970)</b>	<b>(3,270)</b>	<b>(10,700)</b>	<b>(961)</b>	<b>(3,163)</b>

In addition to the recognised gains and losses included in the Comprehensive Income and Expenditure Account (shown in the table above), actuarial gains of £8.562m were included in the Statement of Comprehensive Income and Expenditure (£219.958m for 2022/23).

The estimated contributions payable to the Authority's pension schemes for 2024/25 is £10.243m (£7.712m for 2023/24).

Actuarial gains and losses comprise:

- Experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred), and
- The effect of changes in actuarial assumptions.

Actuarial gains and losses are recognised in the Comprehensive Income and Expenditure Statement.

## Assets and Liabilities in Relation to Retirement Benefits

### Reconciliation of present value of the scheme Asset/Liabilities and Net Obligation of the Firefighters' Pension Schemes:

Period ended 31 March	Firefighters' 1992 Pension Scheme Assets		Firefighters' 1992 Pension Scheme Obligation		Firefighters' 1992 Pension Scheme Net Obligation		Firefighters' Injury Awards Assets		Firefighters' Injury Awards Obligation		Firefighters' Injury Awards Net Obligation	
	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Fair value of employer assets					-	-					-	-
Present value of funded liabilities												
Present value of unfunded liabilities			(470,790)	(591,350)	(470,790)	(591,350)			(9,340)	(12,230)	(9,340)	(12,230)
<b>Opening Position as at 31 March</b>	-	-	<b>(470,790)</b>	<b>(591,350)</b>	<b>(470,790)</b>	<b>(591,350)</b>	-	-	<b>(9,340)</b>	<b>(12,230)</b>	<b>(9,340)</b>	<b>(12,230)</b>
Service Cost												
Current Service Cost					-	-			(100)	(230)	(100)	(230)
Past Service Cost (inc curtailments)				(14,320)	-	(14,320)					-	-
Effect of Settlements					-	-					-	-
<b>Total Service Cost</b>	-	-	-	<b>(14,320)</b>	-	<b>(14,320)</b>	-	-	<b>(100)</b>	<b>(230)</b>	<b>(100)</b>	<b>(230)</b>
Net Interest												
Interest income on plan assets					-	-					-	-
Interest cost on defined benefit obligation			(21,460)	(15,630)	(21,460)	(15,630)			(430)	(320)	(430)	(320)
Impact of asset ceiling on net interest					-	-					-	-
<b>Total net interest</b>	-	-	<b>(21,460)</b>	<b>(15,630)</b>	<b>(21,460)</b>	<b>(15,630)</b>	-	-	<b>(430)</b>	<b>(320)</b>	<b>(430)</b>	<b>(320)</b>
<b>Total defined benefit cost recognised in Income and Expenditure</b>	-	-	<b>(21,460)</b>	<b>(29,950)</b>	<b>(21,460)</b>	<b>(29,950)</b>	-	-	<b>(530)</b>	<b>(550)</b>	<b>(530)</b>	<b>(550)</b>
Cashflows												
Plan participants' contributions					-	-					-	-
Employer Contributions					-	-					-	-
Contributions in respect of unfunded benefits					-	-					-	-
Benefits paid	(18,790)	(17,460)	18,790	17,460	-	-	(480)	(450)	480	450	-	-
Unfunded benefits paid					-	-					-	-
<b>Expected closing position</b>	<b>(18,790)</b>	<b>(17,460)</b>	<b>(473,460)</b>	<b>(603,840)</b>	<b>(492,250)</b>	<b>(621,300)</b>	<b>(480)</b>	<b>(450)</b>	<b>(9,390)</b>	<b>(12,330)</b>	<b>(9,870)</b>	<b>(12,780)</b>
Remeasurements												
Changes in demographic assumptions				10,820	-	10,820				200	-	200
Changes in financial assumptions	18,790	17,460	8,050	160,740	26,840	178,200	480	450	160	2,830	640	3,280
Other experience			(5,220)	(38,510)	(5,220)	(38,510)			310	(40)	310	(40)
Return on assets excluding amounts included in net interest					-	-					-	-
Changes in assumptions underlying the present value of the retained settlement					-	-					-	-
Changes in asset ceiling					-	-					-	-
<b>Total remeasurements recognised in Other Comprehensive Income</b>	<b>18,790</b>	<b>17,460</b>	<b>2,830</b>	<b>133,050</b>	<b>21,620</b>	<b>150,510</b>	<b>480</b>	<b>450</b>	<b>470</b>	<b>2,990</b>	<b>950</b>	<b>3,440</b>
Exchange differences												
Effect of business combinations and disposals												
Fair Value of employer assets												
Present value of funded liabilities												
Present value of unfunded liabilities	-	-	(470,630)	(470,790)	(470,630)	(470,790)	-	-	(8,920)	(9,340)	(8,920)	(9,340)
<b>Closing position as at 31 March</b>	<b>-</b>	<b>-</b>	<b>(470,630)</b>	<b>(470,790)</b>	<b>(470,630)</b>	<b>(470,790)</b>	<b>-</b>	<b>-</b>	<b>(8,920)</b>	<b>(9,340)</b>	<b>(8,920)</b>	<b>(9,340)</b>



Period ended 31 March

	Firefighters' 2006 Pension Scheme Assets		Firefighters' 2006 Pension Scheme Obligation		Firefighters' 2006 Pension Scheme Net Obligation		Firefighters' 2015 Pension Scheme Assets		Firefighters' 2015 Pension Scheme Obligation		Firefighters' 2015 Pension Scheme Net Obligation	
	2023/24 £'000	2022/23 £'000	2023/24 £'000	2022/23 £'000	2023/24 £'000	2022/23 £'000	2023/24 £'000	2022/23 £'000	2023/24 £'000	2022/23 £'000	2023/24 £'000	2022/23 £'000
Fair value of employer assets					-	-					-	-
Present value of funded liabilities					-	-					-	-
Present value of unfunded liabilities			(23,310)	(32,640)	(23,310)	(32,640)			(18,530)	(65,160)	(18,530)	(65,160)
<b>Opening Position as at 31 March</b>	-	-	<b>(23,310)</b>	<b>(32,640)</b>	<b>(23,310)</b>	<b>(32,640)</b>	-	-	<b>(18,530)</b>	<b>(65,160)</b>	<b>(18,530)</b>	<b>(65,160)</b>
Service Cost												
Current Service Cost			(30)	(80)	(30)	(80)			(2,380)	(9,090)	(2,380)	(9,090)
Past Service Cost (inc curtailments)				(1,850)	-	(1,850)				16,170	-	16,170
Effect of Settlements					-	-					-	-
<b>Total Service Cost</b>	-	-	<b>(30)</b>	<b>(1,930)</b>	<b>(30)</b>	<b>(1,930)</b>	-	-	<b>(2,380)</b>	<b>7,080</b>	<b>(2,380)</b>	<b>7,080</b>
Net Interest												
Interest income on plan assets					-	-					-	-
Interest cost on defined benefit obligation			(1,080)	(890)	(1,080)	(890)			(890)	(1,610)	(890)	(1,610)
Impact of asset ceiling on net interest					-	-					-	-
<b>Total net interest</b>	-	-	<b>(1,080)</b>	<b>(890)</b>	<b>(1,080)</b>	<b>(890)</b>	-	-	<b>(890)</b>	<b>(1,610)</b>	<b>(890)</b>	<b>(1,610)</b>
<b>Total defined benefit cost recognised in Income and Expenditure</b>	-	-	<b>(1,110)</b>	<b>(2,820)</b>	<b>(1,110)</b>	<b>(2,820)</b>	-	-	<b>(3,270)</b>	<b>5,470</b>	<b>(3,270)</b>	<b>5,470</b>
Cashflows												
Plan participants' contributions					-	-	2,940	2,740	(2,940)	(2,740)	-	-
Employer Contributions	52	52			52	52	6,016	5,524			6,016	5,524
Contributions in respect of unfunded benefits					-	-					-	-
Benefits paid	(280)	(260)	280	260	-	-	(4,080)	(4,580)	4,080	4,580	-	-
Unfunded benefits paid					-	-					-	-
<b>Expected closing position</b>	<b>(228)</b>	<b>(208)</b>	<b>(24,140)</b>	<b>(35,200)</b>	<b>(24,368)</b>	<b>(35,408)</b>	<b>4,876</b>	<b>3,684</b>	<b>(20,660)</b>	<b>(57,850)</b>	<b>(15,784)</b>	<b>(54,166)</b>
Remeasurements												
Changes in demographic assumptions				1,170	-	1,170				8,510	-	8,510
Changes in financial assumptions	228	208	390	12,100	618	12,308	(4,876)	(3,684)	1,000	31,500	(3,876)	27,816
Other experience			(390)	(1,380)	(390)	(1,380)			(2,900)	(690)	(2,900)	(690)
Return on assets excluding amounts included in net interest					-	-					-	-
Changes in assumptions underlying the present value of the retained settlement					-	-					-	-
Changes in asset ceiling					-	-					-	-
<b>Total remeasurements recognised in Other Comprehensive Income</b>	<b>228</b>	<b>208</b>	<b>-</b>	<b>11,890</b>	<b>228</b>	<b>12,098</b>	<b>(4,876)</b>	<b>(3,684)</b>	<b>(1,900)</b>	<b>39,320</b>	<b>(6,776)</b>	<b>35,636</b>
Exchange differences												
Effect of business combinations and disposals												
Fair Value of employer assets												
Present value of funded liabilities												
Present value of unfunded liabilities	-	-	(24,140)	(23,310)	(24,140)	(23,310)	-	-	(22,560)	(18,530)	(22,560)	(18,530)
<b>Closing position as at 31 March</b>	<b>-</b>	<b>-</b>	<b>(24,140)</b>	<b>(23,310)</b>	<b>(24,140)</b>	<b>(23,310)</b>	<b>-</b>	<b>-</b>	<b>(22,560)</b>	<b>(18,530)</b>	<b>(22,560)</b>	<b>(18,530)</b>

Reconciliation of present value of the scheme Assets/Liabilities and Net Obligation of Local Government Pension Scheme:

	Local Government Pension Scheme		Local Government Pension Scheme		Local Government Pension Scheme	
	Assets		Liability		Net (Obligation) / Surplus	
	2023/24 £'000	2022/23 £'000	2023/24 £'000	2022/23 £'000	2023/24 £'000	2022/23 £'000
Fair value of employer assets	47,040	50,475			47,040	50,475
Present value of funded liabilities	-	-	(40,068)	(59,812)	(40,068)	(59,812)
Present value of unfunded liabilities	-	-	(33)	(37)	(33)	(37)
<b>Opening Position as at 31 March</b>	<b>47,040</b>	<b>50,475</b>	<b>(40,101)</b>	<b>(59,849)</b>	<b>6,939</b>	<b>(9,374)</b>
Service Cost						
Current Service Cost	-	-	(1,506)	(2,882)	(1,506)	(2,882)
Past Service Cost (inc curtailments)	-	-	-	-	-	-
Effect of Settlements	-	-	-	-	-	-
<b>Total Service Cost</b>	<b>-</b>	<b>-</b>	<b>(1,506)</b>	<b>(2,882)</b>	<b>(1,506)</b>	<b>(2,882)</b>
Net Interest						
Interest income on plan assets	2,467	1,396			2,467	1,396
Interest cost on defined benefit obligation			(1,922)	(1,677)	(1,922)	(1,677)
Impact of asset ceiling on net interest					-	-
<b>Total net interest</b>	<b>2,467</b>	<b>1,396</b>	<b>(1,922)</b>	<b>(1,677)</b>	<b>545</b>	<b>(281)</b>
<b>Total defined benefit cost recognised in Income and Expenditure</b>	<b>2,467</b>	<b>1,396</b>	<b>(3,428)</b>	<b>(4,559)</b>	<b>(961)</b>	<b>(3,163)</b>
Cashflows						
Plan participants' contributions	502	423	502	(423)	1,004	-
Employer Contributions	1,446	1,198	-	-	1,446	1,198
Contributions in respect of unfunded benefits	4	4	-	-	4	4
Benefits paid	(1,266)	(963)	(1,266)	963	(2,532)	-
Unfunded benefits paid	(4)	(4)	(4)	4	(8)	-
<b>Expected closing position</b>	<b>50,189</b>	<b>52,529</b>	<b>(44,297)</b>	<b>(63,864)</b>	<b>5,892</b>	<b>(11,335)</b>
Remeasurements						
Changes in demographic assumptions	-	-	(245)	1,686	(245)	1,686
Changes in financial assumptions	-	-	(2,710)	25,807	(2,710)	25,807
Other experience	-	629	1,287	(3,730)	1,287	(3,101)
Return on assets excluding amounts included in net interest	1,786	(1,411)	-	-	1,786	(1,411)
Changes in asset ceiling	(10,914)	(4,707)	-	-	(10,914)	(4,707)
<b>Total remeasurements recognised in Other Comprehensive income</b>	<b>(9,128)</b>	<b>(5,489)</b>	<b>(1,668)</b>	<b>23,763</b>	<b>(10,796)</b>	<b>18,274</b>
Exchange differences						
Effect of business combinations and disposals						
Fair Value of employer assets	41,061	47,040	-	-	41,061	47,040
Present value of funded liabilities	-	-	(41,061)	(40,068)	(41,061)	(40,068)
Present value of unfunded liabilities	-	-	(32)	(33)	(32)	(33)
<b>Closing position as at 31 March</b>	<b>41,061</b>	<b>47,040</b>	<b>(41,093)</b>	<b>(40,101)</b>	<b>(32)</b>	<b>6,939</b>

The expected return on scheme assets is determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as at the Balance Sheet date. Expected returns on equity investments reflect long-term real rates of return experienced in the respective markets.

Reconciliation of opening and closing surplus/(deficit):

Scheme History

	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000
<b>Present Value of Liabilities</b>					
Local Government Pension Scheme	(43,897)	(61,279)	(59,849)	(40,101)	(41,093)
Firefighters' 1992 Pension Scheme	(523,400)	(612,130)	(591,350)	(470,800)	(470,630)
Firefighters' Injury Awards	(12,450)	(11,090)	(12,230)	(9,340)	(8,920)
Firefighters' 2006 Pension Scheme	(35,810)	(33,030)	(32,650)	(23,310)	(24,140)
Firefighters' 2015 Pension Scheme	(41,110)	(47,200)	(65,160)	(18,530)	(22,560)
<hr/>					
<b>Fair Value of Assets</b>					
Local Government Pension Scheme	38,278	45,707	50,475	47,040	41,061
Firefighters' 1992 Pension Scheme	-	-	-	-	-
Firefighters' Injury Awards	-	-	-	-	-
Firefighters' 2006 Pension Scheme	-	-	-	-	-
Firefighters' 2015 Pension Scheme	-	-	-	-	-
<hr/>					
<b>Surplus/(Deficit) in the Scheme</b>					
Local Government Pension Scheme	(5,619)	(15,572)	(9,374)	6,939	(32)
Firefighters' 1992 Pension Scheme	(523,400)	(612,130)	(591,350)	(470,800)	(470,630)
Firefighters' Injury Awards	(12,450)	(11,090)	(12,230)	(9,340)	(8,920)
Firefighters' 2006 Pension Scheme	(35,810)	(33,030)	(32,650)	(23,310)	(24,140)
Firefighters' 2015 Pension Scheme	(41,110)	(47,200)	(65,160)	(18,530)	(22,560)
	<u>(618,389)</u>	<u>(719,022)</u>	<u>(710,764)</u>	<u>(515,041)</u>	<u>(526,282)</u>

The Fair Value of Assets in the above table have been restated as permitted by IAS 19.

The Liabilities show the underlying commitments that the Authority has in the long run to pay retirement benefits. The total net Liability of £526.282m (£515.041m in 2022/23) has a substantial impact on the net worth of the Authority as recorded in the Balance Sheet, resulting in a negative overall balance of £470.360m (£458.819m in 2022/23). However, there are statutory provisions (most recently, S13 of the Local Government Act 2003) for funding any Local Authority deficit. In addition, the surplus on the Local Government Scheme will be made good by decreased contributions over the remaining working life of employees as assessed by the scheme actuary.

Finance is only required to be raised to cover firefighters' pensions when pensions are actually paid, i.e. as they actually retire.

### Basis for Estimating Assets and Liabilities

Liabilities have been assessed on an actuarial basis using the Projected Unit Method by Hymans Robertson, an independent firm of actuaries for the Local Government Pension Scheme and by the Government Actuaries Department (GAD) in relation to the Firefighters' Pension Schemes. Estimates for the Local Government Pension Scheme administered by the East Riding of Yorkshire Council have been based on the latest full valuation of the scheme as at 31 March 2022.

The principal assumptions used by the actuaries have been:

	Local Government Pension Scheme		Firefighters' Pension Schemes	
	2023/24	2022/23	2023/24	2022/23
Longevity at 65 for current pensioners:				
Men	20.6	20.8	21.3	21.2
Women	23.5	23.7	21.3	21.2
Longevity at 65 for future pensioners: (45 for Firefighters' Pension Scheme)				
Men	21.4	21.5	22.9	22.9
Women	25.0	25.2	22.9	22.9
Rate of Inflation	2.8%	3.0%	2.6%	2.6%
Rate of increase in salaries	2.8%	3.0%	3.9%	3.9%
Rate of increase in pensions	2.8%	3.0%	2.6%	2.6%
Rate for discounting scheme liabilities	4.9%	4.8%	4.8%	4.7%
Take-up of option to convert annual pension into retirement lump sum	65.0%	65.0%	25.0%	25.0%

Mortality rates are projected using published tables and future mortality improvements are in line with the 2020-based UK national population projections.

The sensitivity of scheme liabilities to the changes in the main assumptions are as follows:

#### **2023/24**

	Firefighters' Pension Schemes		Local Government Pension Scheme	
	%	£'000	%	£'000
Change in assumption:				
0.5% increase in salaries increase rate	1.0	5,000	1.0	520
0.5% increase in pensions increase rate	7.0	35,000	10.0	3,840
0.5% decrease in discounting of liabilities rate	7.0	37,000	10.0	4,280
1 year increase in member life expectancy rate	2.5	13,000	4.0	1,644

#### **2022/23**

	Firefighters' Pension Schemes		Local Government Pension Scheme	
	%	£'000	%	£'000
Change in assumption:				
0.5% increase in salaries increase rate	1.0	5,000	1.0	555
0.5% increase in pensions increase rate	7.0	35,000	10.0	3,605
0.5% decrease in discounting of liabilities rate	7.0	36,000	10.0	4,100
1 year increase in member life expectancy rate	2.5	12,500	4.0	1,604

Assets

Firefighters' Pension Schemes have no Assets to cover their Liabilities. Assets in the Local Government Pension Scheme administered by the East Riding of Yorkshire Council are valued at bid value and consist of the following categories, of the total Assets held by the East Riding Pension Fund:

Asset Category	Period Ended 31 March 2024				Period Ended 31 March 2023			
	Quoted prices in active markets £(000)	Quoted prices not in active markets £(000)	Total £(000)	Percentage of Total Assets	Quoted prices in active markets £(000)	Quoted prices not in active markets £(000)	Total £(000)	Percentage of Total Assets
<b>Equity Securities:</b>								
Consumer	0.0		0.0	0%			0.0	0%
Manufacturing	0.0		0.0	0%			0.0	0%
Energy and Utilities	0.0		0.0	0%			0.0	0%
Financial Institutions	0.0		0.0	0%			0.0	0%
Health and Care	0.0		0.0	0%			0.0	0%
Information Technology	0.0		0.0	0%			0.0	0%
Other	0.0		0.0	0%	5,214.8		5,214.8	10%
<b>Debt Securities:</b>								
Corporate Bonds (investment grade)	0.0		0.0	0%			0.0	0%
Corporate Bonds (non-investment grade)	1,108.6	1,859.9	2,968.5	5%	507.3	2,710.9	3,218.2	6%
UK Government	977.5	0.0	977.5	2%	881.4		881.4	2%
Other	458.5	0.0	458.5	1%	471.6		471.6	1%
<b>Private Equity:</b>								
All	662.8	2,862.5	3,525.3	6%	601.6	2,597.4	3,199.0	6%
<b>Real Estate:</b>								
UK Property	586.0	4,111.0	4,697.0	8%	562.4	4,122.8	4,685.2	9%
Overseas Property	0.0	0.0	0.0	0%			0.0	0%
<b>Investment Funds and Unit Trusts:</b>								
Equities	28,317.3	0.0	28,317.3	50%	21,340.5		21,340.5	41%
Bonds	4,398.1	468.8	4,866.9	9%	3,476.3		3,476.3	7%
Hedge Funds	0.0	0.0	0.0	0%			0.0	0%
Commodities	0.0	0.0	0.0	0%			0.0	0%
Infrastructure	429.0	3,484.7	3,913.7	7%	402.8	3,036.9	3,439.7	7%
Other	4,236.5	1,943.1	6,179.6	11%	3,639.1	1,215.2	4,854.3	9%
<b>Derivatives:</b>								
Inflation	0.0	0.0	0.0	0%			0.0	0%
Interest Rate	0.0	0.0	0.0	0%			0.0	0%
Foreign Exchange	0.0	0.0	0.0	0%			0.0	0%
Other	0.0	0.0	0.0	0%			0.0	0%
<b>Cash and Cash Equivalents:</b>								
All	622.6	0.0	622.6	1%	965.7		965.7	2%
<b>Totals</b>	<b>41,797</b>	<b>14,730</b>	<b>56,527</b>	<b>100.00%</b>	<b>38,064</b>	<b>13,683</b>	<b>51,747</b>	<b>100.00%</b>

The Actuarial Gains identified as movements on the Pensions Reserve in 2023/24 can be analysed into the following categories, measured as a percentage of Assets or Liabilities at the 31 March 2024:

	2019/20	2020/21	2021/22	2022/23	2023/24
	%	%	%	%	%
<b>Local Government Pension Scheme</b>					
Difference between the expected and actual return on assets	(10.31)	15.30	7.01	(1.86)	3.46
Experience gains and (losses) on liabilities	1.93	2.02	1.54	2.33	6.15
<b>Firefighters' Pension Scheme 1992</b>					
Experience gains and (losses) on liabilities	7.25	(18.05)	2.20	22.50	0.60
<b>Firefighters' Injury Awards</b>					
Experience gains and (losses) on liabilities	0.06	11.89	(9.83)	24.45	5.03
<b>Firefighters' Pension Scheme 2006</b>					
Experience gains and (losses) on liabilities	4.73	10.13	2.85	36.42	-
<b>Firefighters' Pension Scheme 2015</b>					
Experience gains and (losses) on liabilities	7.83	18.87	(8.71)	60.35	(10.26)

The Fire Authority of Humberside, along with other Fire Authorities, currently have a number of claims lodged against them with the Central London Employment Tribunal. The claims are in respect of alleged unlawful discrimination arising from the Transitional Provisions in the Fire Pension Regulations 2015. Claims of unlawful discrimination have also been made in relation to the changes to the Judiciary and Firefighters Pension regulations. The Central London Employment Tribunal have upheld the claims and the remedy needed to make good these claims has been considered by Government and Legislation was published in October 2023. The Service is currently working with its Pensions administrator to implement the changes resulting from the remedy, with the exercise being concluded by March 2025.

The Actuaries (GAD and Hymans Robertson) have included a reasonable estimate for the effect of the McCloud judgement within the overall scheme liabilities. The impact of an increase in scheme liabilities arising from these claims will be measured through the pension valuation process, which determines employer and employee contribution rates.

The Fire Pension valuation took place in 2020 with implementation of the results planned for 2024/25 and Fire Authorities will need to plan for the impact of this on employer contribution rates alongside other changes identified through the valuation process. The impact of an increase in annual pension payments arising from McCloud / Sargeant is determined through The Fire Pension Fund Regulations 2007. These require a Fire Authority to maintain a fire pension fund into which officer and employer contributions are paid and out of which pension payments to retired officers are made. If the fire pension fund does not have enough funds to meet the cost of pensions in year the amount required to meet the deficit is then paid by the Secretary of State to the Fire Authority in the form of a central government top-up grant.

## 5. Non-Current Assets

	Operational Assets				Operational Assets (Intangible)	Non-operational Assets		Total Assets
	Land and Buildings	Vehicles	Plant and Equipment	TOTAL	Intangible Assets*	Assets Under Construction	Surplus Assets	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Cost or Valuation</b>								
<b>1 April 2023</b>	49,959	19,544	6,857	76,361	36	0	350	76,747
Additions/Enhancement	1,344	108	479	1,931	165	0	0	2,096
Revaluation increases / (decreases) to Revaluation Reserve	(240)			(240)				(240)
Revaluation increases / (decreases) to Comprehensive Income and Expenditure Statement	(129)			(129)				(129)
Derecognition - Disposals		(506)	(583)	(1,089)	(36)			(1,125)
Other movements				0				0
<b>At 31 March 2024</b>	50,934	19,146	6,753	76,834	165	0	350	77,349
<b>Depreciation/Impairment</b>								
<b>1 April 2023</b>	1,010	10,577	3,448	15,035	21	0	9	15,065
Charge for the year	1,484	1,413	877	3,774	4		9	3,787
Depreciation written out to the Revaluation Reserve	(735)			(735)				(735)
Derecognition - Disposals		(159)	(404)	(563)	(25)			(588)
<b>At 31 March 2024</b>	1,759	11,831	3,921	17,511	0	0	18	17,529
<b>Net Book Value</b>								
<b>1st April 2023</b>	48,949	8,967	3,409	61,326	15	0	341	61,676
<b>31 March 2024*</b>	49,175	7,315	2,832	59,323	165	0	332	59,813

\*£107k is included in non-current assets (on the Balance Sheet) that are owned by ESFM (Humberside) Ltd, please see note 12 for details.

## 2022/23 Comparatives

	Operational Assets				Operational Assets (Intangible)	Non-operational Assets		Total Assets
	Land and Buildings	Vehicles	Plant and Equipment	TOTAL	Intangible Assets*	Assets Under Construction	Surplus Assets	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Cost or Valuation</b>								
<b>1 April 2022</b>	48,471	17,759	6,642	72,872	51	75	350	73,348
Additions/Enhancement	525	1,826	886	3,238				3,238
Revaluation increases / (decreases) to Revaluation Reserve	518			518				518
Revaluation increases / (decreases) to Comprehensive Income and Expenditure Statement	445			445				445
Derecognition - Disposals		(41)	(671)	(712)	(15)			(727)
Other movements				0		(75)		(75)
<b>At 31 March 2023</b>	<b>49,959</b>	<b>19,544</b>	<b>6,857</b>	<b>76,361</b>	<b>36</b>	<b>0</b>	<b>350</b>	<b>76,747</b>
<b>Depreciation/Impairment</b>								
<b>1 April 2022</b>	0	7,449	2,972	10,421	26	75	0	10,522
Charge for the year	1,448	3,169	927	5,544	5		9	5,558
Depreciation written out to the Revaluation Reserve	(438)			(438)				(438)
Derecognition - Disposals		(41)	(451)	(492)	(10)	(75)		(577)
<b>At 31 March 2023</b>	<b>1,010</b>	<b>10,577</b>	<b>3,448</b>	<b>15,035</b>	<b>21</b>	<b>0</b>	<b>9</b>	<b>15,065</b>
<b>Net Book Value</b>								
<b>1st April 2022</b>	<b>48,471</b>	<b>10,310</b>	<b>3,670</b>	<b>62,451</b>	<b>25</b>	<b>0</b>	<b>350</b>	<b>62,821</b>
<b>31 March 2023*</b>	<b>48,949</b>	<b>8,967</b>	<b>3,409</b>	<b>61,326</b>	<b>15</b>	<b>0</b>	<b>341</b>	<b>61,676</b>

\*£147k is included in non-current assets (on the Balance Sheet) that are owned by ESFM (Humberside) Ltd, please see note 12 for details.



Asset Classes

The table below analyses the major types of Asset and the numbers held in each category:

Category of Asset	No. Held 31 March 2024	No. Held 31 March 2023
<b>Operational Land &amp; Buildings</b>		
Service Headquarters	1	1
Fire Stations	31	31
Other Offices	2	2
<b>Operational Vehicles</b>		
Fire Appliances	72	76
Lorries	1	1
Vans	31	29
Cars	111	131
Others	3	4
New Dimensions Assets	5	6

Capital Financing Requirement

Movements in the Capital Financing Requirement for the year 2023/24 are shown in the table below:

	2023/24 £'000	2022/23 £'000
Opening Capital Financing Requirement	19,412	18,720
Capital Investment		
Operational Assets	1,994	3,238
Non Operational Assets	-	-
Sources of Finance		
Capital Receipts	-	(78)
Minimum Revenue Provision	(913)	(818)
Revenue Contributions to Capital Outlay	(1,994)	(1,650)
	<b><u>18,499</u></b>	<b><u>19,412</u></b>
Explanation of Movements in Year		
Increase/(Decrease) in the Underlying Need to Borrow Unsupported by Government Financial Assistance	(913)	692
	<b><u>(913)</u></b>	<b><u>692</u></b>

Capital Commitments

The Authority had outstanding commitments under capital contracts as at 31 March 2024 to the value of £2.623m which will take place during 2024/25.

### Valuation of Property carried at Current Value

The following statement shows the progress of the Authority's rolling programme for the revaluation of non-current Assets. The valuation of the building stock is carried out by the Clark Weightman Ltd and has an effective date of 1 April each year. The basis for valuation of the different categories of Asset is set out in Note 1 of the Notes to the Financial Statements.

#### **2023/24**

	Operational Assets			Non Operational Assets		Total £'000
	Other Land & Buildings	Vehicles	Plant & Equipment	Assets Under Construction	Surplus Assets	
	£'000	£'000	£'000	£'000	£'000	
<b>Value as at Historical Cost</b>		7,315	2,997			<b>10,312</b>
<b>Value at Current Value in:</b>						
2023/24	24,236					<b>24,236</b>
2022/23	2,645					<b>2,645</b>
2021/22	22,294				332	<b>22,626</b>
<b>Value as at 31 March 2023</b>	<b>49,175</b>	<b>7,315</b>	<b>2,997</b>	<b>-</b>	<b>332</b>	<b>59,813</b>
<b>Nature of asset holding</b>						
Leased	1,582					1,582
Owned	47,593	7,315	2,997	-	332	58,237
	<b>49,175</b>	<b>7,315</b>	<b>2,997</b>	<b>-</b>	<b>332</b>	<b>59,813</b>

Note: the above valuations as at 31 March 2024 are net of accumulated Depreciation to that date.

### Finance Leases

The Authority has a building that has been acquired under a finance lease. This asset is carried as Property, Plant and Equipment in the Balance Sheet at the following net amounts:

	2023/24 £'000	2022/23 £'000
Property, Plant and Equipment	1,582	1,682
	<b>1,582</b>	<b>1,682</b>

The Authority is committed to making minimum payments under these leases comprising settlement of the long-term liability for the interest in the property acquired by the Authority and finance costs that will be payable by the Authority in future years while the liability remains outstanding. The minimum lease payments are made up of the following amounts:

	2023/24 £'000	2022/23 £'000
Finance Lease Liability	1,095	1,013
Finance Costs		
Current	104	103
Non Current	1,203	1,292
	<b>2,402</b>	<b>2,408</b>

The minimum lease payments will be payable over the following periods:

	Minimum Lease		Finance Lease	
	2023/24	2022/23	2023/24	2022/23
	£'000	£'000	£'000	£'000
Not later than one year	126	120	23	17
Later than one year and not later than five years	506	482	114	89
Later than five years	1,770	1,806	958	907
	<b>2,402</b>	<b>2,408</b>	<b>1,095</b>	<b>1,013</b>

### Operating Leases

The Authority does not have any material operating leases.

## 6. Reserves held by the Authority

### Useable Reserves

The Authority retains a number of Reserves which are available to fund Expenditure.

General Fund Balance - This is retained to fund unforeseen expenditure pressures.

Earmarked Reserves - These reserves are retained to fund particular items of expenditure and are reviewed each year, currently the Earmarked Reserves balance is £8.411m (£8.819m at the end of 2022/23). Please see the description of each reserve below.

31 March 2023 £'000	Earmarked Reserves	31 March 2024 £'000
1,000	Resilience Reserve	500
3,410	Capital Funding Reserve	3,410
500	Insurance Reserve	500
1,000	National Flood Resilience Centre Reserve	1,000
354	Share of ESFM (Humberside) Ltd Net Assets	546
215	ESMCP Reserve	215
110	Grenfell and Protection Reserve	110
-	Strategic Transformation Fund	500
1,000	East Coast & Herfordshire Control Room Consortium Reserve	1,000
1,200	Pay and Prices Reserve	600
30	Environmental Reserve	30
<b>8,819</b>	<b>Total Earmarked Reserves</b>	<b>8,411</b>

Resilience Reserve – This can be used to fund any costs associated with the resilience of the service.

Capital Funding Reserve - This reserve is utilised to fund items of Capital expenditure.

Insurance Reserve – This reserve is to fund any costs that are not covered by the Authority's insurance policies.

National Flood Resilience Centre Reserve – This funding is identified to fund the National Flood Resilience Centre development with other partners.

Share of ESFM (Humberside) Ltd Net Assets – This reflects the Authority's share of ESFM (Humberside) Ltd net assets at the balance sheet date.

ESMCP Reserve – The Emergency Services Mobile Communications Programme (ESMCP) Reserve is a grant given by Government to assist with the upgrade of our mobile communications.

Grenfell and Protection Reserve – This is the remaining balance of grants issued by Government to respond to the Grenfell Tower Inquiry findings and Protection investment.

Strategic Transformation Fund – This funding is identified to support transformation initiatives.

East Coast & Hertfordshire Control Room Consortium Reserve – This funding is identified to meet Humberside's share of the infrastructure costs of the East Coast and Hertfordshire Control Room Consortium.

Pay and Prices Reserve – This funding is identified to cover any pay and prices increases in excess of budget assumptions.

Environmental Reserve – This funding is identified to develop environmental infrastructure.

Capital Receipts Reserve - This can be used to fund items of Capital Expenditure.

### Unusable Reserves

The Authority now retains five unusable reserves:

Capital Adjustment Account – This Reserve is required by the CIPFA Code of Practice on Local Authority Accounting and is used to allow the Authority to nullify the effect of Non-current Asset expenses on the Accounts.

Revaluation Reserve – This Reserve is required by the Code of Practice on Local Authority Accounting and reflects the amount to which the value of the property owned by the Authority has increased. A transfer can be made from the Revaluation Reserve to the Capital Adjustment Account to reflect the amount of additional Depreciation that has been charged due to the increase in value of the property, should the value of a previously revalued property fall some or all of the loss can be offset against the amount remaining in the Revaluation Reserve.

Pensions Reserve – Please see Note 4 Pensions.

Collection Fund Adjustment Account – This Reserve is required by the CIPFA Code of Practice on Local Authority Accounting for Adjustment Account billing and precepting Authorities regarding the collection and distribution of collection fund receipts.

Accumulated Absence Account – This Reserve is required by CIPFA Code of Practice on Local Authority Accounting to neutralise the impact on the General Funding Balance for the accruing of compensated absences earned but not yet taken in the year e.g. annual leave entitlement carried forward at 31 March.

### Movement on Capital Reserves

#### **Revaluation Reserve**

	<b>2023/24</b>	<b>2022/23</b>
	<b>£'000</b>	<b>£'000</b>
Gains on Revaluation of Non Current Assets	(915)	(934)
Losses on Revaluation of Non Current Assets	421	(21)
Compensatory adjustment from the Revaluation Reserve to convert current value depreciation debits to historical cost.	431	406
Total Movement on Reserve	<u>(63)</u>	<u>(549)</u>
Balance Brought Forward 1 April	(23,739)	(23,190)
Balance Carried Forward at 31 March	<u>(23,802)</u>	<u>(23,739)</u>

**Capital Adjustment Account**

	<b>2023/24</b>	<b>2022/23</b>
	<b>£'000</b>	<b>£'000</b>
Net Book Value of Assets disposed of	537	224
Depreciation	3,808	5,582
Impairments	129	21
Compensatory adjustment from the Revaluation Reserve to convert current value depreciation debits to historical cost.	(430)	(872)
Deferred Grants and Contributions applied	(1,994)	(1,728)
Provision for Repayments of External Loans (MRP)	(913)	(818)
Total Movement on Reserve	<u>1,137</u>	<u>2,409</u>
Balance Brought Forward 1 April	(17,138)	(19,548)
Balance Carried Forward at 31 March	<u>(16,001)</u>	<u>(17,138)</u>

## 7. Borrowing and Investments

### Long Term Liabilities

The outstanding borrowings and Liabilities of the Authority are disclosed below:

	2023/24			2022/23		
	Total	Repayable	Repayable	Total	Repayable	Repayable
		within 12	after 12		within 12	after 12
£'000	months	months	£'000	months	months	
Public Works Loan Board	16,751	923	15,828	18,251	1,582	16,669
Finance Leases	1,095	23	1,072	1,013	17	996
Pension Liability - Firefighters' Pension Fund	526,260		526,260	521,980		521,980
Pension Liability - Local Government Pension Scheme*	32		32	-		-
	<b>544,138</b>	<b>946</b>	<b>543,192</b>	<b>541,244</b>	<b>1,599</b>	<b>539,645</b>

\*for 2022/23 the Local Government Pension Scheme was an asset so is not disclosed in total long-term liabilities

The outstanding borrowings of the Authority at 31 March 2024 which were repayable within a period in excess of 12 months were as follows:

Source of Loan	Interest Rate Payable %	Amount Outstanding at	
		31 March 2024 £'000	31 March 2023 £'000
Public Work Loans Board	1.80	1,000	1,000
Public Work Loans Board	1.86	1,000	1,000
Public Work Loans Board	1.96	1,000	1,000
Public Work Loans Board	1.99	1,000	1,000
Public Work Loans Board	2.09	1,000	1,000
Public Work Loans Board	2.10	1,000	1,000
Public Work Loans Board	2.14	1,000	1,000
Public Work Loans Board	2.19	1,000	1,000
Public Work Loans Board	2.25	1,000	1,000
Public Work Loans Board	3.70	1,000	1,000
Public Work Loans Board	3.75	1,000	1,000
Public Work Loans Board	3.88	1,000	1,000
Public Work Loans Board	4.40	428	428
Public Work Loans Board	4.55	3,000	3,000
Public Work Loans Board	4.63	-	500
Public Work Loans Board	4.75	-	95
Public Work Loans Board	4.90	-	246
Public Work Loans Board	5.00	400	400
		<u>15,828</u>	<u>16,669</u>

Loans analysed by maturity are as follows:

	31 March 2024 £'000	31 March 2023 £'000
Maturing in 1-2 Years	828	841
Maturing in 2-5 Years	3,000	2,828
Maturing in 5-10 Years	7,000	7,000
Maturing in More Than 10 Years	5,000	6,000
	<u>15,828</u>	<u>16,669</u>

### Short Term Investments

The Authority places funds with counterparties on a commercial basis. These loans are made to counterparties who meet a specified criteria and are short-term (less than a year). Accrued interest is included in the Balance Sheet as at 31 March. The value of these investments is £10.168m as at 31 March. (2022/23 was £8.974m).

### **8. Other Creditors and Debtors**

- Long-Term Creditors

There are no long-term creditors as at 31 March 2024.

- Short-Term Creditors

Analysis of short-term creditors is as follows: -

	<b>31 March 2024 £'000</b>	<b>31 March 2023 £'000</b>
Central Government Bodies	171	1,261
Other Local Authorities	1,079	1,093
Bodies External to General Government	4,687	3,995
	<b><u>5,937</u></b>	<b><u>6,349</u></b>

\*included in the Short-Term Creditors figure on the Balance Sheet is £106k relating to ESFM (Humberside) Ltd, please see note 12 for details.

- Long-Term Debtors

There were no long-term debtors at 31 March 2024.

- Short-Term Debtors

Amounts falling due within one year may be analysed as follows: -

	<b>31 March 2024 £'000</b>	<b>31 March 2023 £'000</b>
Central Government Bodies	4,112	5,473
Other Local Authorities	215	271
NHS Bodies	27	29
Bodies External to General Government	4,963	4,977
	<b><u>9,317</u></b>	<b><u>10,750</u></b>

\*included in Short-Term Debtors is £409k relating to ESFM (Humberside) Ltd, please see note 12 for further details.

### **9. Financial Instruments**

The Financial Instruments held by the Authority are included below and the Authority fully complies with the CIPFA Code of Practice on Local Authority Accounting.

#### Amortised Cost

Financial Instruments (whether borrowing or investment) are valued on an amortised costs basis using the Effective Interest Rate (EIR) method.

#### Fair Value

In these disclosure notes, Financial Instruments are also required to be shown at Fair Value.

#### Compliance

The Authority has complied with the following:

It has adopted the CIPFA Treasury Management in the Public Services: Code of Practice.

Set treasury management indicators to control key Financial Instrument risks in accordance with CIPFA's Prudential Code.

Accounting regulations require the Financial Instruments (investment, lending and borrowing of the Authority) shown on the Balance Sheet to be further analysed into various defined categories. The investments, lending & borrowing disclosed in the Balance Sheet are made up of the following categories of "Financial Instruments".

	<b>Long Term</b>		<b>Current</b>	
	<b>31 March</b>		<b>31 March</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Investments at Amortised Cost</b>				
Loans and Receivables at Amortised Cost			10,168	8,974
<b>Total Investments at Amortised Cost</b>	<b>-</b>	<b>-</b>	<b>10,168</b>	<b>8,974</b>
<b>Debtors</b>				
Financial Assets (including Trade Debtors and General and Other Debtors and Long Term Debtors)			1,553	1,730
<b>Total Debtors</b>	<b>-</b>	<b>-</b>	<b>1,553</b>	<b>1,730</b>
<b>Borrowings at Amortised Cost</b>				
Financial Liabilities at Amortised Cost	(16,860)	(17,666)	(946)	(1,599)
<b>Total Borrowings at Amortised Cost</b>	<b>(16,860)</b>	<b>(17,666)</b>	<b>(946)</b>	<b>(1,599)</b>
<b>Creditors</b>				
Financial Liabilities Carried at Contract Amount			(1,826)	(1,337)
<b>Total Creditors</b>	<b>-</b>	<b>-</b>	<b>(1,826)</b>	<b>(1,337)</b>

Analysis of the Financial Liabilities and Loans and Receivables is shown in the table below:

	<b>31 March</b>	
	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
<b>Financial Liabilities</b>		
Current		
Creditors	(1,826)	(1,337)
Public Works Loans Board Loans and Finance Leases	(946)	(1,599)
	<u>(2,772)</u>	<u>(2,936)</u>
Long Term		
Public Works Loans Board Loans	(15,788)	(16,670)
Finance Leases	(1,072)	(996)
	<u>(16,860)</u>	<u>(17,666)</u>
	<u>(19,632)</u>	<u>(20,602)</u>
<b>Financial Assets</b>		
Current		
Debtors	1,553	1,730
Investments	10,168	8,974
	<u>11,721</u>	<u>10,704</u>



Gains and losses recognised in the Comprehensive Income and Expenditure Account for 2023/24 in relation to financial instruments are made up as follows:

	2023/24			Total	2022/23			Total
	Financial Liabilities	Financial Assets			Financial Liabilities	Financial Assets		
	Measured at amortised cost	Loans and Receivables	Available for sale Assets		Measured at amortised cost	Loans and Receivables	Available for sale Assets	
	£'000	£'000	£'000		£'000	£'000	£'000	
Interest Expense	(652)	-	-	(652)	(713)	-	-	(713)
Loss on derecognition	-	-	-	-	-	-	-	-
Impairment losses	-	-	-	-	-	-	-	-
<b>Interest payable and similar charges</b>	<b>(652)</b>	<b>-</b>	<b>-</b>	<b>(652)</b>	<b>(713)</b>	<b>-</b>	<b>-</b>	<b>(713)</b>
Interest income	-	811	-	811	-	335	-	335
Losses on revaluation	-	-	-	-	-	-	-	-
Amounts recycled to the Income and Expenditure Account after impairment	-	-	-	-	-	-	-	-
<b>Interest and investment income</b>	<b>-</b>	<b>811</b>	<b>-</b>	<b>811</b>	<b>-</b>	<b>335</b>	<b>-</b>	<b>335</b>
Gains on revaluation	-	-	-	-	-	-	-	-
Losses on revaluation	-	-	-	-	-	-	-	-
Amounts recycled to the Income and Expenditure Account after impairment	-	-	-	-	-	-	-	-
<b>Surplus arising on revaluation of financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net gain/(loss) for the year</b>	<b>(652)</b>	<b>811</b>	<b>-</b>	<b>159</b>	<b>(713)</b>	<b>335</b>	<b>-</b>	<b>(378)</b>

The Fair value of each class of Financial Assets and Liabilities which are carried in the balance sheet at Amortised Cost is disclosed below.

The Authority engaged Link Asset Services, a firm of financial consultants specialising in treasury management and capital finance in the U.K. Public Sector, who have calculated the Fair Value of the Financial Instruments stated above. Link Asset Services methodology and assumptions have been adopted and are stated below.

#### Methods and Assumptions in Valuation Technique

The Fair Value of a Financial Instrument is determined by calculating the Net Present Value (NPV) of future cash flows, which provides an estimate of the value of payments in the future in today's terms.

The discount rate used in the NPV calculation is the rate applicable in the market on the date of valuation for a Financial Instrument with the same structure, terms and remaining duration. For debt, this will be the new borrowing rate since premature repayment rates include a margin which represents the lender's profit as a result of rescheduling the loan; this is not included in the Fair Value calculation since any motivation other than securing a fair price should be ignored.

The rates quoted in this valuation were obtained by our treasury management consultants from the market on 31 March 2024, using bid prices where applicable.

The calculations are made with the following assumptions:

For Public Works Loans Board debt, the discount rate used is the rate for new borrowing as per rate sheet number 126/24. For other market debt and investments the discount rate used is the rate available for a Financial Instrument with the same terms from a comparable lender. Interpolation techniques have been used between available rates where the exact maturity period was not available. No early repayment or Impairment is recognised.

Fair Values have been calculated for all Financial Instruments in the portfolio, but only those which are materially different from the carrying value have been disclosed (for loans of less than one year the principal amount of the loan is deemed to be fair value). The Fair Value of trade and other receivables is taken to be the invoiced or billed amount.

The Fair Values are calculated as follows:

	31 March 2024		31 March 2023	
	Carrying Amount £'000	Fair Value £'000	Carrying Amount £'000	Fair Value £'000
Financial Liabilities	(16,669)	(14,740)	(18,169)	(16,454)
Loans and Receivables	(10,075)	(10,075)	(8,964)	(8,964)

The decrease in the Fair Value of Financial Liabilities over the carrying amount is because the interest rate payable on the Authority's portfolio of fixed rate loans is lower than the rates for similar loans as at the Balance Sheet date.

The Authority's management of treasury risks actively works to minimise the exposure to the unpredictability of financial markets and to protect the financial resources available to fund services. The Authority has fully adopted CIPFA's Code of Treasury Management Practices and has written principles for overall risk management as well as written policies and procedures covering specific areas such as credit risk, liquidity risk and market risk.

### Credit Risk

Credit risk arises from the short-term lending of surplus funds to banks, building societies and other local authorities as well as credit exposures to the Authority's customers. It is the policy of the Authority to place deposits only with a limited number of high-quality banks and building societies whose credit rating is independently assessed as sufficiently secure by the Authority's treasury advisers and to restrict lending to a prudent maximum amount for each institution. In order to mitigate against risk and in the light of market conditions, the Executive Director of Finance and Section 151 Officer considered that the most prudent approach was to restrict investments to UK based, and other 'AAA' rated European institutions with a maximum limit of £2m. The Authority has access to three money market investment funds, these are highly secure funds that are 'AAA' rated and provide instant return of the investment if required.

The following analysis summarises the Authority's potential maximum exposure to credit risk, based on past experience and current market conditions. No credit limits were exceeded during the financial year and the Authority expects full repayment on the due date of deposits placed with its counterparties.

	31 March 2024	Historical experience of default	Historical experience adjusted for market conditions at 31 March 2024	Estimated maximum exposure to default and uncollectability 31 March 2024
	£'000	%	%	£'000
Deposits with banks and financial institutions	10,075	0.00	0.00	-
Bonds	-	0.00	0.00	-
Customers	92	0.43	0.43	-
	<u>10,167</u>			<u>-</u>

No credit limits were exceeded during the Accounting Period and the Authority does not expect any losses from non-performance by any of its counterparties in relation to deposits and bonds.

Debtors

The Authority does not generally allow credit for customers, such that only £44k of the £92k balance is past its due date for payment. The past due amount can be analysed by age as follows:

	<b>31 March 2024 £'000</b>	<b>31 March 2023 £'000</b>
Less than three months	18	82
Three to six months	26	28
Six months to one year	-	-
More than one year	-	-
	<hr/> <hr/> 44	<hr/> <hr/> 110

Liquidity Risk

The Authority has access to a facility to borrow from the Public Works Loans Board. As a result, there is no significant risk that the Authority will be unable to raise finance to meet its commitments under Financial Instruments. The Authority has safeguards in place to ensure that a significant proportion of its borrowing does not mature for repayment at any one time in the future to reduce the financial impact of re-borrowing at a time of unfavourable interest rates. The Authority's policy is to ensure that not more than 10% of loans are due to mature within any financial year and 25% within any rolling five-year period through a combination of prudent planning of new loans taken out and, where it is economic to do so, making early repayments.

See Note 7 of the Notes to the Accounts for an analysis of the maturity of long-term loans with the Public Work Loans Board.

All trade and other payables are due to be paid in less than one year.

Market RiskInterest Rate Risk

The Authority is exposed to interest rate risk in two different ways; the first being the uncertainty of interest paid/received on variable rate Financial Instruments, and the second being the effect of fluctuations in interest rates on the fair value of a Financial Instrument.

The current interest rate risk for the Authority is summarised below:

The Fair Value of fixed rate Financial Assets will fall if interest rates rise. This will not impact on the Balance Sheet for the majority of Assets held at Amortised Cost but it will impact on the disclosure note for Fair Value. It would have a negative effect on the Balance Sheet for those assets held at Fair Value in the Balance Sheet, which would also be reflected in the Comprehensive Income and Expenditure Statement.

The Fair Value of fixed rate Financial Liabilities will rise if interest rates fall. This will not impact on the Balance Sheet for the majority of Liabilities held at Amortised Cost but it will impact on the disclosure note for Fair Value.

The Authority has a number of strategies for managing interest rate risk. Policy is to aim to keep a maximum of 25% of its borrowings in variable rate loans. During periods of falling interest rates, and where economic circumstances make it favourable, fixed rate loans will be repaid early to limit exposure to losses. The risk of loss is ameliorated by the fact that a proportion of government grant payable on financing costs will normally move with prevailing interest rates or the Authority's cost of borrowing and provide compensation for a proportion of any higher costs.

The treasury management team has an active strategy for assessing interest rate exposure that feeds into the setting of the annual budget and which is used to update the budget quarterly during the year. This allows any adverse changes to be accommodated. The analysis will also advise whether new borrowing taken out is fixed or variable.

According to this investment strategy, at 31 March 2024, if interest rates had been 1% higher with all other variables held constant, the financial effect would be:

	31 March 2024 £'000	31 March 2023 £'000
Increase in Fair Value of fixed rate borrowing liabilities	(832)	(966)

#### Price Risk

The Authority does not invest in equity shares and does not have shareholdings in any joint ventures and therefore is not at significant risk to price movements.

#### Foreign Exchange Risk

The Authority has no Financial Assets or Liabilities denominated in foreign currencies and thus has no exposure to loss arising from movements in exchange rates.

#### Financial Guarantees

The Authority does not provide any financial guarantees.

### 10. Note to Expenditure and Fundings Analysis

Year ended 31 March 2023				Year ended 31 March 2024			
£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Adjustments for Capital Purposes	Net Change for the Pensions Adjustments	Other Differences	Total Adjustments	Adjustments for Capital Purposes	Net Change for the Pensions Adjustments	Other Differences	Total Adjustments
(9)	(507)		(516)	(5)	44		39
(4,859)	(3,735)		(8,594)	(3,343)	3,181		(162)
(735)	(1,262)		(1,997)	(495)	277		(218)
<b>(5,603)</b>	<b>(5,504)</b>	-	<b>(11,107)</b>	<b>(3,843)</b>	<b>3,502</b>	-	<b>(341)</b>
2,322	(18,731)	1,266	(15,143)	2,370	(23,315)	(193)	(21,138)
<b>(3,281)</b>	<b>(24,235)</b>	1,266	<b>(26,250)</b>	<b>(1,473)</b>	<b>(19,813)</b>	(193)	<b>(21,479)</b>
			<b>Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services</b>				

## 11. Other Operating Expenditure, Financing, Investment Income, Taxation and Non-Specific Grants

	2023/24	2022/23
	£000s	£000s
<b>Other Operating Expenditure</b>		
(Profit)/Loss on the disposal of assets	443	175
<b>Total Other Operating Expenditure</b>	<b>443</b>	<b>175</b>
<b>Financing and Investment Income and Expenditure</b>		
Interest Payable	652	713
Interest Receivable	(811)	(335)
Net interest cost on the net defined pension liability		
- Firefighters' Pension Scheme	23,860	18,450
- Local Government Pension Scheme	(545)	281
<b>Total Financing and Investment Income and Expenditure</b>	<b>23,156</b>	<b>19,109</b>
<b>Taxation and Non Specific Grant Income</b>		
Council Tax Payers	27,365	26,429
General Government Grants (See breakdown below)	3,060	3,424
Localised Business Rates	6,188	4,288
National Non Domestic Rates and Revenue Support Grant	18,646	17,473
<b>Total Taxation and Non Specific Grant Income</b>	<b>55,259</b>	<b>51,614</b>
<b>General Government Grants</b>		
Additional Pensions Grant	2,543	2,543
Services Grant	517	881
	<b>3,060</b>	<b>3,424</b>

### Precepts

The Authority, at its meeting on 10 February 2023, set a precept for 2023/24 equivalent to a Band D Council Tax of £95.10. Precepts and Collection Fund balances received from the four constituent Authorities for 2023/24 are as follows:

	Precepts 2023/24	Collection Fund Residual 2022/23	Surplus/(Deficit) 31 March 2024	Total 2023/24
	£'000	£'000	£'000	£'000
Kingston upon Hull City Council	6,180	(62)	92	6,210
East Riding of Yorkshire Council	11,652	3	210	11,865
North East Lincolnshire Council	4,347	148	(48)	4,447
North Lincolnshire Council	4,876	(38)	6	4,844
	<b>27,055</b>	<b>51</b>	<b>260</b>	<b>27,366</b>
	Precepts 2022/23	Collection Fund Residual 2021/22	Surplus/(Deficit) 31 March 2023	Total 2022/23
	£'000	£'000	£'000	£'000
Kingston upon Hull City Council	5,766	(183)	382	5,965
East Riding of Yorkshire Council	10,894	(326)	922	11,490
North East Lincolnshire Council	4,074	(44)	262	4,292
North Lincolnshire Council	4,578	(88)	137	4,627
	<b>25,312</b>	<b>(641)</b>	<b>1,703</b>	<b>26,374</b>

The Authority is made up of 22 Members who are nominated by the 4 Unitary Authorities in the Humberside region. The Police and Crime Commissioner for Humberside, Jonathan Evison, also sits on the Authority.

## 12. Related Parties

The Authority is required to disclose material transactions with related parties - bodies or individuals that have the potential to control or influence the Authority or to be controlled or influenced by the Authority. Disclosure of these transactions allows readers to assess the extent to which the Authority might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the Authority.

### Central Government

Central Government has significant influence over the general operations of the Authority; it is responsible for providing the statutory framework within which the Authority operates, it provides a significant part of its funding in the form of grants and prescribes the terms of many of the transactions that the Authority has with other parties. The Authority receives NNDR, General Government grants and Capital Grants from the Department for Communities and Local Government or the Home Office. (Details of these grants are disclosed in note 11).

### Pensions

See note 4 in the Notes to the Financial Statements.

### Members

The Precept is collected on the Authority's behalf by the four Local Authorities in the Humberside area (as disclosed in note 11), the following Members are Local Councillors on these councils.

East Riding of Yorkshire Council: Kevin Casson, John Dennis, Coleen Gill, Mike Heslop-Mullens, Richard Meredith, Simon Pickering, Margot Sutton, Samantha Whyte.

Kingston upon Hull City Council: Tracey Henry, Deborah Matthews, Tracey Neal, Peter North, Lynne Petrini, David Woods.

North East Lincolnshire Council: Ian Lindley, Matt Patrick, Ron Shepherd, Stewart Swinburn.

North Lincolnshire Council: John Briggs (deceased 12/03/24), Mick Grant, Nigel Sherwood, Rob Waltham MBE.

The total of Members' allowances paid in 2023/24 is shown in Note 13. During 2023/24 no Members of the Authority, or their close relations, undertook any declarable related party transactions with the Authority. The Authority requires Members to complete a declaration of related party transactions, and these declarations are used as the basis of this note.

### Officers

During the course of 2023/24 no Senior Officers of the Authority (with the exception of two members of staff that are Directors of Emergency Services Fleet Management (Humberside) Ltd and two members of staff that are seconded to Humberside Police), or their close relations, undertook any declarable related party transactions with the Authority. The Authority requires Senior Officers to complete a declaration of related party transactions, and these declarations are used as the basis of this note.

Two officers of the Fire Authority are also Directors of Emergency Services Fleet Management (Humberside) Ltd (Deputy Chief Fire Officer Niall McKiniry and Director Jon Henderson). Emergency Services Fleet Management (Humberside) Ltd is a joint arrangement that provides vehicle maintenance services to the Authority and Humberside Police. Emergency Services Fleet Management (Humberside) Ltd supplied goods and services during 2023/24 with a value of £1.5m (£1.1m during 2022/23) to Humberside Fire Authority.

Two officers of the Fire Authority are also seconded to Police and Crime Commissioner for Humberside on a part time basis (Executive Director/S.151 Officer Martyn Ransom and Joint Deputy Chief Finance Officer/Deputy S.151 Officer Shaun Edwards). Humberside Police supplied goods and services to the Authority during 2023/24 with a value of £3.8m (£2.8m during 2022/23). The Authority supplied goods and services to Humberside Police during 2023/24 with a value of £0.2m (£0.4m during 2022/23).

The Authority retains joint control of Emergency Services Fleet Management (Humberside) Ltd with Humberside Police on a 50/50 split. The Authority's share of the net assets and reserves for 2023/24 are £0.5m (£1.5m 2022/23) and have been consolidated into the Financial Statements of the Authority. These amounts are taken from the Emergency Services Fleet Management (Humberside) Ltd draft accounts at 31 March 2024.

The disclosure note itself has been prepared in accordance with guidance on the interpretation of IAS 24 (Related Party Transactions) and its applicability to the public sector.

### 13. Members' Allowances

From 1 April 2003, the Authority is required to have its own scheme of Members' Allowances under the terms of the Local Authorities (Members' Allowances) (England) Regulations 2003. The total amount paid to Members under this scheme for 2023/24 was £122,958 (2022/23 was £127,918).

### 14. Officers' Emoluments

Regulation 7 (3) of the Accounts and Audit Regulations 2015 [SI 2015 No. 234] requires the publication of the following disclosures relating to the remuneration of senior employees.

The number of employees whose remuneration, excluding employer's pension contributions, was £50,000 or more in bands of £5,000 are disclosed below:

Remuneration Band	Number of Officers in Band					
	2023/24			2022/23		
	Operational	Non Operational	Total	Operational	Non Operational	Total
£185-189,999	1	-	1	-	-	-
£180-184,999	-	-	-	-	-	-
£175-179,999	-	-	-	-	-	-
£170-174,999	-	-	-	-	-	-
£165-169,999	-	-	-	-	-	-
£160-164,999	-	-	-	-	-	-
£155-159,999	1	-	1	-	-	-
£150-154,999	-	-	-	-	-	-
£145-149,999	1	-	1	-	-	-
£140-144,999	-	-	-	-	-	-
£135-139,999	-	-	-	1	-	1
£130-134,999	-	1	1	-	-	-
£125-129,999	-	-	-	1	-	1
£120-124,999	-	-	-	-	-	-
£115-119,999	-	-	-	-	-	-
£110-114,999	-	-	-	-	-	-
£105-109,999	-	-	-	-	2	2
£100-104,999	2	-	2	1	-	1
£95-99,999	1	1	2	-	-	-
£90-94,999	-	-	-	1	-	1
£85-89,999	-	-	-	-	-	-
£80-84,999	-	-	-	1	-	1
£75-79,999	1	-	1	1	-	1
£70-74,999	10	1	11	2	-	2
£65-69,999	5	1	6	7	1	8
£60-64,999	18	1	19	15	2	17
£55-59,999	31	6	37	22	4	26
£50-54,999	48	2	50	37	4	41
	<b>119</b>	<b>13</b>	<b>132</b>	<b>89</b>	<b>13</b>	<b>102</b>

The following table sets out the remuneration disclosures for senior officers whose salary is equal to or more than £50,000 per year:

Post Title	Salary (Including fees & Allowances)	Benefits in Kind (e.g. Car Allowance)	Total Remuneration excluding employer's pension contributions 2022/23	Employer's pension contributions 2021/22	Total Remuneration including employer's pension contributions 2022/23
Chief Fire Officer & Chief Executive - Phil Shillito	185,873	-	185,873	33,070	218,943
Deputy Chief Fire Officer & Executive Director of Service Delivery - Niall McKiniry	158,640	-	158,640	42,060	200,700
Assistant Chief Fire Officer & Executive Director of Corporate Services	146,264	-	146,264	41,142	187,406
Director of Service Improvement	102,109	-	102,109	29,407	131,516
Director of Prevention, Protection, Fleet and Estates	100,363	-	100,363	-	100,363
Director of Emergency Response	99,858	-	99,858	27,456	127,314
* Executive Director of Finance and Section 151 Officer (1 April 2023 to 1 October 2023)	70,726	623	71,349	11,102	82,451
* Executive Director of Finance and Section 151 Officer (2 October 2023 to 31 March 2024)	61,593	650	62,243	11,395	73,637
Executive Director of People and Development	130,236	1,617	131,853	24,094	155,947
	<b>1,055,661</b>	<b>2,889</b>	<b>1,058,550</b>	<b>219,726</b>	<b>1,278,276</b>

\* This post is shared with Humberside PCC

#### Disclosure for 2022/23

Post Title	Salary (Including fees & Allowances)	Benefits in Kind (e.g. Car Allowance)	Total Remuneration excluding employer's pension contributions 2022/23	Employer's pension contributions 2021/22	Total Remuneration including employer's pension contributions 2022/23
Chief Fire Officer & Chief Executive (1 April 2022 - 14 October 2022)	93,140	-	93,140	-	93,140
Chief Fire Officer & Chief Executive (15 October 2022 - 31 March 2023)	69,852	-	69,852	-	69,852
Deputy Chief Fire Officer & Executive Director of Corporate Services (1 April 2022 - 14 October 2022)	69,998	-	69,998	-	69,998
Deputy Chief Fire Officer & Executive Director of Service Delivery (15 October 2022 - 31 March 2023)	59,721	-	59,721	17,181	76,902
Assistant Chief Fire Officer & Executive Director of Service Delivery (1 April 2022 - 14 October 2022)	65,363	-	65,363	18,803	84,166
Assistant Chief Fire Officer & Executive Director of Corporate Services (15 October 2022 - 31 March 2023)	45,376	-	45,376	11,761	57,137
Director of Service Improvement - (1 April 2022 - 14 October 2022)	56,592	-	56,592	15,690	72,281
Director of Service Improvement - (15 October 2022 - 31 March 2023)	39,055	-	39,055	11,162	50,217
Director of Prevention and Protection - (1 April 2022 - 29 August 2022)	34,719	-	34,719	7,635	42,354
Director of Prevention, Protection, Fleet and Estates - (30 August 2022 - 31 March 2023)	49,148	-	49,148	-	49,148
Director of Emergency Response (1 April 2022 - 30 November 2022)	56,157	-	56,157	16,173	72,331
Director of Emergency Response (1 November 2022 - 31 March 2023)	35,120	-	35,120	10,115	45,235
Executive Director of Finance and Section 151 Officer*	106,554	1,263	107,817	19,657	127,474
Executive Director of People and Development	106,467	1,379	107,846	19,657	127,503
	<b>887,262</b>	<b>2,642</b>	<b>889,904</b>	<b>147,833</b>	<b>1,037,737</b>

\* This post is shared with Humberside PCC



The number of employee compulsory and voluntary exit packages agreed with total cost per band and total cost of the redundancies are set out below:

Exit Package Cost Band	2023/24				2022/23			
	Number of Compulsory Redundancies	Number of Other Agreed Departures	Total Number of Exit Packages by Cost Band	Total Cost (£'000)	Number of Compulsory Redundancies	Number of Other Agreed Departures	Total Number of Exit Packages by Cost Band	Total Cost (£'000)
£60,001 - £80,000	-	1	1	73	-	-	-	-
£40,001 - £60,000	-	-	-	-	-	-	-	-
£20,001 - £40,000	-	-	-	-	-	-	-	-
£0 - £20,000	-	2	2	46	-	-	-	-
<b>Total Cost in Bandings</b>	<b>-</b>	<b>3</b>	<b>3</b>	<b>119</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## 15. Other Notes To The Financial Statements

### Contingent Liabilities

There are no contingent liabilities.

### Exceptional Items

There are no exceptional items.

### Material Items of Income and Expenditure

There were no material items of income and expenditure during 2023/24 that are not disclosed elsewhere within the Statement of Accounts.

### Heritage Assets

The Authority does not have any Heritage Assets; a collection of fire memorabilia is held by the Authority but has little financial value.

### Audit Fees

During 2023/24 the Authority incurred £94k in Audit fees (£38k in 2022/23) from Forvis Mazars relating to external audit.

### Prior Period Adjustments

There are no prior period adjustments.

### Events After The Balance Sheet Date

There have been no events either adjusting or non-adjusting after the Balance Sheet date.

### Long Term Commitments

The Authority has entered into a commitment to repay £600k to Humberside Police and Crime Commissioner from March 2016 in respect of additional work undertaken at the joint workshops facility at Melton. The remaining amount will be repaid over the next 2 years at £60k per annum.

## 16. Cash Flow Notes

### Movements in Cash and Cash Equivalents

	31 March 2024 £'000	31 March 2023 £'000	Movement £'000
Bank In Hand/(Overdrawn)	82	112	(30)
	<u>82</u>	<u>112</u>	<u>(30)</u>

### Cash Flow Statement – Adjust net surplus or deficit on the provision of services for non-cash movements

	2023/24 £'000	2022/23 £'000
Depreciation/Amortisation & Impairment	3,934	5,603
Increase/(decrease) in Creditors	(444)	(1,317)
(Increase)/decrease in Debtors	1,350	(7,949)
(Increase)/decrease in Inventories	(79)	(83)
Increase/(decrease) in Provisions	27	170
Movement in Pension Liability	19,796	32,436
Carrying amount of non-current assets held for sale, sold or de-recognised	537	224
	<u>25,121</u>	<u>29,084</u>

### Cash Flow Statement – Adjust for items included in the net surplus or deficit on the provision of services that are investing and finance activities

	2023/24 £'000	2022/23 £'000
Proceeds from short-term and long-term investments		
Proceeds from the sale of Property, Plant and Equipment and Intangible Assets	(94)	(49)
Any other items for which the cash effects are investing or financing cash flows	-	-
	<u>(94)</u>	<u>(49)</u>

### Cash Flow Statement – Operating activities within the cash flow statement include the following cash flows relating to interest

	2023/24 £'000	2022/23 £'000
Interest Received	728	335
Interest Paid	(646)	(713)
	<u>82</u>	<u>(378)</u>

### Cash Flow Statement – Cash Flows from Investing Activities

	2023/24 £'000	2022/23 £'000
Payments to acquire property, plant and equipment, investment property and intangible assets	(1,994)	(3,238)
Opening Capital Creditors	(528)	(175)
Closing Capital Creditors	560	528
Purchase of short term investments	(1,111)	2,036
Other payments for investing activities		-
Proceeds from the sale of property, plant and equipment, investment property and intangible assets	94	49
<b>Net cash flows from investing activities</b>	<u>(2,979)</u>	<u>(800)</u>

Cash Flow Statement – Financing Activities

	<b>2023/24</b>	<b>2022/23</b>
	<b>£'000</b>	<b>£'000</b>
Cash receipts of short and long-term borrowing	-	-
Appropriation to/from Collection Fund Adjustment Account	41	(12)
Repayments of short and long-term borrowing	(1,500)	(900)
Principal on Finance Leases	(20)	(18)
<b>Net cash flows from financing activities</b>	<u>(1,479)</u>	<u>(930)</u>

Government Grants

An analysis of other Government grants received during 2023/24 is given in note 11 of the notes to the Financial Statements.



**HUMBERSIDE**  
Fire & Rescue Service

# Humberside Fire Authority Pension Fund Account 2023/24

### FIREFIGHTERS' PENSION FUND ACCOUNT

The following table analyses movements on the Fund for the year 2023/24

<b>2022/23</b>		<b>2023/24</b>
<b>£'000s</b>		<b>£'000s</b>
	Contributions receivable:	
(5,873)	Employers' contributions receivable	(6,016)
(2,588)	Firefighters' contributions	(2,753)
(8,461)		(8,769)
(203)	Transfers in from other authorities	(239)
	Benefits payable:	
17,803	Pensions	19,768
4,496	Commutations & lump sum retirement benefits	3,343
22,299		23,111
	Payments to and on account leavers	
-	Transfers out to other authorities	45
<b>13,635</b>	<b>Net amount payable for the year</b>	<b>14,148</b>
(13,635)	Top-up grant receivable to the Firefighters' Pension Fund	(14,148)
-	<b>Fund Account balance</b>	-

#### Net Assets Statement

<b>2022/23</b>		<b>2023/24</b>
	<b>Current Assets</b>	
3,435	Home Office grant debtor	2,245
1,652	Pensions Paid in Advance	1,775
	<b>Current Liabilities</b>	
(5,087)	Humberside Fire Authority	(4,020)
-		-
-		-

### Notes to the Firefighters' Pension Fund Account

The funding arrangements for the Firefighters' Pension Scheme (FPS) changed on 1 April 2006. The Pension Fund was established under the Firefighters' Pension Scheme (Amendment) (England) Order 2006. The Pension Fund administers all four of the Firefighters' Pension Schemes (the 1992 Firefighters' Pension Scheme, the 2006 Firefighters' Pension Scheme, the 2015 Firefighters' Pension Scheme and the Modified Firefighters' Pension Scheme).

The Pension Fund is administered by Humberside Fire Authority.

The Pension Fund is managed by the Executive Director of Finance and Section 151 Officer.

The benefits payable from the Pension Fund are pensions, lump sum commutation payments and ill health pensions. Injury awards are payable from the Authority's General Fund Account.

The Pension Fund is an unfunded scheme, consequently:

- It has no investment assets;
- Benefits payable are funded by contributions from employers and employees; and
- any difference between benefits payable and contributions receivable is met by top-up grant from the Home Office (HO)

The Pension Fund is statutorily prevented from including interest on cashflows and administration expenses in the pension fund. These expenses are accounted for in the Authority's General Fund Account.

Employee and employer contribution levels are based on percentages of pensionable pay set nationally by HO and are subject to triennial revaluation by the Government Actuary's Department. The employers' contribution rates are determined nationally by the Government Actuary's Department and is currently 28.8% for the 2015 FPS. This will increase to 37.6% from 1<sup>st</sup> April 2024.

The membership for the pensions fund is as follows;

Category of Member	31/3/2024 1992 FPS	31/3/2024 2006 NFPS	31/3/2024 Modified Pension Scheme	31/3/2024 2015 FPS	31/3/2023 1992 FPS	31/3/2023 2006 NFPS	31/3/2023 Modified Pension Scheme	31/3/2023 2015 FPS
Contributors	-	-	-	756	-	-	-	747
Deferred Pensioners	37	101	4	193	41	107	5	198
Pensioners	972	24	80	76	1,033	17	80	24

### Statement of Accounting Policies

The Accounting Policies adopted for the Pension Fund follow those set out in the Authority's Statement of Accounting Policies (Note 1 of the Notes to the Financial Statements). Transfer values are an exception to this policy and are on a cash basis.

The following item(s) are estimated and are material to the Pension Fund account:

- Estimation of top-up grant receivable

The Pension Fund Account does not take account of the obligations to pay pensions and benefits that fall due after the end of the financial year. These are reflected in the Authority's accounts in accordance with IAS 19 – Employee Benefits (Please see note 4 in the Notes to the Financial Statements).

CERTIFICATIONS

We, the undersigned, certify that:

The Statement of Accounts represents a True and Fair View of the financial position of Humberside Fire Authority as at 31 March 2024 and the Comprehensive Income and Expenditure for the year ended 31 March 2024.

.....  
Phil Shillito – Chief Fire Officer/Chief Executive

.....  
Councillor – Chair

.....  
Martyn Ransom – Executive Director of Finance/Section 151 Officer  
tbc (authorised for issue date)

## Appendix 1

## Revenue Variance Analysis

2022/23		2023/24		
		Revised Estimate	Actual	Variance
<b>£'000</b>	<b>Expenditure</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
41,020	Employees	43,460	43,421	(39)
3,153	Premises	3,636	3,706	70
1,827	Transport	1,765	2,008	243
4,425	Supplies and Services	4,291	4,370	79
336	Support Services	250	520	270
5,579	Capital Charges	1,959	3,786	1,827
<b>56,340</b>	<b>Total Expenditure</b>	<b>55,361</b>	<b>57,811</b>	<b>2,450</b>
<b>(2,222)</b>	<b>Income</b>	<b>(1,113)</b>	<b>(1,749)</b>	<b>(636)</b>
<b>54,118</b>	<b>Net Expenditure</b>	<b>54,248</b>	<b>56,062</b>	<b>1,814</b>
713	Interest Payable	649	652	3
(335)	Interest Receivable	(500)	(811)	(311)
(3,111)	Accounting Adjustments	1,357	(879)	(2,236)
(231)	Contributions to / (from) Reserves	(567)	-	567
<b>51,154</b>	<b>Net Budget Requirement</b>	<b>55,187</b>	<b>55,024</b>	<b>(163)</b>
(3,424)	General Government Grant	(3,060)	(3,060)	-
(4,288)	Business Rates	(6,187)	(6,188)	(1)
(17,873)	NNDR	(18,514)	(18,627)	(113)
(26,017)	Precepts	(27,426)	(27,426)	-
<b>(448)</b>	<b>Net (Surplus)/Deficit</b>	<b>-</b>	<b>(277)</b>	<b>(277)</b>

£'000	Movement on the General Fund	£'000
(448)	(Surplus)/Deficit as above	(277)
1,530	Reserve Movements as per Fire Authority	(600)
10	Budgeted Transfer (To)/From General Reserve	-
<b>1,093</b>	<b>(Surplus)/Deficit on the General Fund in the Year</b>	<b>(877)</b>



## A breakdown of major variances is as follows:

	<b>Overspend / (Underspend) £'000</b>
Transport Additional costs associated with our joint workshops in relation to repairs and maintenance of our fleet	243
Support Services Higher spend on legal fees during 2023/24	270
Capital Charges Impairment and depreciation of the estate has caused this variance (offset with accounting adjustment note)	1,827
Income a) Additional income in relation to collaborations b) Additional grant income received from Government c) Higher level of aerial rental income	<b>(636)</b>
Interest Receivable This is due to higher interest rates on our investments	<b>(311)</b>
Accounting Adjustments a) Impairment and depreciation of the estate (offset with asset rental interest note) b) Lower revenue contribution towards capital outlay due to a lower capital spend within the year	<b>(2,236)</b>
Contributions from Reserves An in year underspend across all the areas mentioned above has meant that there is no need for an in year transfer from the General Reserve	567

## Appendix 2

### Capital Expenditure Breakdown and Variance Analysis

A breakdown of capital expenditure can be found in the table below.

Project	2023/24		
	Revised Estimate	Actual	Variance
	£'000	£'000	£'000
<b>Buildings</b>			
Bridlington	150	-	(150)
Goole	675	674	(1)
Patrington	30	-	(30)
Preston	30	-	(30)
Headquarters	130	30	(100)
Training Infrastructure	108	2	(106)
Fire Station External Works	100	-	(100)
Electric Vehicle Charging Ports	60	-	(60)
<b>Dignity</b>			
- Winterton	433	559	126
- Immingham East	328	14	(314)
- Cromwell Road	-	(27)	(27)
- Market Weighton	-	(4)	(4)
- Calvert Lane	-	(4)	(4)
- Barton	-	(2)	(2)
<b>Vehicles</b>			
Operational	2,200	-	(2,200)
Support	1,085	108	(977)
<b>Plant &amp; Equipment</b>			
IT Equipment	600	468	(132)
Equipment	790	176	(614)
	<b>6,719</b>	<b>1,994</b>	<b>(4,725)</b>

Analysis of the most significant capital variances:

	Overspend/ (Underspend) £'000
<b>Bridlington</b> Work expected to commence during 2024/25	(150)
<b>Winterton</b> Work has commenced at a faster rate than initially anticipated. This will reduce the funding that is needed during 2024/25	126
<b>Immingham East</b> Work expected to be completed during 2024/25	(314)
<b>Vehicles</b> Delivery of the appliances and support vehicles is expected to be taken during 2024/25	(3,177)
<b>IT Equipment</b> Some ICT equipment and projects have slipped into 2024/25	(132)
<b>Equipment</b> Some operational equipment has slipped into 2024/25	(614)

## Appendix 3

### Glossary of terms

Accounting Date	This is the date at which the Balance Sheet is produced, for this Authority it is 31 March each year.
Accounting Period	The period of time covered by the accounts, normally a period of twelve months commencing on 1 April. The end of the accounting period is the Balance Sheet date.
Accruals	Sums included in the final accounts to recognise revenue and capital income and expenditure earned or incurred in the financial year, but for which actual payment had not been received or made as at 31 March.
Actuarial Gains and Losses	For a defined benefit pension scheme, the changes in actuarial surpluses or deficits that arise because:  events have not coincided with the actuarial assumptions made for the last valuation (experience gains and losses) or the actuarial assumptions have changed.
Agency Arrangements	An arrangement between two organisations where one will act as an agent, collecting money on behalf of the other party, to whom the money is then paid over. An example of this is council tax collections, where the four local authorities collect money from tax payers on behalf of the Authority and then pay it over.
Amortisation	The measure of the cost of the wearing out, consumption or other reduction in the useful economic life of the Authority's Intangible Assets during the accounting period, whether from use, the passage of time, or obsolescence through technological or other changes.
Asset	An item having value to the Authority in monetary terms. Assets are categorised as either current or non-current:  A <b>current</b> asset will be consumed or cease to have material value within the next financial year (e.g. cash and inventories);  A <b>non-current</b> asset provides benefits to the Authority and to the services it provides for a period of more than one year and may be <b>tangible</b> e.g. a fire station or <b>intangible</b> , e.g. computer software licences.
Audit of Accounts	An independent examination of the Authority's financial affairs.
Balance Sheet	A statement of the recorded Assets, Liabilities and other balances at the end of the Accounting Period.
Budget	The forecast of net revenue and Capital Expenditure over the Accounting Period.

Capital Expenditure	Expenditure on the acquisition of a non-current asset, which will be used in providing services beyond the current Accounting Period or expenditure that adds to, and not merely maintains, the value of an existing non-current Asset.
Capital Financing	Funds used to pay for Capital Expenditure. There are various methods of financing Capital Expenditure including borrowing, leasing, direct revenue financing, usable capital receipts, capital grants, revenue reserves and earmarked reserves.
Capital Programme	The capital schemes the Authority intends to carry out over a specified period of time.
Capital Receipts	The proceeds from the disposal of land or other non-current Assets. Capital receipts can be used to finance new Capital Expenditure, but they cannot be used to finance Revenue Expenditure.
Carrying Value	This is the value of an Asset or Liability as shown in the Statement of Accounts
Cash Equivalents	Short-term, highly liquid investments readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.
Code Of Practice	The CIPFA (Chartered Institute of Public Finance and Accountancy) Code of Practice on Local Authority Accounting.
Component	A part of an Asset requiring separating from the total (host) Asset into an Asset in its own right as it has a cost that is significant in relation to the total cost of the Asset. If the components also have a significantly different depreciable life from the host then it is depreciated separately.
Comprehensive Income and Expenditure Statement	Shows the accounting economic cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. Authorities raise taxation to cover expenditure in accordance with regulations; this may be different from the accounting cost. The taxation position is shown in the Movement in Reserves Statement.
Consistency	The concept that the accounting treatment of like items, within an Accounting Period and from one period to the next, are the same.
Consolidation	The process of combining the Financial Statements from the Authority and the Authority's share of Emergency Services Fleet Management (Humberside) Ltd.
Contingent Asset	A possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Authority.
Contingent Liability	A contingent liability is either:

a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Authority, or

a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

Corporate and Democratic Core	The corporate and democratic core comprises all activities that fire authorities engage in specifically because they are comprised of members elected to local authorities. The cost of these activities are thus over and above those which would be incurred by a series of independent, single purpose, nominated bodies managing the same services. There is therefore no logical basis for apportioning costs to services.
Creditor	Amount owed by the Authority for works done, goods received or services rendered within the Accounting Period, but for which payment has not been made by the end of that Accounting Period.
Current Service Cost (Pensions)	The increase in the present value of a defined benefit pension scheme's liabilities, expected to arise from employee service in the current period.
Debtor	Amount owed to the Authority for work done, goods received or services rendered within the Accounting Period, but for which payment has not been received by the end of that Accounting Period.
Defined Benefit Pension Scheme	Pension schemes in which the benefits received by the participants are independent of the contributions paid and are not directly related to any investments of the scheme.
Depreciation	The measure of the cost of the wearing out, consumption or other reduction in the useful economic life of the Authority's non-current Assets during the accounting period, whether from use, the passage of time, or obsolescence through technological or other changes.
Derecognition	The removal of an Asset or Liability from Authority's Balance Sheet.
Effective Interest Rate	This is the rate of interest necessary to discount the estimated stream of principal and interest cash flows through the expected life of a Financial Instrument to equal the amount after initial recognition.
Events after the Reporting Period	Events after the reporting period are those events, favourable or unfavourable, that occur between the Balance Sheet date and the date when the Statement of Accounts is authorised for issue.

Exceptional Items	Material items which derive from events or transactions that fall within the ordinary activities of the Authority and which need to be disclosed separately by virtue of their size or incidence to give fair presentation of the Accounts.
Existing Use Value (EUV)	The estimated amount for which a property should be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction, assuming that the buyer is granted vacant possession of all parts of the property required by the business and disregarding potential alternative uses and any other characteristics of the property that would cause the market value to differ from that needed to replace the remaining service potential at least cost. Under IFRS this is the same as Fair Value.
Expected Return on Pension Assets	For a funded Defined Benefit Scheme, this is the average rate of return including both income and changes in Fair Value but net of scheme expenses, which is expected over the remaining life of the related obligation on the actual assets held by the scheme.
Fair Value	The amount of which an Asset could be exchanged, or liability settled, between knowledgeable, willing parties in an arm's-length transaction. Under IFRS there is no consistent definition of Fair Value; different definitions apply in different circumstances.
Financial Instrument	Any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another. The term covers both financial assets and financial liabilities, from straightforward trade receivables (invoices owing) and trade payables (invoices owed) to complex derivatives and embedded derivatives.
Finance Lease	A lease that transfers substantially all the risks and rewards of ownership of an asset to the lessee (even though title to the property may not be transferred). The asset is recorded on the Balance Sheet of the lessee.
Going Concern	The concept that the Statement of Accounts are prepared on the assumption that the Authority will continue in operational existence for the foreseeable future.
Government Grants	Grants made by the Government towards either revenue or capital expenditure in return for past or future compliance with certain stipulations relating to the activities of the Authority. Grants may be specific to a particular scheme or may support the revenue or capital spend (respectively) of the Authority in general.
Held for Sale	Property, plant and equipment assets held by the Authority pending sale. Assets must meet strict criteria before being classified as Held for Sale.
Heritage Assets	An asset with historic, artistic, scientific, technological, geophysical, or environmental qualities that is held and maintained principally for its contribution to knowledge

	and culture and this purpose is central to the objectives of the entity holding it.
Impairment	A reduction in the value of a non-current Asset to below its Carrying Value on the Balance Sheet. Impairment is caused by a consumption of economic benefit such as obsolescence or physical damage of an Asset.
Income	Amounts that the Authority receives or expects to receive from any source, including fees, charges, sales and grants.
Intangible Assets	<p>An intangible (non-physical) item may be defined as an identifiable non-monetary asset when it is probable that the expected future economic benefits attributable to the asset will flow to the entity, and its cost can be measured reliably. An asset meets the identification criteria when it:</p> <ul style="list-style-type: none"> <li>(a) Is separable, i.e. capable of being separated or divided from the entity and sold, transferred, licensed, rented, or exchanged, either individually or together with a related contract, asset or liability; or</li> <li>(b) Arises from contractual or other legal rights, regardless of whether those rights are transferable or separable from the entity or from other rights and obligations.</li> </ul>
Interest Cost (Pensions)	For a Defined Benefit Scheme, the expected increase during the period in the present value of the scheme liabilities because the benefits are one period closer to settlement.
International Accounting Reporting Standards (IAS)	These are accounting standards published and produced by the International Accounting Standards Board. Further detail on International Accounting Standards can be found at <a href="http://www.ifrs.org">www.ifrs.org</a>
Inventories	Items of raw materials and stores, the Authority has procured and holds in expectation of future use. Examples are consumable stores, raw materials and products and services in intermediate stages of completion (work in progress).
Investments	A sum invested on a long-term or continuing basis to support the activities of an organisation, or where the disposal of the investment is restricted in some way. Monies invested which do not meet these criteria are classified as current assets.
Liability	<p>A liability is where the Authority owes payment to an individual or another organisation, arising from past events.</p> <ul style="list-style-type: none"> <li>• A <b>current</b> liability is an amount which will or could become payable in the next Accounting Period, e.g. creditors or cash overdrawn.</li> <li>• A <b>deferred</b> liability is an amount which by arrangement is payable beyond the next year at some point in the future or to be paid off by an annual sum over a period of time.</li> </ul>

Long-term Contract	A contract entered into for the design, manufacture or construction of a single substantial asset or the provision of a service (or a combination of assets or services which together constitute a single project), where the time taken to substantially complete the contract is such that the contract activity falls into more than one Accounting Period.
Materiality	The concept that the Statement of Accounts should include all amounts which, if omitted, or misstated, could be expected to lead to a distortion of the Financial Statements and ultimately mislead a user of the Accounts.
Minimum Revenue Provision (MRP)	The minimum amount which must be charged to the revenue account each year in order to provide for the repayment of loans and other amounts borrowed by the Authority.
Net Book Value (NBV)	The amount at which non-current Assets are included in the Balance Sheet, i.e. their historical costs or current value, less the cumulative amounts provided for Depreciation and Impairment.
Net Current Replacement Cost	The estimated cost of replacing or recreating a particular asset in its existing condition and in its existing use, i.e. the cost of its direct replacement.
Net Debt	The Authority's borrowings less cash, cash equivalents and short term investments.
Net Present Value	Net Present Value (NPV) is the difference between the present value of cash inflows and the present value of cash outflows
Net Realisable Value	The open market value of an asset less the expenses to be incurred in realising the asset.
Non-current Assets	Property, Plant and Equipment held or occupied, used or consumed by the Authority in pursuit of its strategic objectives in the direct delivery of those services for which it has either a statutory or discretionary responsibility.
Non Distributed Costs (NDC)	These are the overheads for which no user now benefits and as such are not apportioned to services.
National Non Domestic Rates (NNDR)	The non-domestic rate is a levy on businesses, based on a national rate in the pound set by the Government and multiplied by the assessed rateable value of the premises they occupy. It is collected by Local Authorities on behalf of Central Government and is then redistributed back to the Authority.
Operating Lease	A lease other than a Finance Lease. The risks and rewards of ownership of a non-current asset that is leased remain with the lessor and on the lessor's Balance Sheet. The lessee accounts for the rental payments as revenue income and expenditure.



Past Service Cost (Pensions)	For a Defined Benefit Pension Scheme, the increase in the present value of the scheme liabilities related to the employee service in prior periods arising in the current period as a result of the introduction of, or improvement to, retirement benefits.
Pension Scheme Liabilities	The liabilities of a Defined Benefit Pension Scheme for outgoings due after the valuation date. Scheme liabilities measured using the projected unit method reflect the benefits that the employer is committed to provide for service up to that date.
Precept	The levy made by precepting authorities on billing authorities, requiring the latter to collect income from council taxpayers on their behalf.
Prior Year Adjustment	Material adjustments applicable to prior years arising from changes in accounting policies or from the correction of material errors. This does not include normal recurring corrections or adjustments of accounting estimates made in prior years.
Projected Unit Method	An assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, etc., and projections of projected earnings for current employees.
Prospective Application	Applying new accounting policies to transactions, other events and conditions occurring after (not before) the date as at which the policy is changed and recognising the effect of the change in the accounting estimate in the current and future period affected by the change.
Provision	An amount put aside in the accounts for future liabilities or losses which are certain or very likely to occur as a result of a past event, but the amounts or dates of which they will arise are uncertain.
Public Works Loan Board (PWLB)	A Central Government Agency, which provides loans for one year and above to authorities at interest rates only slightly higher than those at which the Government itself can borrow.
Related Parties	There is a detailed definition of related parties IPSAS 20. For the Authority's purposes, related parties are deemed to include the Authority's Members, Senior Officers and their close family, partners, levying bodies, other public sector bodies, the Pension Fund and Assisted Organisations.
Related Party Transactions	The Code requires the disclosure of any material transactions between the Authority and related parties to ensure that stakeholders are aware when these transactions occur and the amount and implications of such.
Remuneration	All sums paid to or receivable by an employee and sums due by way of expenses allowances (as far as those sums are chargeable to UK income tax) and the monetary value of any other benefits received other than

in cash. Pension contributions payable by the employer are excluded.

Reserves	The residual interest in the Assets of the Authority after deducting all of its Liabilities. These are split into two categories, usable and unusable. Usable reserves are those reserves that contain resources that an authority can apply to fund expenditure of either a revenue or capital nature (as defined). Unusable reserves are those that an authority is not able to utilise to provide services. They hold unrealised gains and losses (for example the revaluation Reserve), where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences between expenditure being incurred and its financing e.g. Capital Adjustment Account.
Residual Value	The net realisable value of an asset at the end of its useful life.
Retirement Benefits	All forms of consideration given by an employer in exchange for services rendered by employees that are payable after the completion of employment.
Retrospective Application	Applying a new accounting policy to transactions, other events and conditions as if that policy had always been applied. Opening balances and prior year income and expenditure comparatives must be adjusted.
Revaluation Loss	A reduction in the value of a non-current Asset below its Carrying Amount in the Balance Sheet, caused by a general fall in prices across a whole class of assets.
Revenue Expenditure	The day-to-day expenses of providing services.
Revenue Support Grant	A grant paid by Central Government to authorities, contributing towards the general cost of services.
Single Entity	Refers to transactions and balances that form part of the Authority Accounts.
Statement of Accounts	The set of Statements comprising the Expenditure and Funding Analysis Statement, Movement in Reserves Statement, Comprehensive Income and Expenditure Statement, Balance Sheet, Cash Flow Statement and accompanying notes.
Temporary Borrowing	Money borrowed for a period of less than one year.
True and Fair View	The Statement of Accounts should be the faithful representation of the effects of the transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the code. Compliance with the Code is presumed to result in financial statements that achieve a true and fair presentation.
Useful Economic Life	The period over which the Authority will derive benefits from the use of a non-current Asset.

**Appendix 4**

**Feedback form**

**Humberside Fire Authority**

**STATEMENT OF ACCOUNTS 2023/24  
FEEDBACK FORM**

The Statement of Accounts evolves each year and notwithstanding a large amount of information being prescribed by the Accounting Codes of Practice, the Authority attempts to make the document as readable and user friendly as possible.

We would therefore welcome any comments from readers on the Statement of Accounts regarding improvements to the layout and readability for future years. If you could complete the following questionnaire and return it to the address below we will try to accommodate any comments received. Alternatively, if you are viewing this document on the internet, there is an on-line form which you can submit.

We will attempt to incorporate any comments received by 31 March 2025 into the 2024/25 Statement of Accounts where possible and the Authority will try to include any comments received after that date into future years' documents.

1. Please indicate in what capacity you are viewing this Statement.

Local Tax Payer  Local Business

Other, please specify .....

2. Is the format and the layout of the Statement of Accounts easy to understand and follow?

Yes  No

If not why not?

3. Did you find the information you were looking for?

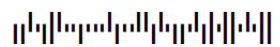
Yes  No

If no, why?

4. Any other comments you have would be welcome:

Please return by attaching the freepost form on the next page to the front of an envelope.

Business Reply  
Licence Number  
RTRC-GLXU-LCJT



HUMBERSIDE  
Fire & Rescue Service



2  
||| |||



Humberside Fire Service  
Brigade Headquarters  
Summergroves Way  
Hull  
HU4 7BB

## ANNUAL GOVERNANCE STATEMENT 2023/24

### Scope of Responsibility

1. The Humberside Fire Authority (HFA) is responsible for ensuring that its business is conducted in accordance with the law and proper standards and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The HFA also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.
2. In discharging this overall responsibility, the HFA is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, which includes arrangements for the management of risk.
3. The HFA has approved and adopted a code of corporate governance applicable to Members, which is consistent with the principles of the Chartered Institute of Public Finance and Accountancy (CIPFA)/ Society of Local Authority Chief Executives (Solace) Delivering Good Governance in Local Government Framework 2016 Edition. A copy of the code can be obtained from the Secretary to the Fire Authority.
4. The HFA has approved and adopted the National Fire Chiefs Council (NFCC) Core Code of Ethics for Fire and Rescue Services for employees to abide by.
5. This statement explains how the HFA has complied with the code of corporate governance and also meets the requirements of regulation 4(3) of the Accounts and Audit (England) Regulations 2011 in relation to the publication of an Annual Governance Statement.

### The Purpose of the Governance Framework

6. The governance framework comprises the systems and processes, culture and values, by which the HFA is directed and controlled. The framework demonstrates how the HFA accounts to, engages with and leads within the community. It enables the HFA to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost effective services.
7. The system of internal control is a significant part of the governance framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness.
8. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of the HFA's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

9. The governance framework has been in place at the HFA for the year ending 31 March 2023 and up to the date of approval of the Statement of Accounts.

### **The Governance Framework 2023/24**

10. The key elements of the HFA's governance framework included:

- (a) The [Constitution](#) of the Authority which includes:
- (1) Committee Membership and Terms of Reference;
  - (2) Scheme of Delegation to Officers;
  - (3) Financial Procedure Rules;
  - (4) Contract Procedure Rules;
  - (5) Members' Code of Conduct;
  - (6) Employees' Code of Conduct;
  - (7) Protocol for Member and Officer relationships;
  - (8) Code of Corporate Governance.
- (b) The Governance, Audit and Scrutiny (GAS) Committee, as well as the HFA itself, received regular reports on the Service's performance arrangements.
- (c) An approved [Corporate Risk and Opportunity Policy](#).
- (d) An approved 'Local Code of Corporate Governance' in accordance with the CIPFA/SOLACE Framework for Corporate Governance.
- (e) The designation of the Chief Fire Officer as Chief Executive responsible to the HFA for all aspects of operational management.
- (f) The designation of the Executive Director of Finance and S.151 Officer (Local Government Act 1972) in accordance with Section 112 of the Local Government Finance Act 1988 and conforming with the governance requirements of the CIPFA Statement on the role of the Chief Financial Officer in Local Government (2010).
- (g) The designation of the Secretary as Monitoring Officer with the requirement to report to the full HFA if it is considered that any proposal, decision or omission would give rise to unlawfulness or maladministration.
- (h) The Executive Board has considered a strategic overview of the HFA control environment, including the response to external audit, performance management, strategic planning and scrutiny of Risk and Opportunity Management.
- (i) The production of quarterly [Management Accounts](#) which are distributed to all Members of SLT and are considered at the GAS Committee meetings and the HFA.
- (j) The Service and Finance Planning process.

- (k) In accordance with the Service Business Planning Framework the Strategic Plan and Community Risk Management Plan (CRMP) for 2021-25 ensure a three-year plan, linked to the [Medium Term Resource Strategy](#).
- (l) The Strategic Plan 2021/24 includes strategic objectives and Directorate responsibilities. The [Strategic Plan 2021-25](#) was approved by HFA in December 2020 following consultation.
- (m) The [Community Risk Management Plan \(CRMP\) 2021-25](#) takes account of the requirements of the 2018 Fire and Rescue National Framework for England, providing a detailed assessment of the risks facing our communities and personnel and the measures taken to mitigate those risks. .
- (n) Current [Anti-Fraud and Corruption, Anti-Bribery and Anti-Money Laundering Policies](#). We publish these and other such Policies, associated data and information on the HFRS Website under Data Transparency.
- (o) The Authority is committed to the highest possible standards of integrity, openness, fairness, inclusivity, probity and accountability. HFA aims to provide a positive and supportive culture to enable employees to raise their concerns.

A [Whistleblowing Policy](#) and subscription to the services of the whistleblowing charity, Protect, were in place. Staff are informed of this service via Siren and the Whistleblowing Policy which is published on the external website.

The Authority has also introduced a 'Freedom to Speak up Guardian' role through the new Wellbeing Manager in Occupational Health, providing another independent reporting route for staff to raise concerns.

- (p) A Service Improvement Plan has been developed to ensure that improvement areas across the Service, including any actions arising from His Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) Inspection, are documented, evidenced and regularly reviewed.
- (q) Member and Officer Development Programmes. During 2023/24 Officers undertook facilitated supportive leadership development. Access to the T2Hub of Management and Leadership Self Development resources, Continual Professional Development through the Leadership Forum and Guest Speakers and Officers completing the Executive Leadership Programme.
- (r) Scheduled Member Days throughout the year support Member development and awareness of developing agenda for the Service and across the Sector as a whole.
- (s) An approved Treasury Management Policy and Prudential Indicators.
- (t) A Protective Marking Scheme (based upon the His Majesty's Government Security Framework).
- (u) Implementation of a [Public Sector Equality Duty \(PSED\) action plan](#) to implement its priorities. Actions within this plan have been fully integrated within the LGA FRS Equality Framework Self-assessment/action planning process and Priorities following consultation.

- (v) Aligned service delivery with our four Local Authorities (Hull, East Riding, North Lincolnshire and North East Lincolnshire) through District management teams, is helping partnership work and assists us to be closer and more accountable to local communities.
- (w) Bi-Annual Performance Reports to HFA are published on our [website](#).
- (x) A Pension Board, as required under The Firefighters' Pension Scheme (Amendment) (Governance) Regulations 2015, was formed in 2015 to oversee compliance in the operation of the Firefighters' Pension Scheme (FPS). The Pension Board met twice during 2023/24.
- (y) The Executive Director of People and Development chairs a Joint Consultative Committee attended by all Representative Bodies to discuss any matters relating to staff terms and conditions.
- (z) Member Champions continue to support functional areas and are invited to attend local District performance meetings and to meet with Area Managers and Executive Directors.
- (aa) Consultation on our Council Tax Precept for 2023/24 drew many responses (1356) from our community. This allowed Fire Authority Members to make an informed decision on the setting of the precept.
- (bb) In line with legislative requirements HFRS published its [Gender, Ethnicity and Disability Pay Gap Report](#) by the end of March 2024. Any arising actions are included within the report to HFA.
- (cc) Emergency Preparedness for significant events is assured through provision of a fulltime team, established and tested Business Continuity Plans and a lead role within the Humber Local Resilience Forum (LRF).
- (dd) Policies relating to compliance, management and administration of information governance, under the General Data Protection Regulation (GDPR) are published on the [website](#).

### **Review of Effectiveness**

10. The HFA has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of the executive managers within the Authority who have responsibility for the development and maintenance of the governance environment, the head of internal audit's annual report, and also by comments made by the external auditors and other review agencies and inspectorates.
11. The GAS Committee has continued its scrutiny programme during 2023/24, including the scrutiny of:
  - Fire Standards
  - Procurement
  - Equality, Diversity and Inclusion (EDI) - Equality Impact Analysis
  - General Data Protection Regulation (GDPR) Compliance
  - EDI Staff Forums.



The induction of new Members and continuing training of all Members (via Member Days and Member Champion meetings) during 2023/24 has further enabled Members to discharge the functions of the HFA.

12. During the 2023/24 financial year, the HFA and its committees met as follows:
  - HFA - nine occasions
  - GAS Committee - seven occasions
  - Pension Board - two occasions
  
13. Members of the Pension Board receive reports against a number of key workstreams designed to ensure that the Board operates in compliance with the Pension Regulator's Code of Practice for Pension Boards, this encompasses three broad areas: Governance, Administration and Communication.
  
14. The review of the effectiveness of the system of internal control is informed by:
  - The work of Senior Officers
  - The work of Internal Audit
  - Corporate Risk and Opportunity
  - Performance information
  - The Authority's External Auditor, in their Auditor's Annual Report, Audit Completion Report, Annual Audit Letter and other reports.
  
15. Internal Audit has undertaken a number of reviews during 2023/24. The following areas were covered:
  - Bullying, Harassment and Discrimination
  - Enforcement Powers and Priorities
  - Effectiveness of Systems (used to learn from operational Incidents)
  - National Operational Guidance (NOG)
  - Service Absolutes Process
  - Staff Development
  - Mobile Data Terminals (MDT) performance
  - ICT Management Controls
  - Key Financial Controls
  
16. The Authority is fully compliant against the CIPFA Financial Management Code. Full compliance against the code became mandatory from 1 April 2022.
  
17. The Head of Internal Audit annual opinion for the period 1 April 2023 to 31 March 2024 was satisfied that, for the areas reviewed during the year, the Service has reasonable and effective risk management, control and governance processes in place. The Authority proactively utilises Internal Audit as an effective tool to receive independent assessment and assurance in targeted areas of work as identified by the Service Improvement Framework.

18. The effectiveness of the governance framework is considered throughout the year by SLT, the GAS Committee and HFA. Much of this is discharged through internal reports such as Management Accounts and Performance Reports as well as the work of Internal and External Audit. Any significant issues are captured via the risk management system and considered by the Fire Authority where appropriate.

### **Governance Update 2023/24**

19. There were no significant governance issues during 2023/24.
20. Members are assured that the Service has appropriate arrangements in place should use of the powers under the Regulation of Investigatory Powers Act (RIPA) 2000 be necessary. There was no use of RIPA or requests for covert surveillance during 2023/24.
21. The Police & Crime Act 2017 places a statutory duty upon Fire and Rescue, Police and Ambulance services to collaborate.
22. We continue to proactively identify collaborative opportunities with the Police, Ambulance services and other bodies. This has included:
- A joint Emergency Service Fleet Management workshop with the Humberside Police.
  - A joint Estates (Operational and Strategic) function with Humberside Police.
  - Provision of a medical First Responder scheme in partnership with Yorkshire Ambulance (YAS), East Midlands Ambulance Service (EMAS).
  - A Hull Falls, Intervention Response, Safety Team (F.I.R.S.T) with City Health Care Partnership (CHCP), Humber, Coast and Vale Integrated Care System (ICS) and Hull City Council.
  - An agreement with Yorkshire Ambulance Service (YAS) for them to provide Service wide Clinical Governance.
  - Memorandums of Understanding with Humberside Police and Ambulance Trusts to support response activities including:
    - Fire Investigation
    - Forced Entry for Medical Rescues
    - Drone
    - Bariatric
  - An Integrated Health Centre incorporating a Full-Time fire station, in partnership with Humber, Coast and Vale ICS.
  - A Fire and Police Transformation Board continues to review collaboration opportunities where they are beneficial and practicable.
  - Shared provision of a Health and Safety function with Humberside Police, managed by HFRS.
  - HFRS providing Financial Management support to Humberside PCC.
  - 'Don't Cross the Line' campaign to support stopping attacks on Emergency Service Workers.
23. The Service was last inspected by HMICFRS at the end of 2021 into 2022 which rated the Service as 'Good' across all three pillars (Effectiveness, Efficiency and People). The Service Improvement Plan addresses any findings from the inspection and is used to prepare the Service for its next inspection, due to take place later in 2024. Performance monitoring against the Service Improvement Plan is undertaken through a Strategic Leadership Team performance meeting held every other month.

The Service was chosen as one of the 10 fire services to undergo a Thematic Inspection into the handling of misconduct. The inspection took place over a three week period in November 2023 and will culminate in a report which is set to be published in the summer of 2024. The report will include outcomes from all 10 Services involved in the inspection.

24. The Appointments Committee met once during 2023/24 to appoint to the following Executive post:
- Executive Director of Finance & Section 151 Officer
25. One Whistleblowing complaint was received internally during 2023/24 and was dealt with in accordance with the Whistleblowing Policy. No case was found to be answered.
26. In its response to its consultation on the White Paper *Reforming our Fire and Rescue Service* on 12 December 2023, the Government committed to the following areas:
- Introducing a professional College of Fire and Rescue to oversee standards and strengthen leadership.
  - Developing the provision for Chief Fire Officers (CFOs) to have operational independence.
  - Tasking the National Joint Council to review pay negotiation mechanisms.
  - Addressing issues around integrity and culture through improved training, more open recruitment practices, and working towards a statutory code of ethics for FRS employees.

Proposals for mandatory transfers to the Police, Fire and Crime Commissioner (PFCC) model, boundary changes to make areas between different public services match geographically, and for a Fire and Rescue Service (FRS) oath were dropped. The Service will continue to monitor national progress against the agreed reforms, providing updates on their evolving status as required.

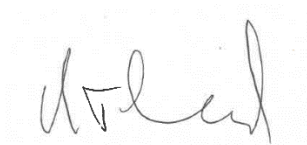
### **Strategic Risk and Opportunity Register**

27. The Service has in place a Strategic Risk and Opportunity Register which enables it to understand, monitor and mitigate against the Service's overall risk profile. The Service can use a range of techniques for identifying specific risks that may potentially impact on one or more objectives. The top critical Strategic Risks for 2023/24 were as follows:
- Public Confidence in Working Culture
  - Financial Constraints Around National Grant Funding

### **Conclusions**

28. This Annual Governance Statement for 2023/24 provides Members with a high level of assurance for the Authority's governance arrangements.

**Signed**



Councillor Nigel Sherwood  
Chair of the Fire Authority



Phil Shillito  
Chief Fire Officer & Chief Executive



Martyn Ransom  
Section 151 Officer



Lisa Nicholson  
Secretary & Monitoring Officer to the  
Fire Authority

**FINANCE AND PROCUREMENT UPDATE 2024/25  
BASED ON PERIOD ENDING 30 SEPTEMBER 2024**

**1. SUMMARY**

- 1.1 This report highlights the current financial position based on information to 30 September 2024.
- 1.2 The end of year projections are set out at section 4.1 for the revenue budget, the capital programme and the pensions account.

**2. RECOMMENDATIONS**

- 2.1 It is recommended that the GAS Committee takes assurance of the Authority’s financial position for the period ending 30 September 2024.

**3. BACKGROUND**

- 3.1 The Quarterly Finance and Procurement Update replaces the Management Accounts that have been produced in previous years.
- 3.2 These will be reported to Members four times a year with the financial position at 30 June, 30 September, 31 December and 28 February.

**4. PERIOD ENDING 30 SEPTEMBER 2024**

- 4.1 The summary estimated outturn position for the current financial year based on information to 30 September 2024 is as follows:

CATEGORY	2024/25 OUTTURN PROJECTION
HFA	
Revenue Budget	£0.387m underspend
Capital Programme	£6.264m spend against a £10.921m allocation
Pensions Account	£17.363m deficit

- 4.2 This is the second Quarterly Finance and Procurement Update for the 2024/25 financial year and updates will be brought to the GAS Committee based on the periods ending 31/12/24 and 28/02/25.
- 4.3 Further details on all of these areas can be found in Appendix 1.

**5. EQUALITY IMPLICATIONS**

- 5.1 There is no requirement to carry out an equality impact analysis as this report does not relate to a policy or service delivery change.

**6. CONCLUSION**

- 6.1 Members should take assurance from this report and the Authority’s financial position for the period ending 30 September 2024.

**Martyn Ransom**  
Executive Director of Finance/S.151 Officer

**Officer Contact**

Martyn Ransom – Executive Director of Finance/S.151 Officer

✉ [mransom@humbersidefire.gov.uk](mailto:mransom@humbersidefire.gov.uk)

**Background Papers**

2024/25 Quarterly Finance and Procurement Update working papers



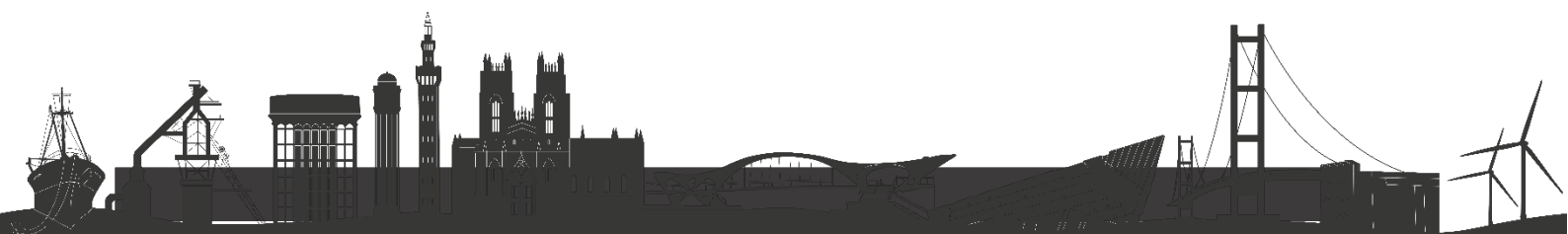
**HUMBERSIDE**  
Fire & Rescue Service

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# QUARTERLY FINANCE AND PROCUREMENT UPDATE

For the period ending 30<sup>th</sup> September 2024

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# I. Executive Summary

The Service is in a sound financial position with a current projected underspend of £0.4m. The Service has not included any potential costs due to the recommendations in the Grenfell report (which are currently being reviewed) or the outcome of the HMICFRS round three inspection that has recently concluded.

The Service is working hard to effectively draw out efficiency savings and the Finance and Procurement Teams continue to work with budget holders to identify efficiencies.

Capital schemes (in particular estates) continue to be difficult to deliver with the Service working hard to increase the pace of delivery.

The Procurement Team continue to monitor and review risk critical contracts and have awarded contracts of almost £7m in quarter two, including a significant contract for a new control room system.

Martyn Ransom  
Executive Director of Finance/S151 Officer  
23/10/24

## 2. Finance

### 2.1 Revenue

The table below shows the actual and committed expenditure as at 30<sup>th</sup> September 2024 for revenue, compared to the 2024/25 profiled budget for the same period. The table also shows the forecasted outturn for the full year based on current levels of income and expenditure plus any known variances to the end of the financial year.

2024/25 Revenue Monitoring Summary 1st April 2024 to 30th September 2024 (Period 6)									
	Original Budget £'000	Revised Budget £'000	30 September 2024		Full Year			Status	Notes
			Profiled Budget £'000	Actual and Committed £'000	Projection £'000	Variance £'000 %			
Pay	48,748	48,673	24,168	22,964	48,139	(534)	(1.10)	Green	1-2
Non Pay	10,089	10,164	5,518	5,472	11,111	947	9.32	Red	3
Income	(3,548)	(3,548)	(2,735)	(2,602)	(3,548)	-	-	Green	
Interest Receivable	(250)	(250)	(100)	(503)	(1,050)	(800)	320.00	Green	4
Capital Financing	3,077	3,077	256	256	3,077	-	-	Green	
Transfers to / (from) Reserves	(34)	(34)	-	-	(34)	-	-	Green	
<b>Net Budget Requirement</b>	<b>58,082</b>	<b>58,082</b>	<b>27,107</b>	<b>25,587</b>	<b>57,695</b>	<b>(387)</b>	<b>(0.67)</b>	Green	

### Notes

The following details the reasons for the projected variances that are shown in the table above:

1. This projected variance is due to:
  - a. lower employer contributions into the Firefighters' Pension Scheme due to staff that have opted out of the scheme; and
  - b. lower rates of pay due to the split between trainee, development and competent rates of pay.
2. This projected variance is due to:
  - a. lower employer contributions into the Local Government Pension Scheme due to staff that have opted out of the scheme; and
  - b. an actual vacancy factor of 7.08% for the second quarter compared to a budgeted annual assumption of 3.00%.
3. This projected variance is primarily due to the implementation costs of the new Control system that will be used to mobilise appliances. Some of this variance is reduced due to spending less on fuel and on hydrant maintenance than anticipated.
4. A higher rate of interest on our investments and higher cash balances have created this projected variance.

The table below shows a further breakdown of the data that is shown in the table on page 4:

2024/25 Revenue Monitoring Detail									
1st April 2024 to 30th September 2024 (Period 6)									
	Original Budget	Revised Budget	30 September 2024		Full Year			Status	Note
			Profilled Budget	Actual and Committed	Projection	Variance			
	£'000	£'000	£'000	£'000	£'000	£'000	%		
<b>Employees</b>									
Wholetime Firefighters	31,528	31,528	15,765	15,231	31,139	(389)	(1.23)	Green	1
On-Call Firefighters	6,090	6,090	2,838	2,679	6,050	(40)	(0.66)	Green	
Non-Uniformed	9,076	9,067	4,538	4,136	8,962	(105)	(1.16)	Green	2
Other Employee Expenses (Training, Occ Health, Insurances etc.)	2,054	1,988	1,027	918	1,988	-	-	Green	
<b>Total Pay and Pensions</b>	<b>48,748</b>	<b>48,673</b>	<b>24,168</b>	<b>22,964</b>	<b>48,139</b>	<b>(534)</b>	<b>(1.10)</b>	Green	
<b>Non Pay Expenditure</b>									
Premises	3,832	3,794	2,389	2,420	3,794	-	-	Green	
Transport	1,953	1,928	977	891	1,900	(28)	(1.45)	Green	3
Supplies and Services	4,259	4,228	2,130	1,999	5,203	975	23.06	Red	3
Support Services	330	330	165	162	330	-	-	Green	
Non Pay Efficiency Savings	(285)	(116)	(143)	-	(116)	-	-	Green	
<b>Total Expenditure</b>	<b>58,837</b>	<b>58,837</b>	<b>29,686</b>	<b>28,436</b>	<b>59,250</b>	<b>413</b>	<b>0.70</b>	Red	
<b>Income</b>	<b>(3,548)</b>	<b>(3,548)</b>	<b>(2,735)</b>	<b>(2,602)</b>	<b>(3,548)</b>	<b>-</b>	<b>-</b>	Green	
<b>Net Expenditure (Excluding Capital Charges)</b>	<b>55,289</b>	<b>55,289</b>	<b>26,951</b>	<b>25,834</b>	<b>55,702</b>	<b>413</b>	<b>0.75</b>	Red	
Interest Payable	614	614	256	256	614	-	-	Green	
Interest Receivable	(250)	(250)	(100)	(503)	(1,050)	(800)	320.00	Green	4
Capital Financing	2,463	2,463	-	-	2,463	-	-	Green	
Transfers to / (from) Reserves	(34)	(34)	-	-	(34)	-	-	Green	
<b>Net Budget Requirement</b>	<b>58,082</b>	<b>58,082</b>	<b>27,107</b>	<b>25,587</b>	<b>57,695</b>	<b>(387)</b>	<b>(0.67)</b>	Green	

## 2.2 Cash Releasing Efficiency Savings

The National Fire Chiefs Council (NFCC) and the Local Government Association (LGA) have proposed that across Fire and Rescue Services (FRS) in England, the sector could create efficiency savings to the value of 2% of non-pay budgets whilst increasing productivity by 3%.

FRSs are required to produce an annual Productivity and Efficiency Plan which provides detail of the efficiency and productivity progress against the national goals. The 2024/25 Productivity and Efficiency Plan for Humberside can be found [here](#).

A cash releasing efficiency saving is a permanent reduction in recurring costs including reduction in revenue budget. Examples include:

- A permanent removal of a post (Deleted from the TOM/Establishment).
- Renegotiation of a contract to a reduced cost (doing the same for less) and therefore generating a permanent reduction in budget.
- Identification and removal of budget (permanently) due to either reprioritisation or a realisation that the budget is no longer required (permanently).

(This list is not exhaustive and is to provide examples of efficiency savings).

The Finance Team work closely with budget holders to identify and monitor any efficiencies that arise within their area of responsibility.

The table below shows the efficiencies that have been identified in the year to date compared to the efficiency target of £285k which was included when setting a balanced budget for 2024/25:

Cash Releasing Efficiency Savings 1st April 2024 to 30th September 2024 (Period 6)		
Efficiency	Amount £'000	Detail
IT Contracts	21	A review of IT contracts has generated an efficiency saving.
Insurances	129	Efficient reporting and investigation of incidents, and carrying out relevant security measures to drive premiums down and reduce number of claims
Salary Sacrifice Car Scheme	9	The service operates a salary sacrifice scheme for electric vehicles which has lead to an efficiency in employer national insurance contributions.
Photocopiers	10	The services' drive to become paperless has reduced usage in printing and copying.
<b>Total Efficiency Savings Identified</b>	<b>169</b>	
Non Pay Budget	10,972	
Efficiency Target (£'000)	285	
Efficiency Target (%)	2.60%	

The Finance Team will continue to work with budget holders throughout the year to drive efficiencies within the Service.

## 2.3 Capital

The table below shows the actual and committed expenditure as at 30<sup>th</sup> September 2024 for Capital, compared to the 2024/25 profiled budget for the same period. The table also shows the forecasted outturn for the full year based on current levels of expenditure plus any known variances to the end of the financial year.

2024/25 Capital Monitoring Summary									
1st April 2024 to 30th September 2024 (Period 6)									
	Original Budget £'000	Revised Budget £'000	30 September 2024		Full Year			Status	Note
			Profiled Budget £'000	Actual and Committed £'000	Projection £'000	Variance £'000 %			
<b>Building Works</b>									
New Station Builds	1,200	1,200	600	2	100	(1,100)	(91.67)	Green	1
Training Infrastructure	500	606	303	6	606	-	-	Green	
Station Refurbishments	1,468	2,066	1,034	969	989	(1,077)	(52.13)	Green	2
Electrical Vehicle Charging Infrastructure	60	120	60	-	120	-	-	Green	
	<b>3,228</b>	<b>3,992</b>	<b>1,997</b>	<b>977</b>	<b>1,815</b>	<b>(2,177)</b>			
<b>Vehicles</b>									
Operational Vehicles	980	2,530	1,265	1,483	1,867	(663)	(26.21)	Green	3
Support Vehicles	156	1,133	567	54	110	(1,023)	(90.29)	Green	4
	<b>1,136</b>	<b>3,663</b>	<b>1,832</b>	<b>1,537</b>	<b>1,977</b>	<b>(1,686)</b>			
<b>Equipment</b>	800	1,414	707	7	890	(524)	(37.06)	Green	3
<b>ICT Equipment</b>	450	582	291	151	582	-	-	Green	
<b>Breathing Apparatus</b>	-	1,270	635	-	1,000	(270)	(21.26)	Green	5
	<b>5,614</b>	<b>10,921</b>	<b>5,462</b>	<b>2,672</b>	<b>6,264</b>	<b>(4,657)</b>			

### Notes

The following details the reasons for the projected variances that are shown in the table above:

1. The new station build at Howden will not be completed during 2024/25.
2. This projected variance is due to a postponement of a number of station refurbishments until the estates capital programme has been developed following the outcome of the 6 facets property review.
3. The purchase of appliances and equipment associated with them has been put on hold until a review of the CRMP has been undertaken.
4. The replacement of support vehicles has been postponed and will be reviewed once the EV feasibility study has been completed.
5. The replacement of breathing apparatus is going to cost less than originally anticipated.

## 2.4 Firefighters' Pension Fund

The Firefighters' Pension Fund is administered by each Fire and Rescue Service with any deficit on the fund being met with a top-up grant by the Home Office. The grant has been received in July of this year which covers 80% of the estimated deficit for the year plus the balancing amount of the previous year.

The revised budgeted deficit for 2024/25 is £17.363 which is broken down in the following table:

2024/25 Pensions Account Summary								
1st July 2024 to 30th September 2024 (Period 6)								
	Revised Budget	30 September 2024		Full Year			Status	Note
		Profiled Budget	Actual and Committed	Projection	Variance			
	£'000	£'000	£'000	£'000	£'000	%		
<b>Expenditure</b>								
Payments to Pensioners	22,021	12,596	12,421	22,021	-	-	Green	
Commutations	6,428	3,214	3,018	6,428	-	-	Green	
Transfer Values	100	50	-	100	-	-	Green	
<b>Total Pensions Expenditure</b>	<b>28,549</b>	<b>15,860</b>	<b>15,439</b>	<b>28,549</b>	<b>-</b>			
<b>Income</b>								
Employer Pension Contributions	(8,081)	(4,041)	(3,971)	(8,081)	-	-	Green	
Employee Pension Contributions	(2,753)	(1,377)	(1,373)	(2,753)	-	-	Green	
Ill Health Pension Contributions	(234)	(117)	-	(234)	-	-	Green	
Transfer Values	(118)	(59)	(118)	(118)	-	-	Green	
<b>Total Pensions Income</b>	<b>(11,186)</b>	<b>(5,594)</b>	<b>(5,462)</b>	<b>(11,186)</b>	<b>-</b>			
<b>Net Pensions Deficit/(Surplus)</b>	<b>17,363</b>	<b>10,266</b>	<b>9,977</b>	<b>17,363</b>	<b>-</b>			

## 2.5 Investments and Borrowing

The Authority must ensure that:

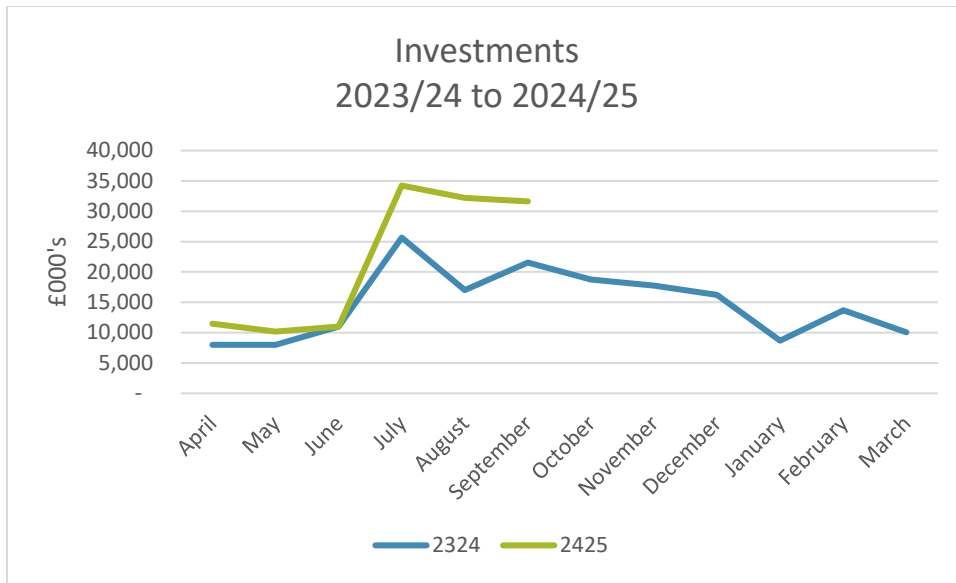
- its cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low-risk counterparties or instruments commensurate with the Authority's low-risk appetite, providing liquidity initially before considering investment return.
- It understands its borrowing need in terms of funding its capital plans. This management of longer-term cash may involve arranging long or short-term borrowing.

### Investments

This statement shows the level of investments that the Service holds as at 30<sup>th</sup> September 2024 as well as the investments that have been returned during the period:

2024/25 Investing Activities 1st April 2024 to 30th September 2024						
Counterparty	Amount (£)		Date		Rate %	Interest (£)
	Invested	Returned	Invested	Returned		
<b>Money Market Funds</b>						
Deutsche Managed Sterling Fund	2,000,000					
Aberdeen Liquidity Fund	2,000,000					
Goldman Sachs Liquid Reserve Fund	1,398,000					
<b>Investments</b>						
<b>Current Investments</b>						
DMO	1,250,000	-	16/09/2024	16/10/2024	4.89	5,023.97
West Berkshire	2,000,000	-	01/08/2024	01/11/2024	5.12	25,810.41
Leeds Building Society	2,000,000	-	05/08/2024	13/11/2024	4.89	26,794.52
Cheltenham Borough Council	1,000,000	-	21/06/2024	23/12/2024	5.08	25,747.95
Cornwall Council	1,000,000	-	01/07/2024	02/01/2025	5.07	25,697.26
Broxbourne BC	2,000,000	-	29/08/2024	06/01/2025	4.86	34,619.18
Cornwall Council	1,000,000	-	24/06/2024	08/01/2025	5.07	27,503.01
City of Bradford MDC	2,000,000	-	25/07/2024	27/01/2025	5.00	50,958.90
Skipton Building Society	2,000,000	-	25/07/2024	27/01/2025	5.00	50,958.90
LB Waltham Forest	2,000,000	-	21/08/2024	21/02/2025	4.70	47,386.30
LB Barking & Dagenham	2,000,000	-	27/08/2024	27/02/2025	4.78	48,192.88
Dover DC	2,000,000	-	30/09/2024	10/04/2025	5.00	52,602.74
Uttlesford DC	2,000,000	-	27/08/2024	11/04/2025	4.78	59,455.34
Powys County Council	2,000,000	-	15/08/2024	15/04/2025	4.78	63,646.03
Blackpool Council	2,000,000	-	16/09/2024	16/04/2025	4.80	55,758.90
<b>Total Amount Invested as at 30 September 2024</b>	<b>31,648,000</b>		<b>Total Interest Due on Current Investments</b>			<b>600,156.30</b>
<b>Investments Returned During the Period</b>						
Hull City Council	2,000,000	2,000,000	04/04/2024	04/07/2024	5.30	26,427.40
Blackpool Council	2,000,000	2,000,000	09/04/2024	09/07/2024	5.25	26,178.08
Kirklees Council	2,000,000	2,000,000	10/04/2024	10/07/2024	5.25	26,178.08
DMO	2,850,000	2,850,000	22/07/2024	22/07/2024	5.19	0.00
DMO	2,450,000	2,450,000	23/07/2024	26/07/2024	5.19	1,045.11
DMO	1,070,000	1,070,000	26/07/2024	29/07/2024	5.19	456.44
DMO	20,200,000	20,200,000	25/07/2024	01/08/2024	5.19	20,105.92
DMO	17,240,000	17,240,000	01/08/2024	02/08/2024	5.07	2,394.71
DMO	17,285,000	17,285,000	02/08/2024	05/08/2024	4.94	7,018.18
DMO	15,290,000	15,290,000	05/08/2024	19/08/2024	4.94	28,971.41
DMO	4,180,000	4,180,000	19/08/2024	27/08/2024	4.94	4,525.85
DMO	2,400,000	2,400,000	19/08/2024	28/08/2024	4.94	2,923.40
DMO	2,000,000	2,000,000	19/08/2024	29/08/2024	4.94	2,706.85
DMO	1,800,000	1,800,000	19/08/2024	30/08/2024	4.94	2,679.78
DMO	3,000,000	3,000,000	19/08/2024	16/09/2024	4.94	11,368.77
Bank of Scotland	1,500,000	1,500,000	21/06/2024	23/09/2024	5.22	20,164.93
Bank of Scotland	500,000	500,000	23/07/2024	23/09/2024	5.21	4,424.93
DMO	4,175,000	4,175,000	23/09/2024	27/09/2024	4.94	2,260.22
DMO	2,385,000	2,385,000	27/09/2024	30/09/2024	4.94	968.38
<b>Total Amount Returned During the Period</b>	<b>104,325,000</b>		<b>Total Interest Received During the Period</b>			<b>190,798.43</b>
<b>Summary of Interest Receipts</b>						
	Budget	Actual	&		Under/(Over)	
	£	£	£	%		
Interest Receipts to 30 September 2024	100,000	502,702	(402,702)	(402.70)		

The following graph shows our level of investments during the year to date compared to the previous financial year:



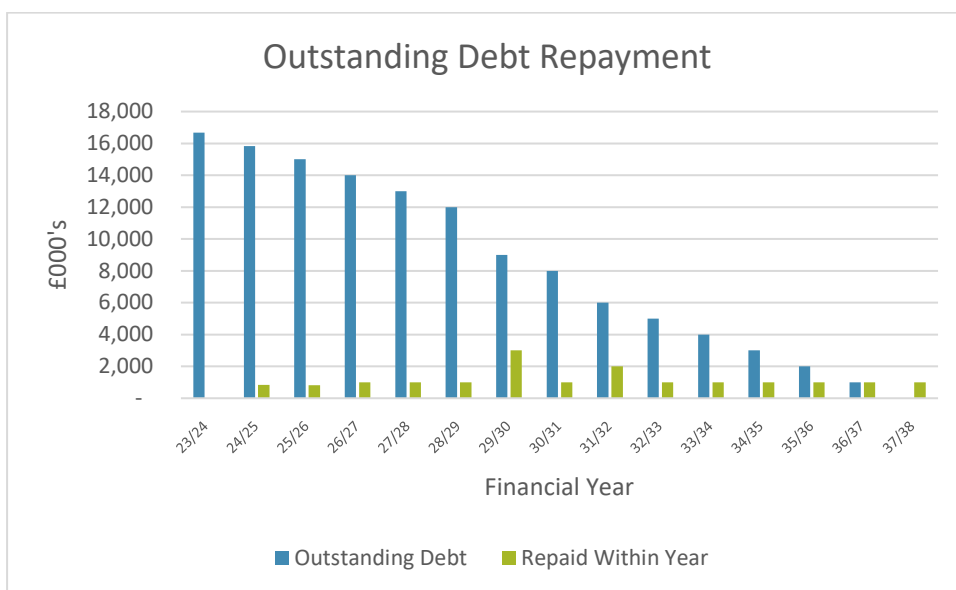
The Authority receives the Firefighters Pension Fund grant in July of each year which allows a higher level of investments to be held until the grant is fully utilised.

During 24/25 the Authority received additional grant in relation to the McCloud Remedy and Matthews Second Option exercise. This means a higher level of investments will be held until the grant is drawn down.

### Borrowing

The current level of borrowing that the Authority holds as at 30<sup>th</sup> September 2024 is £16.7m.

The graph below shows the level of borrowing that the Authority currently holds at the end of each financial year and how this reduces over time as the debt matures:



There hasn't been any long-term borrowing taken during the year to date but this will be closely monitored by the S.151 Officer.



## 2.6 Reserves

The Authority retains a number of revenue reserves that can be used to fund expenditure.

The table below shows the movement on these reserves for the period 1<sup>st</sup> April 2024 to 30<sup>th</sup> September 2024 and also what the projected balance will be as at 31<sup>st</sup> March 2025 based on the projections in Revenue Monitoring table that can be found on page 4:

2024/25 Movement in Reserves 1st April 2024 to 30th September 2024 (Period 6)			
	As at 1st April 2024	In Year Movements	Projected Balance as at 31st March 2025
	£'000	£'000	£'000
<b>General Reserve</b>	6,000	353	6,353
<b>Earmarked Reserves</b>			
Insurance	500		500
National Flood Resilience	1,000		1,000
Capital Programme	4,735		4,735
Business Continuity	500		500
ESMCP	215		215
Grenfell and Protection	10	(10)	-
East Coast & Hertfordshire Control Room Consortium	1,000		1,000
Pay and Prices	600		600
Strategic Transformation Fund	500		500
Environmental	30		30
	<b>15,090</b>	<b>343</b>	<b>15,433</b>

## 2.7 Budget Virements

The following budget virements have been processed during the period to 30<sup>th</sup> September 2024:

2024/25 Budget Virements 1st July 2024 to 30th September 2024			
Budget Vired From	Budget Vired To	Detail of Budget Virement	Virement Value £'000
Other Employee Expenses	Non-Pay Efficiency Savings	Identification of a Non-Pay Efficiency (See Efficiency section on page 6)	66 *
Premises	Non-Pay Efficiency Savings	Identification of a Non-Pay Efficiency (See Efficiency section on page 6)	38 *
Transport	Non-Pay Efficiency Savings	Identification of a Non-Pay Efficiency (See Efficiency section on page 6)	25 *
Pay	Non-Pay Efficiency Savings	Identification of a Non-Pay Efficiency (See Efficiency section on page 6)	9
Supplies and Services	Non-Pay Efficiency Savings	Identification of a Non-Pay Efficiency (See Efficiency section on page 6)	10

\*These make up the insurances efficiency saving that can be found on page 6

## 3. Procurement

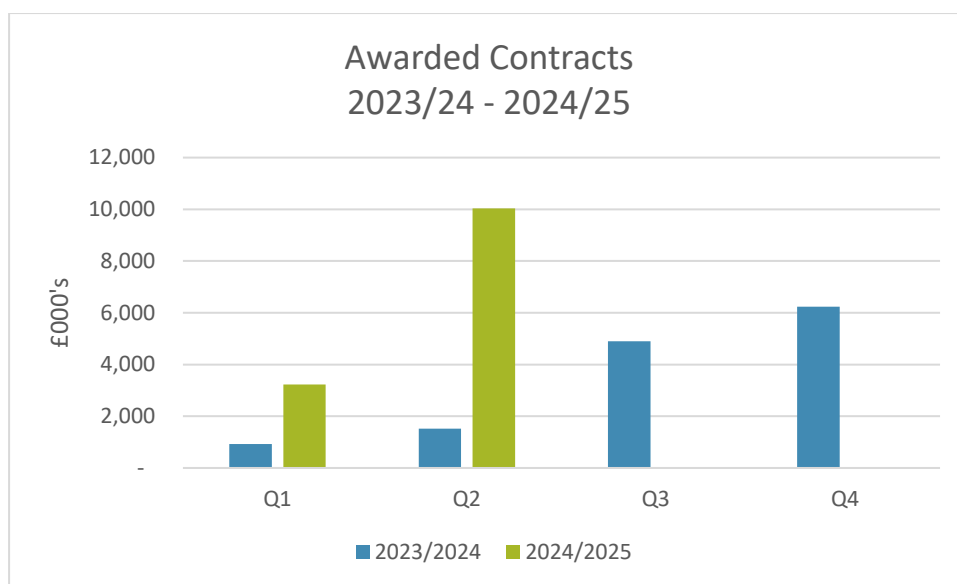
### 3.1 Contracts

#### Contracts Awarded

The table below shows the contracts that have been awarded during the quarter to 30<sup>th</sup> September 2024:

2024/25 Contracts Awarded 1st July 2024 to 30th September 2024			
Contract Title	Contract Start Date	Contract End Date	Contract Value £'000
Control Room Systems	31/07/2024	30/07/2030	5,997
Tees Barrage 2025	01/01/2025	31/12/2025	110
BAI Courses	31/08/2024	20/12/2024	58
SLT Replacement Car	01/01/2025	30/06/2025	53
EV Feasibility Study	01/08/2024	31/10/2024	49
Electronic Personal Dosimeters	01/08/2024	11/10/2024	39
Extinguisher Maintenance Standing Order	01/04/2024	31/03/2025	36
ALP Rental	01/09/2024	31/08/2025	36
Crash Recovery Software Licence and Support	01/09/2024	31/08/2026	28
Level 6 Digital and Technology Solutions Professional Apprenticeship	30/09/2024	31/08/2027	27
Level 6 Resilience and Emergencies Professional Apprenticeship	01/09/2024	01/01/2028	23
Saxon 100L Tactical Holdall	24/09/2024	31/10/2024	22
Provision of training for Leadership Event	09/10/2024	10/10/2024	18
CRMP Analysis	01/10/2024	30/09/2025	18
CFRMIS OPS Risk Upgrade Work	01/07/2024	31/07/2024	17
BA Compressor Replacement	01/08/2024	02/08/2024	16
Appliance CCTV Annual Subscription	01/06/2024	31/05/2025	16
Office Furniture	01/08/2024	31/07/2025	16
Tees Barrage 4 day course and food	01/09/2024	31/12/2024	15
Level 4 Data Analyst Apprenticeship	01/08/2024	31/07/2026	15
Rescue Anne Simulator and Face Skin Spares	01/07/2024	30/09/2024	15
Heavy Vehicle Rescue Course & Road Traffic Collision Instructor Course	09/03/2025	29/03/2025	13
Rope Rescue Equipment	01/09/2024	30/09/2024	12
Fire Investigation Course	20/09/2024	30/09/2024	12
NILO Courses	09/09/2024	20/09/2024	10
Safety Boots	01/10/2024	31/10/2024	10
Feature Manipulation Engine	01/04/2024	31/03/2025	10
NFRC Land Surveys	01/10/2024	31/07/2025	10
TomTom Software License	01/09/2024	31/08/2025	9
BSc (Hons) Health, Safety and Environmental (with NEBOSH) (part-time) - Year 3	01/09/2024	31/08/2025	8
Hire of facilities for Leadership Event	09/10/2024	10/10/2024	8
Rope Rescue Instructor Courses	09/07/2024	28/02/2025	8
New Hardware & Trial MDT Hardware Replacements	20/08/2024	21/08/2024	7
BlueLight Gazetteer Annual Maintenance	01/10/2024	30/09/2025	7
Leadership and Management Course	09/09/2024	09/03/2026	6
Externally Assured Equality Impact Assessments (EIA's)	01/08/2024	31/08/2024	6
New Hardware & Trial MDT Hardware Replacements	09/05/2024	03/10/2024	6
Undress Uniform	05/11/2024	30/11/2024	6
Active Bystander Training	16/07/2024	19/07/2024	6
Hire of Working at Height Premises	12/07/2024	01/10/2024	6
Critico Pagers and Paging Service	11/09/2024	30/09/2024	5
Fitness Equipment Annual Service	01/08/2024	31/07/2025	5
Level 3 Award in Education & Training	06/06/2024	31/08/2024	5
Trans2 Performance Retreat	06/05/2024	08/05/2024	5
<b>Total Amount of Contracts Awarded Within The Period</b>			<b>6,804</b>

The graph below shows the cumulative value of contracts that have been awarded in 2024/25 to date as well as in the previous financial year:



## Contract Management

A review of the Services contracts has been undertaken using a supplier segmentation and analysis tool which is used to identify the risk to the Service. The following contracts have been identified as having the highest strategic importance rating:

2024/25 Contract Management High Strategic Risk Rating				
Service Area	Contract Title	Contract Start Date	Contract End Date	Progress
Digital Services	SAN J Swap	05/03/2024	31/03/2024	San J Swap completion date delayed to December 2024. Contract record is for a piece of work and once complete, the contract will be closed.
Digital Services	Maintenance of the Alcatel Phone System	30/11/2018	30/11/2024	Contract will not be renewed. Digital Services currently evaluating using own network to reduce costs in line/call charges.
Digital Services	Mobile Voice and Data	03/02/2022	02/02/2025	Procurement exercise to be conducted for new contract.
Human Resources	Firewatch	20/03/2020	19/03/2025	12-month extension periods available until 2027.
Finance	Financial Management System	01/04/2008	31/03/2025	Will need to extend agreement whilst Service evaluates route to market.
Digital Services	Station end equipment – Annual Maintenance	01/07/2024	30/06/2025	Work to be conducted into a full replacement of station end equipment. This will likely take 12-18 months so this contract might need renewing for another year's period.
Fleet and Estates	Laundry and Aftercare Services	01/08/2021	31/07/2025	2 periods of 24-month extensions available.
Digital Services	Airwave Services	01/11/2006	31/10/2025	Emergency Services Network delayed till 2029 so Airwave Services contract will need to be renewed until ESN goes live.
Digital Services	WAN, Firewall, Internet and Co-Location Services	15/07/2019	14/07/2026	Into final extension period. Contract management is ongoing.
Fleet and Estates	Supply of Structural PPE	01/06/2021	30/06/2029	PPE delivered and contract management is ongoing.
Fleet and Estates	ESFM Fleet Maintenance	01/04/2015	31/03/2030	Long term agreement for fleet maintenance. Contract management ongoing.
Emergency Response	Control Room Systems	31/07/2024	30/07/2030	Contract recently awarded and project team now established to manage implementation of Control Room System.
Fleet and Estates	SCBA Replacement	01/09/2024	31/08/2034	Contract recently awarded and new BA Equipment currently being delivered in phases.
Fleet and Estates	Underlease of Premises at the Jean Bishop ICC	11/07/2017	10/07/2042	Long term agreement for lease of property. Contract management ongoing.

Following on from the identification of the risk rating of each contract, the Procurement Team will work closely with contract owners to implement the appropriate contract management measures required for each contract. This will allow for contract review meetings to be scheduled for the remainder of the financial year and beyond.

### Contracts Awarded Outside of the Constitution

The following contracts have been awarded outside the process detailed within part 4 section E of the constitution during the quarter ending 30<sup>th</sup> September 2024:

2024/25 Contracts Awarded Outside of Constitution 1st July 2024 to 30th September 2024				
Contract Description	Justification	Responsible Officer	Contract End Date	Contract Value £'000
BAI Courses	A waiver is required due to the short period of time the Service has to book instructors on to this course. If the Service delays, we will not be able to book instructors on course until the end of January into March 2025. This will restrict the capability to deliver training to competent crews in terms of revalidations and to new recruits. Waiver signed on agreement future requirements will be planned in advance with a focus on completing a compliant procurement process.	Head of Training	20/12/2024	58
CFRMIS - OPS Risk Upgrade Project Work	Continuation of the agreed SLT project work to develop and utilise investment to progress the CFRMIS system	Head of Digital Services	31/07/2024	17
ALP Rental	Continuation of the lease of a 32mtr Bronto ALP until the delivery of the new aerial appliance in complete	Head of Fleet	31/08/2025	36

## 3.2 Procurement Workstreams for the remainder of the year

Quarter 3 should see the award of the Incident Command System with the intention of rolling the system out across the region in Quarter 4. In addition to that, the contract for the Design and Consultancy for the National Flood Resilience Centre is expected to be awarded early into Quarter 3.

The next quarter should see the procurement exercises for Internal Audit Services, Multi-Functional Devices/Photocopiers, Vehicle Telematics, Office Supplies and various elements of PPE/Uniform.

Following on from the updated Contract Management Policy in Quarter 1, the Procurement Team will be continuing its quarterly meetings with Functions across the Service to assist contract owners in effectively managing contracts and planning for future procurement processes in an efficient and compliant nature.

Finally, the Procurement Team is continuing to prepare itself and ready the Service for the Procurement Act 2023, which has now been delayed until February 2025.

### 3.3 Procurement Savings

Through commercially sound practices the Procurement Function delivers a vital role for Humberside Fire and Rescue Service ensuring value for money is achieved whilst also ensuring the sustainability of goods and services and supporting local small and medium-sized enterprises.

Effective and efficient procurement is vital to the cost-effective delivery of our organisation's core services. It is integral to delivering commercially advantageous and innovative solutions essential for meeting our objectives and driving continuous improvement.

The methodology which HF&RS uses to identify and record the savings realised through its proactive procurement and contract management activity is summarised below and is in line with current Government Commercial Function guidance.

#### Baseline

Saving must be a consequence of commercial-led activity. Savings must have an evidenced baseline for the saving to be approved.

Baseline calculated based on an existing contract or in the case of procurement:

- Use the historical price paid for goods/services; the spending on the same goods or services in a previous period, adjusted for inflation using the Consumer Price Index (CPI) and any other appropriate changes based on market knowledge.

Baseline calculated on a new or novel procurement:

- Median compliant supplier bid (and the mean when only two compliant bids are received)
- External benchmarks/ market intelligence/ "Should cost" exercises e.g. CCS contract prices or pre-procurement market engagement.
- Budget – The budget must be a realistic expectation of the contract cost and is normally only appropriate for the purchase of new goods/services.
- Another agreed baseline model (particularly for complex procurements).

## Cashable Procurement Savings

Cash-releasing savings are those that, all things being equal, will directly reduce a Departmental or contract budget requirement. They are financial savings that are made against an established baseline where the new cost results in a reduction in cost which can be released or redeployed to meet other cost pressures.

Worked example:

An existing 4 year service worth £2m is reprocured. The savings baseline is the cost of the existing service (i.e. £2m). The new contract will run for 4 years, and the winning supplier bid £1.5m. The result is a cashable saving of £500k. The savings would be recorded as:

- Y1 - £125k cashable
- Y2 - £125k cashable
- Y3 - £125k cashable
- Y4 - £125k cashable

The table below shows the cashable Procurement savings as at 30<sup>th</sup> September 2024:

Cashable Savings 1st April 2024 to 30th September 2024	
Contract	Saving £'000
Provision of office supplies, stationary and printer toner cartridges	7
MFD Leases	9
Provision of cleaning and janitorial supplies	15
Renewal of service wide competency management and eLearning system	14
Microsoft licensing software	66
Provision of Hazardous Materials and DIM Training	4
Fire Hoods	11
Aerial Appliance	28
Firefighter Gloves	1
Rescue Annie Training Dummy	5
Office Furniture	1
Kit Bags	1
<b>Total for 2024/25</b>	<b>162</b>

## Non-Cashable Procurement Savings

A quantifiable financial benefit generated by commercial activity which does not release cash back into a budget. This could include multiple categories or definitions, all of which can create non-cashable savings. Such as Inflation avoidance, value-add, price protection and cost avoidance. This would be the case when a cost increase is avoided or reduced e.g. a price reduction applied to additional demand or when the Authority receives greater outputs or improved quality for the same spending.

Worked example:

A contract runs at £1m a year for 5 years. At the end of Y1 the vendor proposes a cost increase of £200k pa. This is negotiated away completely for the remainder of the contract. Non cashable savings of £800k would be recorded as:

- Y2 - £200k non-cashable
- Y3 - £200k non-cashable
- Y4 - £200k non-cashable
- Y5 - £200k non- cashable

The table below shows the non-cashable Procurement savings as at 30<sup>th</sup> September 2024:

<b>Non-Cashable Savings 1st April 2024 to 30th September 2024</b>	
<b>Contract</b>	<b>Saving £'000</b>
Insurance Services	112
<b>Total for 2024/25</b>	<b>112</b>



## 4. Treasury Management

### Prudential Indicators

The Prudential Indicators to 30<sup>th</sup> September 2024 are as follows:

#### Indicator 1 – Capital Expenditure

The estimated capital expenditure for the current year compared to the original estimate, together with estimates of expenditure to be incurred in future years are shown below:

	2023/24 Actual £'000	2024/25 Original £'000	Revised £'000	2025/26 Estimate £'000	2026/27 Estimate £'000	2027/28 Estimate £'000
Total Capital Expenditure	1,994	10,921	6,264	4,050	3,990	4,440

#### Indicator 2 – Capital Financing Requirement

The capital financing requirement for 2024/25 and estimates for future years are as follows:

	2023/24 Actual £'000	2024/25 Estimate £'000	2025/26 Estimate £'000	2026/27 Estimate £'000	2027/28 Estimate £'000
Capital Financing Requirement	17,404	21,116	26,132	27,463	29,077
Other Long Term Liabilities	1,095	1,072	1,047	1,020	990
<b>Total Capital Financing Requirement</b>	<b>18,499</b>	<b>22,188</b>	<b>27,179</b>	<b>28,483</b>	<b>30,067</b>

The capital financing requirement measures the Authority's need to borrow for capital purposes. In accordance with best professional practice, Humberside Fire Authority does not associate borrowing with particular items or types of expenditure. The Authority has, at any point in time, a number of cash flows both positive and negative, and manages its treasury position in terms of its borrowings and investments in accordance with its approved strategy. In day to day cash management, no distinction can be made between revenue cash and capital cash. External borrowing arises as a consequence of all the financial transactions of the authority and not simply those arising from capital spending. In contrast, the capital financing requirement reflects the Authority's underlying need to borrow for a capital purpose.

A key indicator of prudence under the Prudential Code is: -

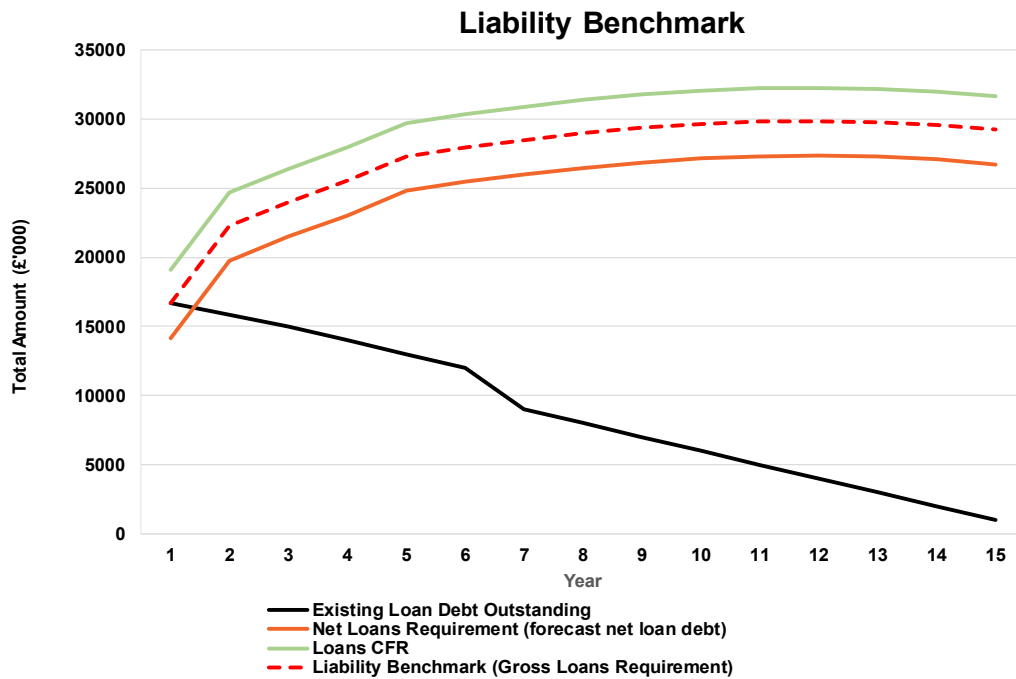
"In order to ensure that over the medium-term net borrowing will only be for a capital purpose, the local authority should ensure that net external borrowing does not, except in the short term, exceed the total of the capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years".

The S151 Officer reports that the Authority has had no difficulty meeting this requirement during the course of this financial year and no difficulties are envisaged in future years. This takes into account current commitments, existing plans and the proposals contained in the Medium Term-Resource Strategy.

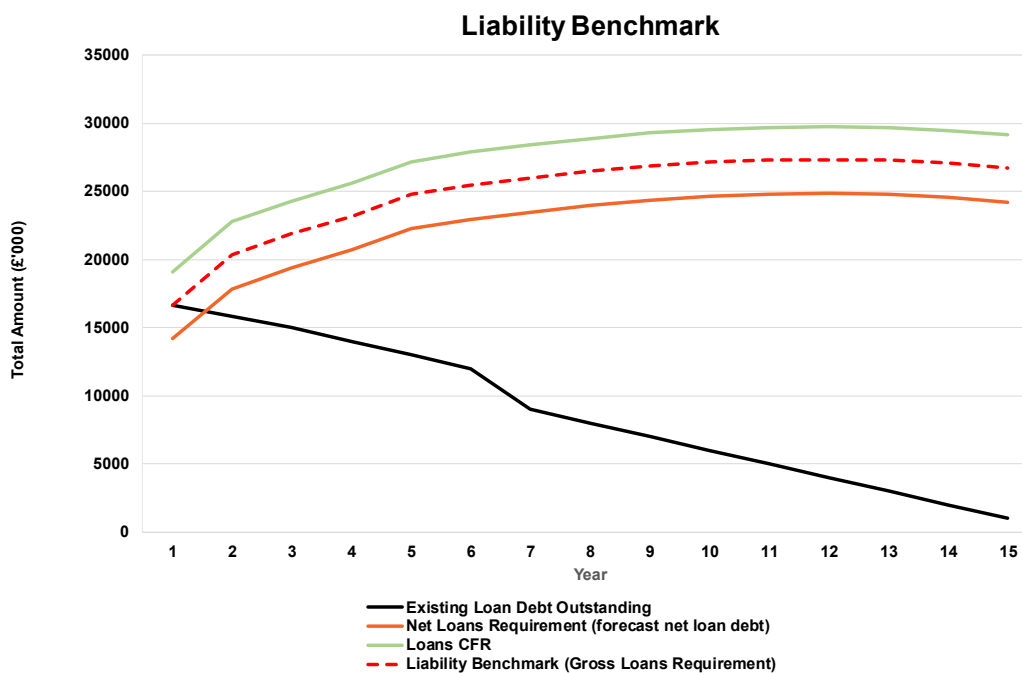
### Indicator 3 – Liability Benchmark

The Authority is required to estimate and measure the Liability Benchmark for the forthcoming year and the following two years as a minimum.

The following graph shows what the Liability Benchmark was estimated to be for 2024/25 onwards as set in the Treasury Management Strategy 2024/25:



The Liability Benchmark has been updated to show revised estimates for 2024/25 onwards and is show in the graph below:



## Indicator 4 – Core Funds and Expected Investment Balances

The table below shows the estimates of the year-end balances for each resource and anticipated day-to-day cash flow balances.

	2024/25		2025/26	2026/27	2027/28
	Original £'000	Revised £'000	Estimate £'000	Estimate £'000	Estimate £'000
Total Core Funds	<u>13,925</u>	<u>15,303</u>	<u>11,024</u>	<u>9,977</u>	<u>8,847</u>
Expected Investments	<u>3,680</u>	<u>8,315</u>	<u>(608)</u>	<u>(2,986)</u>	<u>(5,730)</u>

The actual total investments held as at 30<sup>th</sup> September 2024 is £31.6m. This is higher than the expected investments at the end of the year due to cash flow fluctuations through the year.

## Indicator 5 – Operational Boundary for External Debt

The proposed operational boundary for external debt is based on the same estimates as the authorised limit but reflects directly the S151 Officer's estimate of the most likely, prudent but not worst-case scenario, without the additional headroom included within the authorised limit to allow for example for unusual cash movements and equates to the maximum of external debt projected by this estimate. The operational boundary represents a key management tool for in year monitoring by the S151 Officer.

	2024/25 Boundary £'000	30-Sep-24 Actual £'000	2025/26 Boundary £'000	2026/27 Boundary £'000	2027/28 Boundary £'000
Borrowing	31,500	16,669	31,500	31,500	31,500
Other Long Term Liabilities	<u>3,500</u>	<u>1,072</u>	<u>3,500</u>	<u>3,500</u>	<u>3,500</u>
<b>Operational Boundary for External Debt</b>	<b><u>35,000</u></b>	<b><u>17,741</u></b>	<b><u>35,000</u></b>	<b><u>35,000</u></b>	<b><u>35,000</u></b>

The S151 Officer confirms that borrowing in the year has not exceeded the operational boundary at any point within the year to date and is not expected to do so over the course of the next period based on information currently available.

## Indicator 6 – Authorised Limit for External Debt

The table below shows the Authorised Limit for External Debt for 2024/25 and subsequent three-year period as approved by Members, compared to the actual level of borrowing as at 30 June 2024.

	2024/25 Boundary £'000	30-Sep-24 Actual £'000	2025/26 Boundary £'000	2026/27 Boundary £'000	2027/28 Boundary £'000
Borrowing	36,500	16,669	36,500	36,500	36,500
Other Long Term Liabilities	<u>3,500</u>	<u>1,072</u>	<u>3,500</u>	<u>3,500</u>	<u>3,500</u>
<b>Authorised Limit for External Debt</b>	<b><u>40,000</u></b>	<b><u>17,741</u></b>	<b><u>40,000</u></b>	<b><u>40,000</u></b>	<b><u>40,000</u></b>

The Authorised Limit reflects the Authority’s projected long- and short-term borrowing requirements, together with any other long-term liabilities it may have. The figures are based on the estimate of most likely, prudent but not worst-case scenario, with sufficient headroom over and above this to allow for operational management of, for example unusual cash movements.

The S151 Officer confirms that the Authorised Limit has not been approached at any point during the first six months of the year, nor is it likely to during the remaining six months of 2024/25.

### Indicator 7 – Ratio of Capital Financing Costs to Net Revenue Stream

The ratio of financing costs to net revenue stream for the current year and estimates for future years are as follows:

	2023/24 Actual %	2024/25 Original %	2024/25 Revised %	2025/26 Estimate %	2026/27 Estimate %	2027/28 Estimate %
Ratio of Financial Costs to Net Revenue Stream	1.45	2.28	0.91	2.99	3.22	3.54

These ratios indicate the proportion of the net budget of the Authority that is required to finance the costs of capital expenditure in any year. Estimates of financing costs include current commitments and the proposals contained in the capital programme of the Authority.

In calculating the ratio, Net Revenue Streams in any year have been taken to exclude any element of the net budget requirement that is intended to provide reserves for the Authority.

The projected increase in the ratio over the period reflects the increase in capital financing costs resulting from the capital allocations approved as part of the medium-term financial plan.

### Indicator 8 – Upper and Lower Limits for the Maturity Structure of Borrowings

This indicator seeks to ensure the Authority controls its exposure to the risk of interest rate changes by limiting the proportion of debt maturing in any single period. Ordinarily debt is replaced on maturity and therefore it is important that the Authority is not forced to replace a large proportion of loans at a time of relatively high interest rates.

“The Authority will set for the forthcoming financial year both upper and lower limits with respect to the maturity structure of its borrowings. The prudential indicators will be referred to as the upper and lower limits respectively for the maturity structure of borrowing and shall be calculated as follows:

Amount of projected borrowing that is fixed rate maturing in each period expressed as a percentage of total projected borrowing that is fixed rate;

Where the periods in question are:

- Under 12 months
- 12 months and within 24 months
- 24 months and within 5 years
- 5 years and within 10 years
- 10 years and above”

	Actual 30-Sep-24 %	Upper Limit %	Lower Limit %
Under 12 months	5.04	15	0
12 months and within 24 months	10.97	15	0
24 months and within 5 years	12.00	30	0
5 years and within 10 years	47.99	60	0
10 years and above	24.00	80	0

The S151. Officer confirms that the maturity structure of external debt as at 30/09/24 is within the upper and lower limits approved by the Authority.



**TREASURY MANAGEMENT MID-YEAR UPDATE REPORT**

**1. SUMMARY**

1.1 This report provides an update on the Authority’s treasury management activities for the first half of the financial year 2024/25.

**2. RECOMMENDATIONS**

2.1 It is recommended that the GAS Committee considers the treasury management activities undertaken during the first half of 2024/25 and the Prudential Indicators as outlined in paragraphs 4.9 and 4.10 and detailed in Appendix 1.

**3. BACKGROUND**

3.1 Treasury Management, as defined by the Chartered Institute of Public Finance and Accountancy (CIFPA) Code of Practice 2009 is:

“The management of the organisation’s investments and cash-flows, its banking, money market and capital market transactions, the effective control of the risks associated with those activities and the pursuit of the optimum performance consistent with those risks.”

3.2 The Authority on 8 March 2024 approved the annual 2024/25 Treasury Management Policy Statement and agreed a range of Prudential Indicators aimed at ensuring effective treasury management and affordability of capital plans.

3.3 This report ensures compliance with recommended practice as outlined in the Code, by providing Members with an update on treasury management undertaken since the beginning of the financial year and highlighting key Prudential Indicator information

**4. PERIOD ENDING 30 SEPTEMBER 2024**

**Investment Activity**

4.1 The Authority’s temporary investments totalled £31.6m as at 30 September 2024.

Table 1 – Investment income earned April to September 2024

Interest Earned April to September 2024	Rate of return April to September 2024	Benchmark return at 30 September 2024*	Difference (Favourable) April to September 2024
£503k	5.05%	4.95%	(0.10%)

\* Benchmark set as average SONIA (Sterling Over Night Index Average)

4.2 The Authority’s rate of return has exceeded the benchmark return provided by Link Asset Services.

## **Borrowing**

### **Short-Term Borrowing**

- 4.3 The Authority has had one instance of short-term borrowing in the first six months of the year. This borrowing was for £0.5m and was taken for 2 days to cover a temporary shortfall in cash balances.

### **Long-Term Borrowing**

- 4.4 Long-term loans are taken out either to replace existing loans which have matured or to fund capital expenditure. Under the Prudential Regime there are no longer centrally imposed limits on borrowing, but individual Authorities are required to determine themselves what is a sustainable and affordable level of borrowing as an integral part of their Medium-Term Financial Planning processes.
- 4.5 The Authority's level of borrowing was £16.7m as at 30 September 2024, with an equated average rate of interest payable at 3.07%. An expected £509k of interest is projected to be payable on external debt for 2024/25.
- 4.6 The Authority has not undertaken any new long-term borrowing so far this financial year but this position will be reviewed in the second half of the financial year against the backdrop of interest rate changes and projections.

### **Prudential Indicators**

- 4.7 Appendix 1 details the Prudential Indicators agreed by Members at the Fire Authority on 8 March 2024 and shows for comparison the actual figures as at 30 September 2024.
- 4.8 During the period April to September 2024, the Authority operated wholly within the limits approved.

### **Capital Expenditure**

- 4.9 The S.151 Officer considers the current capital programme to be affordable and sustainable with the revenue effects of capital investment built into the Medium-Term Resource Strategy. Through the Medium-Term Financial Planning Process the Authority has ensured alignment of its capital resources to key strategic priorities.

### **Treasury Management**

- 4.10 External debt is currently £22.3m below the agreed authorised limit for 2024/25 and the maturity structure for both borrowing and investments remain within the approved upper and lower limits. Subsequent borrowing or re-scheduling will take in to account prevailing interest rates on offer from the Public Works Loans Board, the current maturity structure of loans, balanced with the need to reduce capital risk by maintaining prudently low levels of cash-balances.

### **Resourcing/Financial Implications**

- 4.11 The Authority's approach to investment of surplus funds is designed to further mitigate against potential losses as a consequence of counterparty failure and reflects a prudent approach to treasury management activity.

### **Legal Implications**

- 4.12 The Authority must comply with the requirements of the CIPFA Code of Practice on Treasury Management and the Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2008. This report ensures such compliance.



## **Linkages to any Strategic/Corporate Plans/Policies**

- 4.13 The application of and regular monitoring thereafter of a prudent Treasury Management Policy and related Prudential Indicators ensures that the Authority effectively manages financial risks such as exposure to interest rate changes, liquidity and market risk whilst minimising borrowing costs and maximising investment income. As an integral part of the financial planning process, it ensures that the financial plans upon which the Authority's Strategic Plan is based are effective and robust.

## **5. EQUALITY IMPLICATIONS**

- 5.1 There is no requirement to carry out an equality impact analysis as this report does not relate to a policy or service delivery change.

## **6. CONCLUSION**

- 6.1 Members are requested to consider the treasury management activities undertaken during the first half of 2024/25 and the Prudential Indicators as outlined in paragraphs 4.9 and 4.10 and detailed in Appendix 1.

**Martyn Ransom**  
**Executive Director of Finance/S151 Officer**

### **Officer Contact**

Martyn Ransom  
✉ [mransom@humbersidefire.gov.uk](mailto:mransom@humbersidefire.gov.uk)

### **Background Papers**

Treasury Management and Capital Expenditure Prudential Indicators, Management Policy Statement 2023/24 and Minimum Revenue Provision 2024/25 – Report to Fire Authority March 2024  
CIPFA Code of Practice on Treasury Management  
CIPFA Treasury Management Guidance

### **Abbreviations**

CIFPA	Chartered Institute of Public Finance and Accountancy
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**Prudential Indicators as at 30 September 2024**

**Indicator 1 - Capital Expenditure**

The actual capital expenditure for the current year compared to the original estimate and revised budget, together with estimates of expenditure to be incurred in future years are shown below:

	2023/24	2024/25	2024/25	2025/26	2026/27	2027/28
	Actual	Budget	Revised*	Estimate	Estimate	Estimate
	£k	£k	£k	£k	£k	£k
Total Capital expenditure	1,994	10,921	6,264	4,050	3,990	4,440

\*the revised 2024/25 figure reflects the latest estimate of spend, as reported to Members in the Management Accounts for the period ending 30<sup>th</sup> September 2024.

**Indicator 2 - Capital Financing Requirement**

The capital financing requirement for 2024/25 and estimates for future years are as follows:-

	Actual	Estimate	Estimate	Estimate	Estimate
	31/03/24	31/03/25	31/03/26	31/03/27	31/03/28
	£k	£k	£k	£k	£k
Capital Financing Requirement	17,404	21,116	26,132	27,463	29,077
Lease - Integrated Care Centre	1,095	1,072	1,047	1,020	990
Total CFR	18,499	22,188	27,179	28,483	30,067

The capital financing requirement measures the Authority's need to borrow for capital purposes. In accordance with best professional practice, Humberside Fire Authority does not associate borrowing with particular items or types of expenditure. The Authority has, at any point in time, a number of cash flows both positive and negative, and manages its treasury position in terms of its borrowings and investments in accordance with its approved strategy. In day to day cash management, no distinction can be made between revenue cash and capital cash. External borrowing arises as a consequence of all the financial transactions of the authority and not simply those arising from capital spending. In contrast, the capital financing requirement reflects the Authority's underlying need to borrow for a capital purpose.

A key indicator of prudence under the Prudential Code is: -

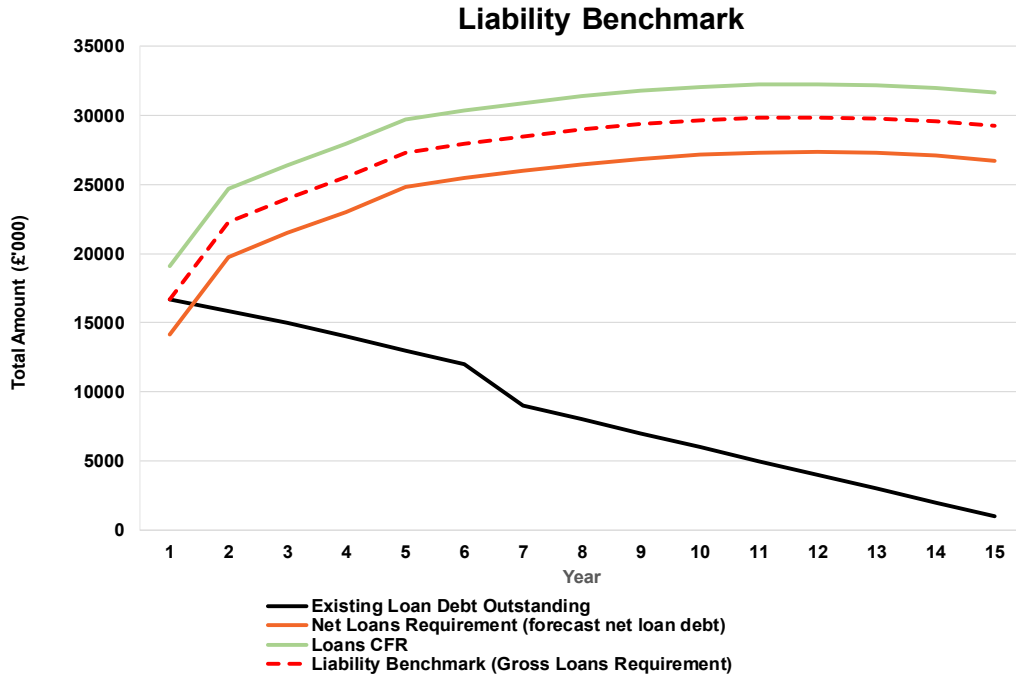
“In order to ensure that over the medium term net borrowing will only be for a capital purpose, the local authority should ensure that net external borrowing does not, except in the short term, exceed the total of the capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years”.

The S151 Officer reports that the Authority has had no difficulty meeting this requirement during the course of this financial year and no difficulties are envisaged in future years. This takes into account current commitments, existing plans and the proposals contained in the Medium-Term Resource Strategy.

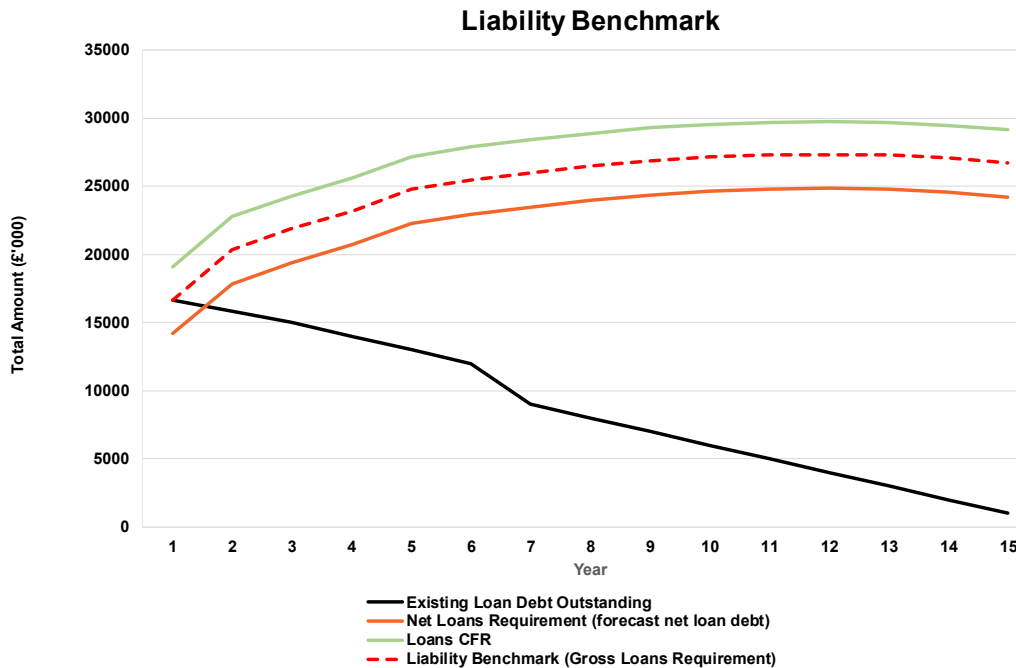
### Indicator 3 – Liability Benchmark

The Authority is required to estimate and measure the Liability Benchmark for the forthcoming year and the following two years as a minimum.

The following graph shows what the Liability Benchmark was estimated to be for 2024/25 onwards as set in the Treasury Management Strategy 2024/25:



The Liability Benchmark has been updated to show revised estimates for 2024/25 onwards and is shown in the graph below:



The revised graph shows that the gap between existing loans outstanding and our future need to borrow (as shown by the liability benchmark line on the graph above) is reducing as we contribute more funding to reduce the need to borrow in the future. The gap between the liability benchmark and the Existing Loan Debt Outstanding is the amount of

borrowing that the Authority may have to take in the future, and there is therefore a risk that borrowing may have to be taken when the interest rate is in excess of the budgeted rate.

#### Indicator 4 – Core Funds and Expected Investment Balances

The table below shows the estimates of the year-end balances for each resource and anticipated day-to-day cash flow balances.

	2024/25 Original £k	2024/25 Revised £k	2025/26 Estimate £k	2026/27 Estimate £k	2027/28 Estimate £k
Total Core Funds	13,925	15,303	11,024	9,977	8,847
Expected Investments	3,680	8,315	(608)	(2,986)	(5,730)

The actual total investments held as at 30<sup>th</sup> September 2024 is £31.6m. This is higher than the expected investments due to the Pensions grant of which 80% was received in July 2024 which is drawn upon each month.

#### Indicator 5 - Operational Boundary for External Debt

The proposed operational boundary for external debt is based on the same estimates as the authorised limit but reflects directly the S151 Officer's estimate of the most likely, prudent but not worst case scenario, without the additional headroom included within the authorised limit to allow for example for unusual cash movements, and equates to the maximum of external debt projected by this estimate. The operational boundary represents a key management tool for in year monitoring by the S151 Officer.

	2024/25 Boundary £k	Actual As at 30/09/24 £k	2025/26 Boundary £k	2026/27 Boundary £k	2027/28 Boundary £k
Borrowing	31,500	16,669	31,500	31,500	31,500
Other Long-Term Liabilities	3,500	1,072	3,500	3,500	3,500
	35,000	17,741	35,000	35,000	35,000

The S151 Officer confirms that borrowing in the year has not exceeded the operational boundary at any point within the year to date and is not expected to do so over the course of the next period based on information currently available.

### Indicator 6 - Authorised Limit for External Debt

The table below shows the Authorised Limit for External Debt for 2024/25 and subsequent three-year period as approved by Members, compared to the actual level of borrowing as at 30 September 2024.

	2024/25	Actual as at 30/09/24	2025/26	2026/27	2027/28
	Limit £k	£k	Limit £k	Limit £k	Limit £k
Borrowing	36,500	16,669	36,500	36,500	36,500
Other Long-Term Liabilities	3,500	1,072	3,500	3,500	3,500
	<u>40,000</u>	<u>17,741</u>	<u>40,000</u>	<u>40,000</u>	<u>40,000</u>

The Authorised Limit reflects the Authority's projected long and short-term borrowing requirements, together with any other long-term liabilities it may have. The figures are based on the estimate of most likely, prudent but not worst-case scenario, with sufficient headroom over and above this to allow for operational management of, for example unusual cash movements.

The S151 Officer confirms that the Authorised Limit has not been approached at any point during the first half of the year, nor is it likely to during the remaining six months of 2024/25.

### Indicator 7 - Ratio of Capital Financing Costs to Net Revenue Stream

The ratio of financing costs to net revenue stream for the current year and estimates for future years are as follows: -

	2023/24	2024/25	2024/25	2025/26	2026/27	2027/28
	Actual	Original	Revised	Estimate	Estimate	Estimate
	%	%	%	%	%	%
Ratio of Financial Costs to Net Revenue Stream	1.45	2.28	0.91	2.99	3.22	3.54

These ratios indicate the proportion of the net budget of the Authority that is required to finance the costs of capital expenditure in any year. Estimates of financing costs include current commitments and the proposals contained in the capital programme of the Authority.

In calculating the ratio, Net Revenue Streams in any year have been taken to exclude any element of the net budget requirement that is intended to provide reserves for the Authority.

The projected increase in the ratio over the period reflects the increase in capital financing costs resulting from the capital allocations approved as part of the medium-term financial plan.

### Indicator 8 – Upper and Lower Limits for the maturity structure of borrowings

This indicator seeks to ensure the Authority controls its exposure to the risk of interest rate changes by limiting the proportion of debt maturing in any single period. Ordinarily debt is replaced on maturity and therefore it is important that the Authority is not forced to replace a large proportion of loans at a time of relatively high interest rates.

“The Authority will set for the forthcoming financial year both upper and lower limits with respect to the maturity structure of its borrowings. The prudential indicators will be referred to as the upper and lower limits respectively for the maturity structure of borrowing and shall be calculated as follows:

Amount of projected borrowing that is fixed rate maturing in each period expressed as a percentage of total projected borrowing that is fixed rate;

Where the periods in question are:

- Under 12 months
- 12 months and within 24 months
- 24 months and within 5 years
- 5 years and within 10 years
- 10 years and above”

	Actual as at 30/09/24	Upper Limit	Lower Limit
	%	%	%
Under 12 Months	5.04	15	0
12 months and within 24 months	10.97	15	0
24 months and within 5 years	12.00	30	0
5 years and within 10 years	47.99	60	0
10 years and above	24.00	80	0

The S151. Officer confirms that the maturity structure of external debt as at 30/09/24 is within the upper and lower limits approved by the Authority.



Humberstone Fire and Rescue Service

Summary Internal Controls Assurance (SICA) Report

November 2024

Final

# Summary Internal Controls Assurance

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## Introduction

1. This summary controls assurance report provides the Governance, Audit and Scrutiny Committee with an update on the emerging Governance, Risk and Internal Control related issues and the progress of our work at Humberside Fire and Rescue Service as at 5<sup>th</sup> November 2024.
2. The new Internal Audit Code of Practice, which sets out fundamental principles for running a strong and effective internal audit function, is to be adopted by 9<sup>th</sup> January 2025. For the first time, it presents a unified Code that encompasses the financial services, private, and third sectors.

The Code reflects the final recommendations of the Independent Internal Audit Code of Practice Review Committee and has received full endorsement by the Chartered IIA's Council. The Global Standards urge boards and Audit Committees across the financial, private and third sectors to adopt and implement the Code's principles, embarking on their path to full compliance. Embracing these principles will maximise the value of internal audit and unlock the full potential of the profession.

### **The purpose of the Code**

The principles which follow are aimed at enhancing the overall impact and effectiveness of internal audit within organisations operating in the UK and Ireland. They are regarded as a benchmark of good practice against which organisations should assess their internal audit function.

### **Who is it for?**

The intended audience for the Code of Practice (the 'Code') includes members of board audit and risk committees, chief audit executives, non-executive directors, senior management, and, where appropriate, regulatory bodies. The Code is intended to be applied by all organisations in the financial services, private and third sectors with an internal audit function and a board audit committee of independent non-executive directors or their equivalent. This Code may prove useful for internal audit in the public sector, but it is not drafted with the public sector specifically in mind. Public sector internal audit functions should continue to follow the Public Sector Internal Audit Standards.

### **How should it be applied?**

The Code should be applied in conjunction with the International Professional Practices Framework and the Global Internal Audit Standards. The Code builds on these Standards and seeks to increase the impact and effectiveness of internal audit. The Code is principles-based. It is expected that the principles are applied proportionately, in line with the nature, scope and complexity of the organisation. Internal audit functions should apply the Code in the context of internal audit regulatory standards applicable to the organisation.

**See Appendix D for further information and available resources**



**Audits completed since the last SICA report to the Audit Committee**

3. The table below sets out details of audits finalised since the previous meeting of the Governance, Audit and Scrutiny Committee.

*Audits completed since previous SICA report*

Review	Evaluation	Key Dates			Number of Recommendations			
		Draft issued	Responses Received	Final issued	1	2	3	OEM
Firefighter Development Pathway	Limited	07/08/2024	19/08/2024	29/08/2024	1	2	0	0
Follow Up – Mid-year	N/A	30/08/2024	02/09/2024	11/09/2024	-	-	-	-

4. The Executive Summaries for each of the finalised reviews are included at Appendix A. There are no issues arising from these findings which would require the annual Head of Audit Opinion to be qualified.

**Progress against the 2024/2025 Annual Plan**

5. Our progress against the Annual Plan for 2024/25 is set out in Appendix B.

**Changes to the Annual Plan 2024/25**

6. There have been no changes to the approved plan.

**Progress in actioning priority 1 & 2 recommendations**

7. We have made one Priority 1 recommendation (i.e. fundamental control issue on which action should be taken immediately) since the previous SICA.

**Frauds/Irregularities**

8. We have not been advised of any frauds or irregularities in the period since the last SICA report was issued.

**Other Matters**

9. We have issued a number of briefing notes and fraud digests, shown in Appendix C, since the previous SICA report.

**Responsibility/Disclaimer**

10. This report has been prepared solely for management's use and must not be recited or referred to in whole or in part to third parties without our prior written consent. The matters raised in this report not necessarily a comprehensive statement of all the weaknesses that exist or all the improvements that might be made. No responsibility to any third party is accepted as the report has not been prepared, and is not intended, for any other purpose. TIAA neither owes nor accepts any duty of care to any other party who may receive this report and specifically disclaims any liability for loss, damage or expense of whatsoever nature, which is caused by their reliance on our report.

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# Appendix A: Executive Summaries

The following Executive Summaries are included in this Appendix. Full copies of the reports are provided to the Governance, Audit and Scrutiny Committee.

Review	Key Findings
<p><b>Firefighter Development Pathway</b></p>	<p><b>KEY STRATEGIC FINDINGS:</b></p> <ul style="list-style-type: none"> <li>• The process for the Service's Operational Firefighter Apprenticeship/in-house Development Pathway is directed by a Guidance Document that details the key stages of the programme, including available support.</li> <li>• Testing found several weaknesses and gaps in the completion of the adopted process. These include significant missed/overdue reviews and inaccurate completion of key documents.</li> <li>• Incorrect dates were being recorded on the Pathway Tracker with evidence of multiple trackers being maintained.</li> </ul> <p><b>GOOD PRACTICE IDENTIFIED:</b></p> <ul style="list-style-type: none"> <li>• Where there are Fire Fighters who are underperforming whilst on the programme, assessments are re-organised through training and performance conduct reviewed by Human Resources in order to provide appropriate support. Performance Plans are also generated to aid development.</li> </ul>

## Appendix B: Progress against Annual Plan

System	Planned Quarter	Current Status	Comments
Management of Statutory Building and Licensing Consultations	1	Final report issued	Reported to GAS September 2024
Application and Management of Disciplinary Procedures	1	Final report issued	Reported to GAS September 2024
Firefighter Development Pathway (FFDP)	1	Final report issued	Reported to GAS November 2024
Staff Forums and EDI Steering Group	1	Final report issued	Reported to GAS July 2024
Application and Management of Tactical Plans	2	Final report issued	Reported to GAS September 2024
Training Records	2	Final report issued	Reported to GAS September 2024
Follow-up (Mid-year)	2	Final report issued	Reported to GAS November 2024
Contingency	4	Confirmed 10 <sup>th</sup> February 2025	
Key Financial Controls	4	Confirmed 3 <sup>rd</sup> February 2025	
ICT Management Controls	4	Confirmed 13 <sup>th</sup> January 2025	
Year-End Follow Up	4	Confirmed 17 <sup>th</sup> March 2025	

**KEY:**

	To commence		Site work commenced		Draft report issued		Final report issued
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## Appendix C: Briefings on Developments in Governance, Risk and Control

TIAA produce regular briefing notes to summarise new developments in Governance, Risk, Control, Counter Fraud and Security Management which may have an impact on our clients. These are shared with clients and made available through our Online Client Portal. A summary list of those briefings issued in the last three months which may be of relevance to Humberside Fire and Rescue Service is given below:

### Summary of recent Client Briefings and Alerts

Date Issued	Sector	Briefing Type	Subject	Website Link	TIAA Comments
26 SEPTEMBER 2024	ALL	Anti-Crime Alert	Mandate Fraud Alert	<a href="#">Mandate Fraud Alert - TIAA</a>	A TIAA client has been targeted by fraudsters in an attempted mandate fraud. Read the full details in our alert.
11 SEPTEMBER 2024	ALL	Briefing Note	Authorised Push Payment Scams	<a href="#">Authorised Push Payment Scams - TIAA</a>	An implementation date of 7 October 2024 for Authorised Push Payment scam protection, is confirmed by the Payment Systems Regulator. Authorised Push Payment (APP) fraud is a significant issue and can have a devastating impact on victims. The PSR is taking a leading role in improving outcomes for consumers by introducing new protections for victims of APP scams, while incentivising industry to implement enhanced fraud prevention tools.
03 SEPTEMBER 2024	ALL	Video	TIAA's B Corp Story	<a href="#">TIAA's B Corp Story - TIAA</a>	TIAA is proud to be a certified B Corporation (or B Corp), joining a growing movement of companies that are reinventing business for the benefit of all people and our shared planet. Watch our B Corp Story.
30 AUGUST 2024	ALL	Security Alert	Social media trolling of NHS staff	<a href="#">Social media trolling of NHS staff - TIAA</a>	In an era where online interactions can significantly impact mental health and workplace morale, it's essential to stand up against harassment targeting our dedicated NHS workforce. Our alert details a recent incident and what you can do to protect your organisation.
14 AUGUST 2024	ALL	Anti-Crime Alert	Fake QR Codes in Parking Scam	<a href="#">Fake QR Codes in Parking Scam - TIAA</a>	There have been reports of scammers placing fake QR codes on parking ticket machines. These deceptive codes lead unsuspecting victims to malicious websites that mimic sites such as RingGo or PayByPhone. Our alert details how to stay safe from these scams.
02 AUGUST 2024	ALL	Client Briefing Note	Global IT Outage highlights need for robust IT Disaster Recovery and Business Continuity	<a href="#">Global IT Outage highlights need for robust IT Disaster Recovery and Business Continuity - TIAA</a>	In light of the recent global IT outage, it has become even more evident how crucial it is for businesses to have robust IT disaster recovery and business continuity plans in place. Our briefing details the importance of being prepared for unexpected IT disruptions.
04 JUNE 2024	ALL	Data Protection Alert	The Data Protection and Digital Information Bill Failed	<a href="#">The Data Protection and Digital Information Bill Failed - TIAA</a>	The Data Protection and Digital Information Bill has failed to complete its legislative passage in the necessary time frame before the General Election. It is understood that late amendments added by the Department of Work and Pensions are what caused the Bill to fail.

# Appendix D: Updates to Global Internal Audit Standards

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In January 2024, the Institute of Internal Auditors released the long-awaited changes to the industry's Standards that will have far-reaching impact on the year(s) ahead. The standards will be adopted by 9<sup>th</sup> January 2025.

There are some significant changes that will provide internal audit functions with a refreshed framework and clearer requirements.

## Key Innovations and Enhancements

Among the significant new requirements include:

- Establishment of an internal audit strategy.
- Heightened governance and oversight by the board and senior management.
- Enhanced reporting including ratings/rankings considerations.
- External quality assessments to be conducted by a team that includes at least one CIA.
- Technology considerations for the internal audit function's evolving needs.

## Elevating the mandate and stature of Internal Audit

- Defining IA's purpose – business stakeholders should understand and be able to articulate the value of internal auditing and the mandate must be included in the internal audit charter.
- Separating independence and objectivity – Clear definitions.
- Enhancing stakeholder coordination.
- Building trust – Developing an approach to building relationships with key stakeholders and promote effective communication across all stakeholder groups.

## Maximising use of Technology

- Enabling technology as a key resource.
- Using technology in audit operations – including audit planning, human and technology resource allocation.
- Technology use in audit delivery – using technology to test more effectively and efficiently, for example using applications to test full populations instead of a sample (Increased costs).

## Delivering more valuable results

- Promoting continuous improvement – responsible for measuring the performance of the IA function and ensuring it continuously improves.
- Enhancing and elevating engagement level – A formal requirement of engagement reporting, including rating or ranking of audit findings, formulating recommendations, obtaining management's action plans and developing an engagement conclusion.
- Performing external quality assessments (EQAs) – The board of directors must review EQA results, and the assessment team must include at least one individual with an active certified internal auditor (CIA) designation.

Structure of standards into 5 domains containing principles and standards. The key domain for Audit Committee members is Domain 3.

**Domain 1** – Purposes of internal auditing and adding value.

**Domain 2** - Ethics and professionalism -behavioural expectations.




**Domain 3** – Governing the IA Function (Relationship between IA and Board (Committee) and responsibilities).

**Domain 4** – Managing the IA function.

**Domain 5** – Performing IA services – expectation on engagement.

Topical Requirements - such as Cyber / Fraud and ESG will have updated standards against which TIAA must audit those topics when they come into the audit plans.

Useful Resource:

Title	
Audit Committee Presentation (IIA-UK)	 CIIA%20-%20Audit%20Committee-presen
Audit Committee Check List (IIA-UK)	 CIIA-Audit%20Comm ittee%20Annual%20A
IIA-UK Fact Sheet	 code-of-practice-doc ument_september202

## **TRAINING FOR STAFF IN CONDUCTING COMPLAINT AND DISCIPLINARY INVESTIGATIONS**

### **1. SUMMARY**

- 1.1 Following the HMICFRS Thematic Inspection into the Handling of Misconduct in November 2023, this report details a review of the effectiveness of the training provided for staff who are required to conduct investigations into complaints and disciplinary matters.
- 1.2 In addition, the report also provides an overview of Humberside Fire and Rescue Service's (the Service) disciplinary policy and procedure; the effectiveness of related policies and processes used to manage disciplinary procedures, evaluate the performance management of investigation processes, including trend analysis and detail learnings and development from investigation outcomes.

### **2. RECOMMENDATIONS**

- 2.1 It is recommended that the GAS Committee takes assurance and endorses the Service's commitment to providing appropriate training to its staff required to carry out investigations into complaints and disciplinary matters in accordance with the Service's Professional Standards Disciplinary Procedure Policy.

### **3. BACKGROUND**

- 3.1 The Service is committed to providing appropriate training to those staff required to carry out investigations into complaints and disciplinary matters. Complaints are managed under the Professional Standards Complaints Policy, a copy of which can be viewed on the [Service's website](#). This policy has been fully consulted upon. The Professional Standards Disciplinary Procedure Policy can also be viewed on the [Service's website](#) and is in line with the ACAS Code of Practice and has also been fully consulted upon.
- 3.2 The Professional Standards Disciplinary Procedure Policy is currently in the process of being reviewed again in order to ensure it remains current and appropriate.

### **4. REPORT DETAIL**

#### **What is an investigation?**

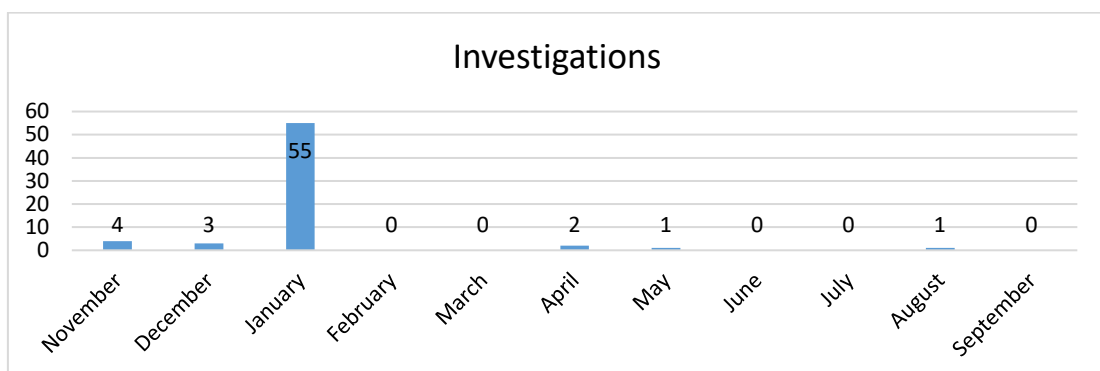
- 4.1 An investigation is a fact-finding exercise designed to collate all the relevant information and, in doing so, establish the facts. An investigation enables the Service to fully consider a complaint or disciplinary matter and then make an informed decision as to whether the matter should proceed to a formal hearing.
- 4.2 The role of an investigator is to be fair and objective. The investigator looks for evidence that supports the allegation as well as evidence that refutes it. The investigator's role is not to prove the guilt or wrongdoing of an individual but to simply investigate whether there is a case to answer.

#### **Policy Aim**

- 4.3 The aim of the Service's Professional Standards Disciplinary Procedure Policy is to clearly set out the lawful and formal way in which the Service will investigate allegations of misconduct. In this way, employees can be assured that matters such as these are dealt with in a fair, consistent, timely and transparent manner.

## Policy and Process

- 4.4 The Service's Professional Standards Disciplinary Procedure Policy was created to provide a framework to ensure that employees are fully informed of the way in which unacceptable conduct will be investigated and managed. Line managers have a responsibility to ensure that employees who report to them have an awareness and understanding of the procedure and all employees are expected to familiarise themselves with the same and, indeed, are advised to do so during their induction.
- 4.5 The basis of the disciplinary procedure is that the principal of 'natural justice' should be seen to be applied at every stage. The Service defines 'natural justice' as being:
- The individual knows the exact nature of the allegation being made against them
  - The individual is given a fair and reasonable opportunity to state their case
  - The disciplinary process is carried out in good faith
- 4.6 An investigation is the first stage in ensuring that the individual is afforded a fair and reasonable opportunity to state their case.
- 4.7 The lowest levels of management who, following appropriate training, can undertake a disciplinary investigation are:
- |                |  |
|----------------|--|
| Formal Level 1 | Watch Manager/Grade 9/10 equivalent    |
| Formal Level 2 | Station Manager/Grade 11/12 equivalent |
| Formal Level 3 | Group Manager/Grade 13B equivalent     |
- 4.8 During 2024, the Human Resources team has undertaken comprehensive face to face training sessions with all managers who may be required to undertake an investigation. Training was provided to the Strategic Leadership Team, Corporate Leadership Team, the Tactical Leadership Team and all Watch Managers, both Full Time and On Call. The training discussed the investigation process in detail, the importance of the same, the implications of not following due process and provided examples of case law in this regard. Going forward, training will be provided to all newly promoted employees and recorded on the Service's PDRpro system.
- 4.9 From 1<sup>st</sup> November 2023 to 30<sup>th</sup> September 2024, there have been 66 disciplinary cases investigated.



- 4.10 The Service recognises that 66 cases is an unusually high number and the Committee can be reassured that there is no cause for concern. The matters in January, totalling 55 in number, were successfully managed at the informal stage and arose following a systems issue that had arisen within Fire Service Rota. Greater training on the system fully addressed the matter and the Service is satisfied there will be no recurrence.
- 4.11 Of the remaining 11 cases, all but one investigation is concluded. This matter arose in April 2024 and required a decision from an external third party before any investigation could commence. That decision was recently received and the investigation is now underway. Of these 11 cases, 9 were for Conduct and



Behaviour, 1 was for Bullying and Harassment, and 1 was in the category of 'Various'.

- 4.12 The average length of time taken to conclude an investigation is 57 days. The Service is mindful of the impact an investigation can have on the individual at the centre of the enquiries, the investigator and all other parties involved. As such, every effort is made to conclude an investigation as quickly as possible. However, an investigation needs to be as thorough and comprehensive in order to be deemed fair and reasonable. Failure to carry out a reasonable investigation could render any subsequent decision or action unfair, leaving the Service vulnerable to legal proceedings.
- 4.13 The ACAS Code of Practice does not offer any specific timescales in relation to investigations. It advises that investigations should be completed as quickly as is practical. However, the duration of any investigation inevitably has an impact on the investigator's time and normal workload, hence the Service is considering outsourcing its level three investigations as these are the most serious and complex of matters and can take some time to conclude.
- 4.14 The 55 investigations in January resulted in a recommendation of no case to answer. The other investigations resulted in one Record of Informal Meeting, one recommendation of a disciplinary hearing at Level 1, eight recommendations of a disciplinary hearing at Level 3 and one investigation has just begun.
- 4.15 The Service's Head of Human Resources reports monthly to the Strategic Leadership Team on all investigations and disciplinary hearings. This provides an opportunity for scrutiny and trend analysis.
- 4.16 In May 2024, during an external audit of the Service's application and management of disciplinary procedures, the was formally recognised by the auditors as a key finding. The auditor's report stated that the Service's Head of Human Resources *"has significant senior leadership support and [she] is provided with a platform to discuss and improve trends"*
- 4.17 A second key finding from the aforementioned report was that *"Disciplinary process notes are retained and detailed, with investigation officers receiving HR support and supplementary training to ensure competency"*.
- 4.18 Two areas recognised as good practice by the auditor were that *"HR maintains a case register which includes equality, diversity and inclusion data to help identify potential discrimination trends"* and *"the support network for staff undergoing disciplinary action is well structured and subject to regular review to ensure its continued effectiveness and suitability"*
- 4.19 The report contained a recommendation to create a policy outlining the welfare support on offer to employees. This was created, fully consulted upon and is now published on the Service's website.
- 4.20 A second recommendation was that all investigation meetings should be digitally recorded and send to the individuals concerned, whereas previously only the transcript of the recording had been sent. The transparency afforded by this approach is intended to provide maximum confidence in the Service's disciplinary procedure.
- 4.21 The Service meets regularly with recognised trade unions, on both a formal and informal basis, to discuss any trends, learnings or outcomes arising from disciplinary procedures. This level of transparency and openness is intended to promote confidence and understanding.

4.22 The following table shows the equality data in relation to sex/gender and ethnicity.

<b>Ethnicity</b>	<b>Male</b>	<b>Female</b>
White British	58	2
White Other	3	
BME	1	
Prefer not to Say	2	
<b>Total</b>	<b>64</b>	<b>2</b>

4.23 The following data shows the age range of the investigations carried out:

<b>Age Group</b>	<b>Number</b>
Under 25	4
25 - 34	13
35 - 44	19
45 - 54	18
55 - 64	12
65 or over	0
<b>Total</b>	<b>66</b>

4.24 The data presented informs us that:

- There were more investigations involving men than women, the majority of which were of White British heritage, totalling 58 in number.
- The highest number of investigations were within the age group 35-44, with 19 investigations being undertaken.

### **Learning and Recommendations**

4.25 Following a review of the data collated from the investigation reports, there were two Service-wide recommendations arising from the same. In January 2024, a recommendation was made that a Domestic Abuse Policy should be created and accompanied by a mandatory e-learning package. Both the policy and e-learning were rolled out across the Service to all employees in April 2024.

4.26 The second recommendation was for even greater emphasis to be given to the Core Code of Ethics during the Service's recruitment awareness days and induction processes. The HR section for both has been considered and strengthened where appropriate.

## **5. EQUALITY IMPLICATIONS**

5.1 An Equality Impact Assessment was undertaken in 2023 at the time of the review of the policy.

## **6. CONCLUSION**

6.1 The Committee may wish to endorse the Service's commitment to the way it provides training to managers responsible for carrying out investigations and its policies and procedures associated with the same.

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**Head of Human Resources**

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## Background Papers

- [Professional Standards Disciplinary Procedure Policy](#)
- [Professional Standards Complaints Policy](#)
- [Domestic Abuse Policy](#)
- TIAA Assurance Review of Application and Management of Disciplinary Procedures Audit

## Glossary/Abbreviations

ACAS	Advisory, Conciliation and Arbitration Service
HMICFRS	His Majesty's Inspectorate of Constabulary and Fire & Rescue Services
HR	Human Resources



## **DRAFT ESTATES STRATEGY 2025/26 – 2029/30**

### **1. SUMMARY**

- 1.1 The Estates Strategy sets out a framework for managing our building portfolio. The current Strategy covers the period 2019-2025 and is being redrafted to ensure the objectives reflect the direction of travel for the organisation for the next five years.
- 1.2 The 2025/26-2029/30 strategy will outline how we will plan and prioritise future demands on the estate, including remodelling and refurbishing current premises and any new buildings.
- 1.3 This report provides an overview of the proposed 7 main objectives for the Service's Estates Strategy 2025/26 – 2029/30, including a summary of the Service's planned estate works over a five year period.

### **2. RECOMMENDATIONS**

- 2.1 It is recommended that the GAS Committee considers the proposed main objectives for the draft Estates Strategy 2025/26 – 2029/30 for managing, maintaining and improving our estate, making any comment and endorsing it to the Fire Authority.

### **3. BACKGROUND**

- 3.1 Humberside Fire & Rescue Service has 33 operational sites. These include a range of properties from Service Headquarters to Fire Stations and Training facilities. The estate covers a total area of around 109,000m<sup>3</sup>, with a total asset value of circa. £100m. The estate is a mix of older and new fire stations and associated premise. The estate is made up of 63% pre-1975 construction of which a lot is 1960's construction and requires a large investment in maintenance, however the estate also comprises of 21% post- 2000 construction.
- 3.2 Through a collaboration Agreement signed in March 2018, an estates service is provided to both Humberside Fire & Rescue Service and Humberside Police through our Joint Estates Service (JES) department.
- 3.3 JES are responsible for the delivery of the strategy, progress against which is monitored by the Estates Board chaired by senior leaders from both Humberside Fire & Rescue Service and Humberside Police.
- 3.4 The Estates Strategy sets out our ambition to provide a well maintained, modern, fit for purpose and efficient estate, which fully supports the delivery of our services to the community. It sets out the strategic direction for the estate and how we intend to achieve that, underpinned by our Strategic Plan and Community Risk Management Plan (CRMP).

### **4. REPORT DETAIL**

- 4.1 The Estates Strategy sets out a framework for managing our building portfolio. The current Strategy document covers the period 2019-2025 and is currently being redrafted to ensure the objectives reflect the direction of travel for the organisation. The 2025/26-2029/30 Strategy will outline how we will plan and prioritise future demands on the estate, including remodelling and refurbishing current premises and any new buildings.

4.2 The Strategy will have 7 main objectives;

- i) ***Provide a fit for purpose estate***  
This will include developing a modern estate with the flexibility to respond to changing demand and working practices, including the flow of the buildings and improved training facilities. We will address any issues caused by our aging buildings, with every fire station assessed and prioritised. We will take a multi layered approach to redesigning the sites where possible including the key considerations of welfare and wellbeing, operational flow of the buildings, community engagement and use of technology.
- ii) ***Support wellbeing and EDI agendas***  
We will modernise and improve the workspaces, providing appropriate welfare and wellbeing areas, ensuring our buildings are accessible to staff members and the community where appropriate.
- iii) ***Establish and use comprehensive building information***  
A full assessment of our fire stations against 6 facets (physical condition, functional suitability, space utilisation, quality, compliance, and energy efficiency) will inform us where we need to focus our development activity.
- iv) ***Optimise efficiency within our estate***  
We will deliver further improvements on space utilisation across the estate, with the aim of reducing overall running costs. This will also include determining best value of lease against buy options for new premises.
- v) ***Improve our response to sustainability***  
The estates strategy will play a key role in our environmental strategy, enabling us to meet targets for carbon reduction across the organisation. An integral part of this will be ensuring we have the required infrastructure to support the transition to electric vehicles.
- vi) ***Identify opportunities to collaborate and co-locate***  
To support the Governments One Public Estate agenda, the strategy will consider options for co-location opportunities with partners where appropriate.
- vii) ***Establish appropriate levels of investment in the estate***  
Strategic estate planning will align to the medium terms resource strategy to ensure our five year programme of capital investment is achievable. Opportunities to invest to save will always be explored.

4.3 A key part of the Strategy is therefore built around gaining a full understanding of our current estate. We have undertaken the first round of surveys, and from this a prioritised schedule of works have been drawn up will form the basis of this aspect of the strategy for 2025/26 onwards. This schedule is only indicative at this stage and is very much subject to further refinement resulting from further surveys, design work and the CRMP outcomes. The Estates Strategy and associated schedule will be reviewed annually and where necessary refined. The current indicative schedule of works is built over a five year period and covers the following fire stations.

<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>	<b>2029/30</b>
Preston	Driffield	Immingham West	Beverley	Clough Road
Patrington	Cleethorpes	Withernsea	Market Weighton	Central
Epworth	Crowle	Brigg	Goole	Brough
Bridlington	Bransholme	Barton	Waltham	
Pocklington	Scunthorpe	Kirton	Hornsea	
Calvert Lane		Snaith		
Peaks Lane				
Howden				

- 4.4 The current works identified as being required have been based on the recent 6 facet surveys only and can be grouped across 3 areas in terms of timescale, however this is subject to further design work. This current work identified is summarised as follows;

Up to 6 months	6 to 12 months	12 months+
Bridlington	Beverley	Howden
Brough	Driffield	Patrington
Hornsea	Goole	Preston
Snaith	Market Weighton	Cleethorpes
Central	Pocklington	Peaks Lane
Clough Road	Withernsea	Immingham West
Calvert Lane	Bransholme	
Kirton	Waltham	
Scunthorpe	Barton	
	Brigg	
	Crowle	
	Epworth	

- 4.5 The above details are subject to change following more accurate design, costing and evaluation which is currently being carried out by JES. Indicative costs will be provided in a separate Capital paper which will be presented for approval by Humberside Fire Authority.

- 4.6 In addition to managing the estates asset portfolio, JES are responsible for the management and provision of a range of associated facilities and utilities management functions. This includes ongoing premises maintenance support, waste management and grounds maintenance. Statutory maintenance is also carried out to keep the estate compliant with relevant legislation. The testing carried out includes gas safety, fixed ladder compliance testing and generator servicing as examples.

- 4.7 The Estates Strategy will support the Service's Strategic Plan objectives in the following way:

**We value and support the People we employ** – By ensuring the quality of our buildings will support our staff's health and wellbeing, and provide dignity, equality and access for all.

**What we must do well** – By ensuring that our buildings are fit for purpose and meet the needs of all of our delivered activity, including the implementation of sustainability measures across the estate and facilities management processes.

**How we support our communities** – By supporting our service delivery from an appropriate estate, in the right locations which are well maintained, supporting the visibility of our communities to provide public reassurance.

**We efficiently manage the service** – By making sure we optimise the use of our estate and available funding to ensure continued investment in our property portfolio. Working collaboratively with partners where possible to deliver operational synergies and financial benefits.

- 4.8 It is essential that our estate remains fit for purpose and reflects the operational needs placed upon it by our CRMP. Therefore, the Estates Strategy will remain an agile plan, subject to change based on evidence based decision making through an informed data led approach.

- 4.9 The benefits of the Estates Strategy to the organisation include supporting an estate which is fit for purpose, operationally efficient, providing a flexible space to adapt to changing operational needs whilst facilitating agile and flexible working.

- 4.10 It will enable us to have an estate which supports the diversity, inclusivity and wellbeing of its users, including provision for fitness, inclusion, and wellbeing. Workspaces will

provide a comfortable environment, well heated and ventilated, consistently decorated and furnished, with appropriate storage and space.

- 4.11 The strategy will contribute to reduced revenue running costs through investment and more effective use of existing resources. The generation of capital receipts from buildings identified as surplus to future requirements will enable the re-investment of funds corporately and in more efficient estate where appropriate.
- 4.12 The continued implementation of sustainability initiatives across the estate will drive our carbon footprint reduction, not only allowing us to comply with climate change legislation but also generating further revenue savings.
- 4.13 The strategy will be reviewed annually to ensure it remains valid for our strategic and operational needs. A full refresh of the strategy will be undertaken every five years in addition to an annual review.

## 5. EQUALITY IMPLICATIONS

- 5.1 An Equality Impact Assessment (EIA) has been completed and there are no identified negative impacts on any protected characteristic groups and/or risks associated with the processing of personal data. This will be reviewed upon publication of any new strategy documents.

## 6. CONCLUSION

- 6.1 The Estates Strategy sets out our aim to provide a well maintained and efficient estate, which fully supports the delivery of our services to the community. Work to improve our entire fire station estate over a five year period is an ambitious plan which will bring our buildings up to a standard for a modern Fire and Rescue Service.

**Dominic Purchon**  
**Area Manager for Prevention, Protection, Fleet & Estates**

### Officer Contact

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### Background Papers

[HFRS Estates Strategy 2019-2025](#)

### Abbreviations

CRMP	Community Risk Management Plan
EIA	Equality Impact Assessment
JES	Joint Estates Service



## **GAS COMMITTEE SCRUTINY PROGRAMME AND WORKSTREAMS 2023/24**

### **1. SUMMARY**

- 1.1 This paper summarises the Governance, Audit and Scrutiny (GAS) Committee's Scrutiny Programme and work streams for 2023/24. Each year, the Committee will programme a number of specific, defined scrutiny items complete with scopes in order that relevant officers can focus their reports.
- 1.2 Appendix 1 to this report will serve as a point of reference for report-writers and as a 'living document' during the year for the Committee as it considers the scopes for its scrutiny items.

### **2. MATTER FOR CONSIDERATION**

- 2.1 The Committee to receive approve its scrutiny programme as necessary.
- 2.2 The Committee to note it's work streams.

### **3. BACKGROUND**

- 3.1 Public scrutiny is a corporate process undertaken by the Committee, appointed by the Fire Authority for its breadth of professional experience.

### **4. REPORT DETAIL & OPTIONS/PROPOSALS**

- 4.1 Appendix 1 of this report sets out the topics and scopes for consideration and review as necessary.
- 4.1 Appendix 2 to this report sets out a forward plan of items to be considered by the GAS Committee for the year 2023/24.

### **5. EQUALITY IMPLICATIONS**

- 5.1 There is no requirement to carry out an equality impact analysis as this report does not relate to a policy or service delivery change.

### **6. CONCLUSION**

- 6.1 The Committee is requested to receive any updates and approve changes to its scrutiny programme as necessary.

**Lisa Nicholson**  
Secretary & Monitoring Officer

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#### **Background Papers**

None

#### **Glossary/Abbreviations**

GAS	Governance, Audit and Scrutiny Committee
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**GOVERNANCE, AUDIT AND SCRUTINY COMMITTEE – SCRUTINY TOPICS 2024/25**

Date of Meeting	Topic	Background and Scope	Lead
<p align="center"><b>Wednesday, 10<sup>th</sup> July 2024</b></p> <p align="center">[Deadline: 9am, Friday 28<sup>th</sup> June 2024]</p>	<p align="center"><b>HMICFRS Values and Culture in Fire &amp; Rescue Services</b></p> <p align="center">[Deferred from 8<sup>th</sup> April 2024]</p>	<p><u>Background Context</u> On 30 March 2023 HMICFRS published its report <i>Values and culture in fire and rescue services</i>. This report focuses on the values and culture of all 44 fire and rescue services (FRSs) in England and draws on the evidence collected through the inspections of FRSs since 2018. In response to this, all 44 FRSs have to have an action plan in place to implement the 35 recommendations made in the report.</p> <p><b>Scope</b></p> <ul style="list-style-type: none"> <li>• Background into Values and Culture work being undertaken by HMICFRS</li> <li>• Review of HFRS Values and Culture Action Plan</li> <li>• Compliance status against Service led recommendations made by HMICFRS</li> <li>• Governance arrangements for continual implementation and monitoring of recommendations and actions</li> </ul>	<p align="center"><b>Jamie Morris - Head of Corporate Assurance</b></p>
<p align="center"><b>Monday, 18<sup>th</sup> November 2024</b></p> <p align="center">[Deadline: 9am, Wednesday 6<sup>th</sup> November 2024]</p>	<p align="center"><b>Estates Strategy</b></p>	<p><u>Background context - HMICFRS Assessment Criteria</u> <i>The FRS estate and fleet plans have clear links to the risk management plan. The FRS actively considers how changes in fleet and estate provision and status and future innovation may affect risk, and the FRS exploits opportunities presented by changes in fleet and estate to improve efficiency and effectiveness.</i></p> <p><b>Scope</b></p> <ul style="list-style-type: none"> <li>• Effectiveness of estate and fleet plans aligned to the CRMP.</li> <li>• How are the plans effectively performance managed, including evaluation.</li> <li>• How changes to the plans could affect risk.</li> <li>• How the plans and changes can measurably improve efficiency and effectiveness.</li> </ul>	<p align="center"><b>Dom Purchon – Area Manager of Prevention, Protection, Fleet and Estates</b></p> <p align="center">&amp;</p> <p align="center">Andy Day - Head of Estates &amp; Fleet</p>
<p align="center"><b>Monday, 18<sup>th</sup> November 2024</b></p> <p align="center">[Deadline: 9am, Wednesday 6<sup>th</sup> November 2024]</p>	<p align="center"><b>Disciplinary Investigation Training</b></p>	<p><u>Background Context - HMICFRS Thematic Inspection</u> <i>The Service provides training for staff in conducting complaint and disciplinary investigations.</i></p> <p><b>Scope</b></p> <ul style="list-style-type: none"> <li>• Effectiveness of training provided to staff to conduct investigations.</li> <li>• Effectiveness of related policies and processes used to manage disciplinary procedures.</li> <li>• Performance management of investigation processes, including trend analysis.</li> <li>• Learning and development from investigation outcomes.</li> </ul>	<p align="center"><b>Anne Stott - Head of HR</b></p>

**GOVERNANCE, AUDIT AND SCRUTINY COMMITTEE – SCRUTINY TOPICS 2024/25**

Date of Meeting	Topic	Background and Scope	Lead
<p align="center"><b><u>BRIEFING NOTE</u></b></p> <p align="center">[Deadline: Wednesday 8<sup>th</sup> January 2025]</p>	<p align="center"><b><u>BRIEFING NOTE</u></b></p> <p align="center"><b>Fire Control - Exercises and Debrief - Update</b></p>	<p><u>Background Context</u> <i>The Committee received an initial report on Control’s involvement in exercises and debriefs at its meeting of 22 January 2024 (Minute 8/24 refers). The Committee subsequently requested a further update on this topic as part of its 2024/25 work programme.</i></p> <p><b>Scope</b> - To provide an update on:</p> <ul style="list-style-type: none"> <li>• the processes and procedures in place to ensure the inclusion of control room staff in exercise and debrief activities</li> <li>• How exercise and debrief activities are recorded to register Fire Controls involvement in the process.</li> <li>• Mechanisms in place to capture learning and actions for Fire Control to address, including evidence of their application and learning outcomes.</li> <li>• How the outcomes and leaning from exercises and debriefs are effectively communicated amongst Fire Control staff and other key stakeholders as applicable.</li> </ul>	<p align="center"><b>Craig Henry - Head of Emergency Preparedness &amp; Control</b></p> <p align="center">Graeme Dickson - Station Manager (Control)</p>
<p align="center"><b>Monday, 17<sup>th</sup> February 2025</b></p> <p align="center">[Deadline: 9am, Wednesday 5<sup>th</sup> February 2025]</p>	<p align="center"><b>Financial Plans</b></p>	<p><u>Background Context - HMICFRS Assessment Criteria</u> <i>FRS plans are built on sound planning assumptions, including scenario plans. The plans are subject to informed external independent challenge and meet financial requirements. The FRS has an affordable workforce model that provides the right skills and capabilities, linked to its risk management plan and priorities. The FRS’s financial plans help it to make sure it can provide a sustained service to the public and continuously improve, as well as result in a balanced budget. The FRS has financial controls and financial risk control mechanisms in place to reduce the risk of inappropriate use of public money.</i></p> <p><b>Scope</b></p> <ul style="list-style-type: none"> <li>• Effectiveness of the medium-term financial strategy and productivity and efficiency plan aligned to the CRMP.</li> <li>• Intelligence led information used to inform and manage scenario planning.</li> <li>• Processes of scrutiny and audit used to inform and validate planning assumptions.</li> <li>• Alignment of plan to workforce planning arrangements.</li> </ul>	<p align="center"><b>Shaun Edwards - Head of Finance</b></p>
<p align="center"><b>Monday, 17<sup>th</sup> February 2025</b></p> <p align="center">[Deadline: 9am, Wednesday 5<sup>th</sup> February 2025]</p>	<p align="center"><b>Joint Exercise Programme</b></p>	<p><u>Background Context - HMICFRS Assessment Criteria</u> <i>The FRS carries out a joint exercise programme to test arrangements for major and multi-agency incidents. The FRS uses the learning to improve its capabilities and inform local and national developments.</i></p> <p><b>Scope</b></p> <ul style="list-style-type: none"> <li>• Management of joint exercise programme including requirements, types, frequency and links to risk management planning.</li> <li>• Recording processes used to capture exercises.</li> <li>• Alignment to JESIP principles.</li> </ul>	<p align="center"><b>Craig Henry - Head of Emergency Preparedness &amp; Control</b></p>