

2023/24



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.

Red	Performance that is a concern and needs addressing (above the upper threshold limits)
Green	Performance is positive and should be replicated (below the lower threshold limits)
Blank	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
Total	228	278	325	292	302	267	229	196	140	175	140	189	<u>2761</u>

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.

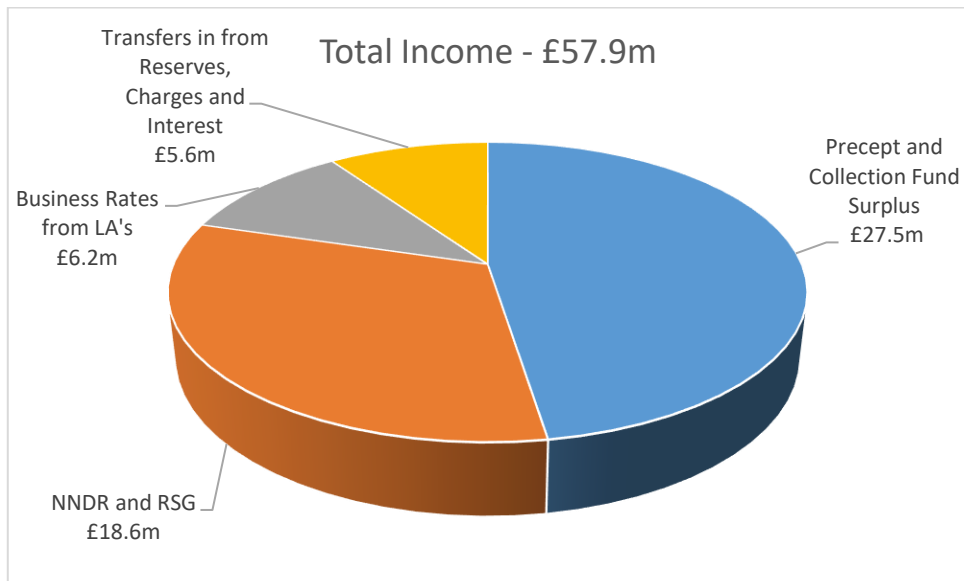
2023/24 Financial Year

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.

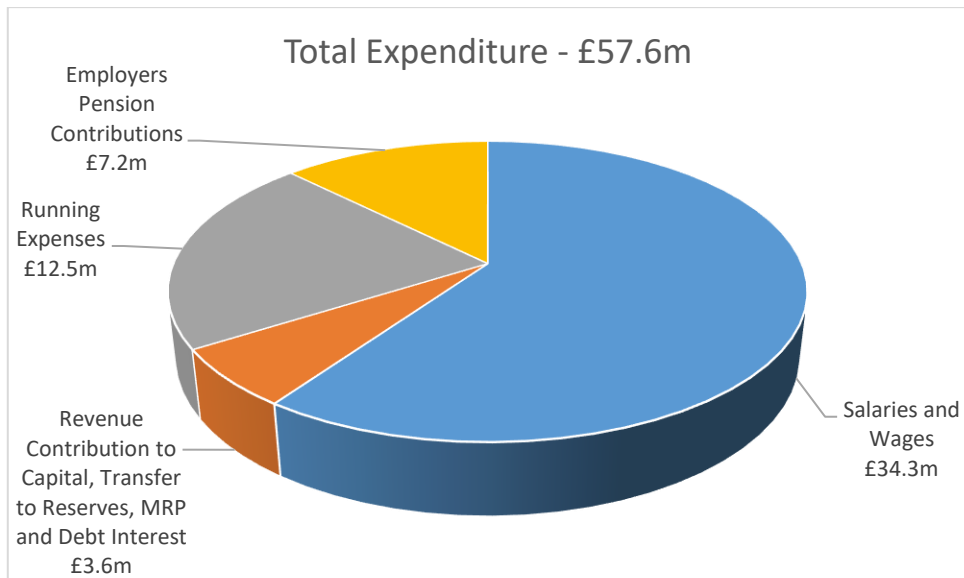
The Authority's position over the medium-term is sound but will be kept under continuous review particularly with regard to any cost pressures arising and also pay awards that may be agreed over the next 2 to 3 years against a backdrop of high but reducing levels of general inflation and tight financial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

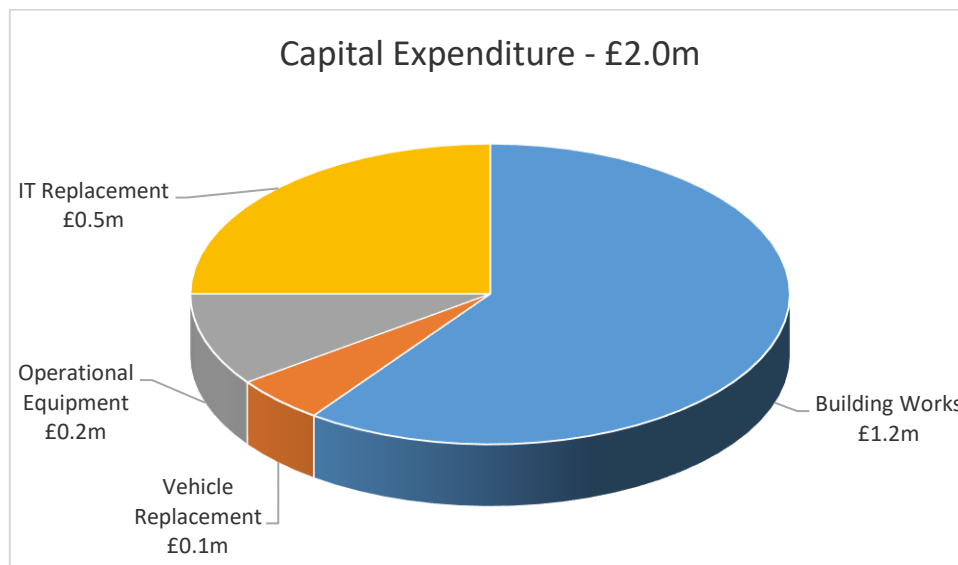
During 2023/24, the overall variance across all non-pay budgets was an overspend of £398k. This was primarily due to not utilising the transfer from general reserve due to additional income received within the year.

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.

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

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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
	<p>31st May 2024</p>

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
Note(s)	6	2			4	6	6			
Balance at 31 March 2023	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
Total Comprehensive Income and Expenditure	-	(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	-
Net Increase / (Decrease) before transfers to Earmarked Reserves	-	473	94	567	(11,251)	(1,140)	63	(41)	260	(11,542)
Transfers to / (from) Earmarked Reserves	(408)	408		-						-
Increase / (Decrease) in Year	(408)	880	94	566	(11,251)	(1,140)	63	(41)	260	(11,542)
Balance at 31 March 2024	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
Balance at 31 March 2022	6 7,516	2 7,438	29	14,984	4 (710,764)	6 19,549	6 23,190	605	(420)	(652,855)
Surplus or (Deficit) on Provision of Services (accounting basis)		(27,343)		(27,343)						(27,343)
Other Comprehensive Income and Expenditure				-	219,958		1,421			221,379
Total Comprehensive Income and Expenditure	-	(27,343)	-	(27,343)	219,958	-	1,421	-	-	194,036
Adjustments between Accounting Basis & Funding Basis under Regulations (Note 10)		27,553	(29)	27,524	(24,235)	(2,409)	(872)	12	(20)	-
Net Increase / (Decrease) before transfers to Earmarked Reserves	-	210	(29)	181	195,723	(2,409)	549	12	(20)	194,036
Transfers to / (from) Earmarked Reserves	1,303	(1,303)		-						-
Increase / (Decrease) in Year	1,303	(1,093)	(29)	181	195,723	(2,409)	549	12	(20)	194,036
Balance at 31 March 2023	8,819	6,345	-	15,165	(515,041)	17,139	23,739	617	(440)	(458,819)

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

* 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.'

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

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.

31 March 2023		31 March 2024
£'000	Note(s)	£'000
(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>(37)</u> Net Increase or (Decrease) in Cash and Cash Equivalents		<u>(30)</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>(37)</u> Total Movement		<u>(30)</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 Accounting Judgements and Key Sources of Estimation Uncertainty

In the application of the Authority's accounting policies, management are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates and the estimates and underlying assumptions are continually reviewed. 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.

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 land and buildings owned by the Authority are investment properties. The Authority's valuers and accountants make judgements in accordance with IAS 40

Investment Property. It has been determined that the Authority does not have any investment property as it does not hold land and/or buildings solely for rental income or capital appreciation.

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.

The Authority has to decide whether the Authority's exposure to possible losses is to be accounted for as a Provision or a Contingent Liability. These decisions are taken by a combination of the Authority's accountants, solicitor and other relevant officers.

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.

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 31st 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

- IFRS 16 Leases

The above accounting standards have been issued but are not be adopted until 1st April 2024. This is not expected to have a 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		Note	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)	3,206	Community Fire Safety	10	2,932	39	2,893
30,132	(8,594)	38,726	Fire Fighting & Rescue Operations	10	31,797	(162)	31,959
15,573	(1,997)	17,570	Management and Support	10	17,003	(218)	17,221
132	-	132	Corporate and Democratic Core	10	128	-	128
38	-	38	Corporate Management	10	58	-	58
48,566	(11,107)	59,672	Net Cost of Services		51,918	(341)	52,259
(47,473)	(15,143)	(32,330)	Other Income and Expenditure	10	(52,798)	(21,138)	(31,660)
1,093	(26,250)	27,342	(Surplus) or Deficit		(880)	(21,479)	20,599
7,438			Opening General Fund Balance		6,345		
1,093			Less/Plus (Surplus) or Deficit on the General Fund in the Year		(880)		
6,345			Closing General Fund Balance at 31 March		7,225		

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"> • employee • employer • ill health 	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"> • maximum pension • minimum lump sum 	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 th for 20 years 2/60 th for 20+ years up to a maximum of 30 years	1/60 th	1/45 th	1/59.7 th	1/49 th

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
Retirement costs included in the Comprehensive Income and Expenditure Statement	(21,990)	(16,180)	(1,110)	(970)	(3,270)	(10,700)	(961)	(3,163)

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)
Opening Position as at 31 March	-	-	(470,790)	(591,350)	(470,790)	(591,350)	-	-	(9,340)	(12,230)	(9,340)	(12,230)
Service Cost												
Current Service Cost					-	-			(100)	(230)	(100)	(230)
Past Service Cost (inc curtailments)				(14,320)	-	(14,320)					-	-
Effect of Settlements					-	-					-	-
Total Service Cost	-	-	-	(14,320)	-	(14,320)	-	-	(100)	(230)	(100)	(230)
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					-	-					-	-
Total net interest	-	-	(21,460)	(15,630)	(21,460)	(15,630)	-	-	(430)	(320)	(430)	(320)
Total defined benefit cost recognised in Income and Expenditure	-	-	(21,460)	(29,950)	(21,460)	(29,950)	-	-	(530)	(550)	(530)	(550)
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					-	-					-	-
Expected closing position	(18,790)	(17,460)	(473,460)	(603,840)	(492,250)	(621,300)	(480)	(450)	(9,390)	(12,330)	(9,870)	(12,780)
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					-	-					-	-
Total remeasurements recognised in Other Comprehensive Income	18,790	17,460	2,830	133,050	21,620	150,510	480	450	470	2,990	950	3,440
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)
Closing position as at 31 March	-	-	(470,630)	(470,790)	(470,630)	(470,790)	-	-	(8,920)	(9,340)	(8,920)	(9,340)

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)
Opening Position as at 31 March	-	-	(23,310)	(32,640)	(23,310)	(32,640)	-	-	(18,530)	(65,160)	(18,530)	(65,160)
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					-	-					-	-
Total Service Cost	-	-	(30)	(1,930)	(30)	(1,930)	-	-	(2,380)	7,080	(2,380)	7,080
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					-	-					-	-
Total net interest	-	-	(1,080)	(890)	(1,080)	(890)	-	-	(890)	(1,610)	(890)	(1,610)
Total defined benefit cost recognised in Income and Expenditure	-	-	(1,110)	(2,820)	(1,110)	(2,820)	-	-	(3,270)	5,470	(3,270)	5,470
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					-	-					-	-
Expected closing position	(228)	(208)	(24,140)	(35,200)	(24,368)	(35,408)	4,876	3,684	(20,660)	(57,850)	(15,784)	(54,166)
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					-	-					-	-
Total remeasurements recognised in Other Comprehensive Income	228	208	-	11,890	228	12,098	(4,876)	(3,684)	(1,900)	39,320	(6,776)	35,636
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)
Closing position as at 31 March	-	-	(24,140)	(23,310)	(24,140)	(23,310)	-	-	(22,560)	(18,530)	(22,560)	(18,530)

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)
Opening Position as at 31 March	47,040	50,475	(40,101)	(59,849)	6,939	(9,374)
Service Cost						
Current Service Cost	-	-	(1,506)	(2,882)	(1,506)	(2,882)
Past Service Cost (inc curtailments)	-	-	-	-	-	-
Effect of Settlements	-	-	-	-	-	-
Total Service Cost	-	-	(1,506)	(2,882)	(1,506)	(2,882)
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					-	-
Total net interest	2,467	1,396	(1,922)	(1,677)	545	(281)
Total defined benefit cost recognised in Income and Expenditure	2,467	1,396	(3,428)	(4,559)	(961)	(3,163)
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)	(8)
Expected closing position	50,189	52,529	(44,297)	(63,872)	5,892	(11,343)
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)
Total remeasurements recognised in Other Comprehensive income	(9,128)	(5,489)	(1,668)	23,763	(10,796)	18,274
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)
Closing position as at 31 March	41,061	47,040	(41,093)	(40,101)	(32)	6,939

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
Present Value of Liabilities					
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/>					
Fair Value of Assets					
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/>					
Surplus/(Deficit) in the Scheme					
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	Quoted prices not in active markets	Total	Percentage of Total Assets	Quoted prices in active markets	Quoted prices not in active markets	Total	Percentage of Total Assets
	£(000)	£(000)	£(000)		£(000)	£(000)	£(000)	
Equity Securities:								
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%
Debt Securities:								
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%
Private Equity:								
All	662.8	2,862.5	3,525.3	6%	601.6	2,597.4	3,199.0	6%
Real Estate:								
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%
Investment Funds and Unit Trusts:								
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%
Derivatives:								
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%
Cash and Cash Equivalents:								
All	622.6	0.0	622.6	1%	965.7		965.7	2%
Totals	41,797	14,730	56,527	100.00%	38,064	13,683	51,747	100.00%

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
	%	%	%	%	%
Local Government Pension Scheme					
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
Firefighters' Pension Scheme 1992					
Experience gains and (losses) on liabilities	7.25	(18.05)	2.20	22.50	0.60
Firefighters' Injury Awards					
Experience gains and (losses) on liabilities	0.06	11.89	(9.83)	24.45	5.03
Firefighters' Pension Scheme 2006					
Experience gains and (losses) on liabilities	4.73	10.13	2.85	36.42	-
Firefighters' Pension Scheme 2015					
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
Cost or Valuation								
1 April 2023	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
At 31 March 2024	50,934	19,146	6,753	76,834	165	0	350	77,349
Depreciation/Impairment								
1 April 2023	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)
At 31 March 2024	1,759	11,831	3,921	17,511	0	0	18	17,529
Net Book Value								
1st April 2023	48,949	8,967	3,409	61,326	15	0	341	61,676
31 March 2024*	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
Cost or Valuation								
1 April 2022	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)
At 31 March 2023	49,959	19,544	6,857	76,361	36	0	350	76,747
Depreciation/Impairment								
1 April 2022	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)
At 31 March 2023	1,010	10,577	3,448	15,035	21	0	9	15,065
Net Book Value								
1st April 2022	48,471	10,310	3,670	62,451	25	0	350	62,821
31 March 2023*	48,949	8,967	3,409	61,326	15	0	341	61,676

*£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
Operational Land & Buildings		
Service Headquarters	1	1
Fire Stations	31	31
Other Offices	2	2
Operational Vehicles		
Fire Appliances	68	68
Lorries	1	1
Vans	50	60
Cars	80	89
Others	3	3
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)
	<u>18,499</u>	<u>19,412</u>
Explanation of Movements in Year		
Increase/(Decrease) in the Underlying Need to Borrow Unsupported by Government Financial Assistance	(913)	692
	<u>(913)</u>	<u>692</u>

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	
Value as at Historical Cost		7,315	2,997			10,312
Value at Current Value in:						
2023/24	24,236					24,236
2022/23	2,645					2,645
2021/22	22,294				332	22,626
Value as at 31 March 2023	49,175	7,315	2,997	-	332	59,813
Nature of asset holding						
Leased	1,582					1,582
Owned	47,593	7,315	2,997	-	332	58,237
	49,175	7,315	2,997	-	332	59,813

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

2022/23

	Operational Assets			Non Operational Assets		Total £'000
	Other Land & Buildings	Vehicles	Plant & Equipment	Assets Under Construction	Surplus Assets	
	£'000	£'000	£'000	£'000	£'000	
Value as at Historical Cost		8,967	3,409			12,376
Value at Current Value in:						
2022/23	21,132					21,132
2021/22	27,817				341	28,158
Value as at 31 March 2023	48,949	8,967	3,409	-	341	61,666
Nature of asset holding						
Leased	1,682					1,682
Owned	47,267	8,967	3,409	-	341	59,984
	48,949	8,967	3,409	-	341	61,666

Capital Expenditure

Capital Expenditure incurred by the Authority during 2023/24 with comparatives for 2022/23 and the sources of financing are as follows:

Category of Asset	2023/24	Category of Asset	2022/23
	£'000		£'000
Land & Buildings (Including those under Construction)		Land & Buildings (Including those under Construction)	
Goole	674	Clough Road Training	(25)
Winterton	559	Bridlington	(23)
Headquarters	30	Goole	37
Immingham East	14	Hornsea	25
Immingham West	2	Headquarters	54
Cromwell Road	(27)	Scunthorpe	(5)
Market Weighton	(4)	Dignity Works	210
Calvert	(4)	Calvert	252
Barton	(2)		
Vehicles (including those under Construction)	108	Vehicles (including those under Construction)	1,826
Plant & Equipment (Including Equipment under Construction)		Plant & Equipment (Including Equipment under Construction)	
IT Equipment	303	IT Equipment	616
Equipment	176	Equipment	100
		Personal Protective Equipment	171
Intangibles	165	Intangibles	-
	1,994		3,238
Source of Finance		Source of Finance	
	£'000		£'000
Loans - Unsupported Borrowing	-	Loans - Unsupported Borrowing	1,510
Capital Contributions (including capital receipts)	1,994	Capital Contributions (including capital receipts)	1,728
	1,994		3,238

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.

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	2022/23
	£'000	£'000
Property, Plant and Equipment	1,582	1,682
	1,582	1,682

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

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
	2,402	2,408	1,095	1,013

Operating Leases

The Authority does not have any material operating leases.

6. Reserves held by the AuthorityUseable 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 & Hertfordshire Control Room Consortium Reserve	1,000
1,200	Pay and Prices Reserve	600
30	Environmental Reserve	30
8,819	Total Earmarked Reserves	8,411

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

	2023/24	2022/23
	£'000	£'000
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

	2023/24	2022/23
	£'000	£'000
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 within 12 months	Repayable after 12 months	Total	Repayable within 12 months	Repayable after 12 months
	£'000	£'000	£'000	£'000	£'000	£'000
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	-		-
	544,138	946	543,192	541,244	1,599	539,645

*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
		15,828	16,669

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
	15,828	16,669

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: -

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

*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: -

	31 March 2024 £'000	31 March 2023 £'000
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
	<u>9,317</u>	<u>10,750</u>

*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".

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

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

	31 March	
	2024	2023
	£'000	£'000
Financial Liabilities		
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>
Financial Assets		
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	-	-	-	-	-	-	-	-
Interest payable and similar charges	(652)	-	-	(652)	(713)	-	-	(713)
Interest income	-	811	-	811	-	335	-	335
Losses on revaluation	-	-	-	-	-	-	-	-
Amounts recycled to the Income and Expenditure Account after impairment	-	-	-	-	-	-	-	-
Interest and investment income	-	811	-	811	-	335	-	335
Gains on revaluation	-	-	-	-	-	-	-	-
Losses on revaluation	-	-	-	-	-	-	-	-
Amounts recycled to the Income and Expenditure Account after impairment	-	-	-	-	-	-	-	-
Surplus arising on revaluation of financial assets	-	-	-	-	-	-	-	-
Net gain/(loss) for the year	(652)	811	-	159	(713)	335	-	(378)

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:

	31 March 2024 £'000	31 March 2023 £'000
Less than three months	18	82
Three to six months	26	28
Six months to one year	-	-
More than one year	-	-
	44	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)
(5,603)	(5,504)	-	(11,107)	(3,843)	3,502	-	(341)
2,322	(18,731)	1,266	(15,143)	2,370	(23,315)	(193)	(21,138)
(3,281)	(24,235)	1,266	(26,250)	(1,473)	(19,813)	(193)	(21,479)
			Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services				

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

	2023/24	2022/23
	£000s	£000s
Other Operating Expenditure		
(Profit)/Loss on the disposal of assets	443	175
Total Other Operating Expenditure	443	175
Financing and Investment Income and Expenditure		
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
Total Financing and Investment Income and Expenditure	23,156	19,109
Taxation and Non Specific Grant Income		
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
Total Taxation and Non Specific Grant Income	55,259	51,614
General Government Grants		
Additional Pensions Grant	2,543	2,543
Services Grant	517	881
	3,060	3,424

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
	27,055	51	260	27,366
	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
	25,312	(641)	1,703	26,374

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 £0.4m (£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
	119	13	132	89	13	102

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

Disclosure for 2023/24

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
	925,425	1,273	926,697	195,632	1,122,330

* 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
	887,262	2,642	889,904	147,833	1,037,737

* 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	-	-	-	-
Total Cost in Bandings	-	3	3	119	-	-	-	-

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 £41k in Audit fees (£38k in 2022/23) from 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
Net cash flows from investing activities	<u>(2,979)</u>	<u>(800)</u>

Cash Flow Statement – Financing Activities

	2023/24	2022/23
	£'000	£'000
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)
Net cash flows from financing activities	<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.

2023/24



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

2022/23		2023/24
£'000s		£'000s
	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
13,635	Net amount payable for the year	14,148
(13,635)	Top-up grant receivable to the Firefighters' Pension Fund	(14,148)
-	Fund Account balance	-

2022/23	<u>Net Assets Statement</u>	2023/24
	Current Assets	
3,435	Home Office grant debtor	2,245
1,652	Pensions Paid in Advance	1,775
	Current Liabilities	
(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 1st 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
£'000	Expenditure	£'000	£'000	£'000
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
56,340	Total Expenditure	55,361	57,811	2,450
(2,222)	Income	(1,113)	(1,749)	(636)
54,118	Net Expenditure	54,248	56,062	1,814
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
51,154	Net Budget Requirement	55,187	55,024	(163)
(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)	-
(448)	Net (Surplus)/Deficit	-	(277)	(277)

£'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	-
1,093	(Surplus)/Deficit on the General Fund in the Year	(877)

A breakdown of major variances is as follows:

	Overspend / (Underspend) £'000
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	(636)
Interest Receivable This is due to higher interest rates on our investments	(311)
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	(2,236)
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 £'000	Actual £'000	Variance £'000
Buildings			
Bridlington	150	-	(150)
Goole	675	674	(1)
Patrington	30	-	(30)
Preston	30	-	(30)
Headquarters	130	30	(100)
Fire Station External Works	100	-	(100)
Electric Vehicle Charging Ports	60	-	(60)
Dignity			
- Winterton	433	559	126
- Immingham East	328	14	(314)
- Cromwell Road	-	(27)	(27)
- Market Weighton	-	(4)	(4)
- Calvert Lane	-	(4)	(4)
- Barton	-	(2)	(2)
Vehicles			
Operational	2,200	-	(2,200)
Support	1,085	108	(977)
Plant & Equipment			
IT Equipment	600	468	(132)
Equipment	790	176	(614)
	6,719	1,994	(4,725)

Analysis of the most significant capital variances:

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

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 current asset will be consumed or cease to have material value within the next financial year (e.g. cash and inventories); A non-current asset provides benefits to the Authority and to the services it provides for a period of more than one year and may be tangible e.g. a fire station or intangible , 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"> (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 (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.
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 www.ifrs.org
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"> • A current liability is an amount which will or could become payable in the next Accounting Period, e.g. creditors or cash overdrawn. • A deferred 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.
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 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

Chair of the Fire Authority

Chief Fire Officer & Chief Executive

Section 151 Officer

**Secretary & Monitoring Officer to the
Fire Authority**