



DEVON & SOMERSET FIRE & RESCUE AUTHORITY

**M. Pearson
CLERK TO THE AUTHORITY**

**To: The Chair and Members of the Devon &
Somerset Fire & Rescue Authority**

(see below)

**SERVICE HEADQUARTERS
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Website : www.dsfire.gov.uk

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DEVON & SOMERSET FIRE & RESCUE AUTHORITY

Wednesday, 29 September, 2021

A meeting of the Devon & Somerset Fire & Rescue Authority will be held on the above date, **commencing at 10.00 am in the Exeter Suite, Sandy Park, Exeter** to consider the following matters.

M. Pearson
Clerk to the Authority

A G E N D A

***PLEASE REFER TO THE NOTES AT THE END OF THE AGENDA LISTING
SHEETS***

1 Apologies

2 Minutes

a Authority Annual Meeting 29 June 2021 (Pages 1 - 6)

Attached.

b Authority Ordinary Meeting 29 June 2021 (Pages 7 - 12)

Attached.

3 Items Requiring Urgent Attention

Items which, in the opinion of the Chair, should be considered at the meeting as matters of urgency.

PART 1 - OPEN COMMITTEE

4 Questions and Petitions from the Public

In accordance with [Standing Orders](#), to consider any questions and petitions submitted by the public. Questions must relate to matters to be considered at this meeting of the Authority. Petitions must relate to matters for which the Authority has a responsibility or which affects the Authority. Neither questions nor petitions may require the disclosure of confidential or exempt information. Questions and petitions must be submitted in writing or by e-mail to the Clerk to the Authority (e-mail address: clerk@dsfire.gov.uk) **by midday on Friday 24 September 2021.**

5 Addresses by Representative Bodies

To receive addresses from representative bodies requested and approved in accordance with Standing Orders.

6 Questions from Members of the Authority

To receive and answer any questions submitted in accordance with Standing Orders.

7 Minutes of Committees

a People Committee (Pages 13 - 18)

The Chair of the Committee, Councillor Bown, to **MOVE** the Minutes of the meeting held on 23 July 2021 (attached).

RECOMMENDATION that the Minutes be adopted in accordance with Standing Orders.

b Community Safety Committee (Pages 19 - 22)

The Chair of the Committee, Councillor Chesterton, to **MOVE** the Minutes of the meeting held on 26 July 2021 (attached).

RECOMMENDATIONS

- (a). that the recommendation at Minute CS/21/3(b) (Match Funding of Domestic Sprinklers) be considered in conjunction with item 12 below;
- (b). that, subject to (a) above, the Minutes be adopted in accordance with Standing Orders.

c Audit & Governance Committee (Pages 23 - 28)

The Chair of the Committee, Councillor Healey MBE, to **MOVE** the Minutes of the meeting held on 30 July 2021 (attached).

RECOMMENDATION that the Minutes be adopted in accordance with Standing Orders.

d Resources Committee Public Minutes (Pages 29 - 34)

The Chair of the Committee, Councillor Peart, to **MOVE** the Minutes of the meeting held on 9 September 2021 (attached)

RECOMMENDATIONS

- (a). that the recommendations at Minutes that the Minutes RC/21/3 (Revision to Capital Programme 2021-22 to 2023-24) and RC/21/4 (Reserves Strategy 2021-22) be approved;
- (b). that, subject to (a) above, the Minutes be adopted in accordance with Standing Orders.

(**Note:** a copy of report RC/21/1 [Reserves Strategy 2021-22] is appended to these Minutes for ease of reference).

e Appendix to the Minutes of the Resources Committee 9 September 2021 (Pages 35 - 46)

A copy of report RC/21/12 – Reserves Strategy 2021-22 – as considered by the meeting is attached for ease of reference.

8 Authority Governance Processes (Pages 47 - 48)

Report of the Director of Governance & Digital Services (DSFRA/21/19) attached.

9 Development of Community Risk Management Plan - Proposals for Authority Engagement (Pages 49 - 52)

Report of the Chief Fire Officer (DSFRA/21/20) attached.

10 Statement of Accounts 2020-21 (Pages 53 - 112)

Report of the Director of Finance & Resourcing (Treasurer) (DSFRA/21/21) attached.

11 2020-21 Annual Statement of Assurance (FINAL) (Pages 113 - 144)

Report of the Director of Governance & Digital Services (DSFRA/21/22) attached.

12 Amendment to Financial Regulations (Pages 145 - 148)

Report of the Director of Governance & Digital Services (DSFRA/21/23) attached.

13 Resources Committee Terms of Reference and Committee Appointments (Pages 149 - 152)

Report of the Director of Governance & Digital Services (DSFRA/21/24) attached.

14 Exclusion of the Press and Public

RECOMMENDATION that, in accordance with Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined Paragraph 3 of Part 1 of Schedule 12A (as amended) to the Act, namely information relating to the financial and business affairs of any particular person – including the authority holding that information.

PART 2 - ITEMS WHICH MAY BE TAKEN IN THE ABSENCE OF THE PRESS AND PUBLIC

15 Resources Committee 9 September 2021 Restricted Minutes (Pages 153 - 154)

The Chair of the Committee, Councillor Peart, to **MOVE** the restricted Minutes of the Resources Committee held on 9 September 2021.

RECOMMENDATION that the Minutes be adopted in accordance with Standing Orders.

MEMBERS ARE REQUESTED TO SIGN THE ATTENDANCE REGISTER

Membership:-

Councillors Best, Biederman, Bown, Brazil, Dr. Buchan, Chesterton, Clayton, Coles, Corvid, Drean, Hannaford, Healey MBE, Long, McGeough, Napper, Parker-Khan, Peart, Prowse, Radford, Randall Johnson (Chair), Redman, Roome, Scott, Shayer, Thomas (Vice-Chair) and Vijeh.

NOTES

1. **Access to Information**

Any person wishing to inspect any minutes, reports or lists of background papers relating to any item on this agenda should contact the person listed in the “Please ask for” section at the top of this agenda.

2. **Reporting of Meetings**

Any person attending a meeting may report (film, photograph or make an audio recording) on any part of the meeting which is open to the public – unless there is good reason not to do so, as directed by the Chair - and use any communication method, including the internet and social media (Facebook, Twitter etc.), to publish, post or otherwise share the report. The Authority accepts no liability for the content or accuracy of any such report, which should not be construed as representing the official, Authority record of the meeting. Similarly, any views expressed in such reports should not be interpreted as representing the views of the Authority.

Flash photography is not permitted and any filming must be done as unobtrusively as possible from a single fixed position without the use of any additional lighting; focusing only on those actively participating in the meeting and having regard also to the wishes of any member of the public present who may not wish to be filmed. As a matter of courtesy, anyone wishing to film proceedings is asked to advise the Chair or the Democratic Services Officer in attendance so that all those present may be made aware that is happening.

3. **Declarations of Interests at meetings (Authority Members only)**

If you are present at a meeting and you are aware that you have either a disclosable pecuniary interest, personal interest or non-registerable interest in any matter being considered or to be considered at the meeting then, unless you have a current and relevant dispensation in relation to the matter, you must:

- (i) disclose at that meeting, by no later than commencement of consideration of the item in which you have the interest or, if later, the time at which the interest becomes apparent to you, the existence of and – for anything other than a “sensitive” interest – the nature of that interest; and then
- (ii) withdraw from the room or chamber during consideration of the item in which you have the relevant interest.

If the interest is sensitive (as agreed with the Monitoring Officer), you need not disclose the nature of the interest but merely that you have an interest of a sensitive nature. You must still follow (i) and (ii) above.

Where a dispensation has been granted to you either by the Authority or its Monitoring Officer in relation to any relevant interest, then you must act in accordance with any terms and conditions associated with that dispensation.

Where you declare at a meeting a disclosable pecuniary or personal interest that you have not previously included in your Register of Interests then you must, within 28 days of the date of the meeting at which the declaration was made, ensure that your Register is updated to include details of the interest so declared.

	NOTES (Continued)
4.	<p><u>Part 2 Reports</u></p> <p>Members are reminded that any Part 2 reports as circulated with the agenda for this meeting contain exempt information and should therefore be treated accordingly. They should not be disclosed or passed on to any other person(s). Members are also reminded of the need to dispose of such reports carefully and are therefore invited to return them to the Committee Secretary at the conclusion of the meeting for disposal.</p>
5.	<p><u>Substitute Members (Committee Meetings only)</u></p> <p>Members are reminded that, in accordance with Standing Orders, the Clerk (or his representative) must be advised of any substitution prior to the start of the meeting. Members are also reminded that substitutions are not permitted for full Authority meetings.</p>
6.	<p><u>Other Attendance at Committees)</u></p> <p>Any Authority Member wishing to attend, in accordance with Standing Orders, a meeting of a Committee of which they are not a Member should contact the Democratic Services Officer (see “please ask for” on the front page of this agenda) in advance of the meeting.</p>

DEVON & SOMERSET FIRE & RESCUE AUTHORITY (Annual Meeting)

29 June 2021

Present:

Councillors Best, Biederman, Bown, Brazil, Dr. Buchan, Chesterton, Clayton, Coles, Corvid, Drean, Hannaford, Healey MBE, Long, McGeough, Napper, Parker-Khan, Peart, Prowse, Radford, Randall Johnson (Chair), Redman, Roome, Scott, Shayer, Thomas and Vijeh.

Also in attendance:

Messrs. Eastman, Saywell, Trail BEM and Yabsley (retiring Authority Members).

DSFRA/21/1 Election of Chair

RESOLVED that Councillor Randall Johnson be elected Chair of the Authority until its next annual meeting.

DSFRA/21/2 Election of Vice-Chair

RESOLVED that Councillor Thomas be elected Vice-Chair of the Authority until its next annual meeting.

DSFRA/21/3 Minutes

a Authority Budget Meeting 19 February 2021

RESOLVED that the Minutes of the Authority (Budget) meeting held on 19 February 2021 be signed as a correct record.

b Authority Extraordinary Meeting 20 April 2021

RESOLVED that the Minutes of the Extraordinary Authority meeting held on 20 April 2021 be signed as a correct record.

DSFRA/21/4 Review of Constitutional Governance Framework

The Authority considered a report of the Director of Governance & Digital Services (DSFR21/12) on the latest review of the Authority's constitutional governance framework documents. The report identified each of the documents (e.g. Standing Orders; Financial Regulations; Scheme of Delegations) comprising the framework. While all the documents had been subject to minor, consequential amendments linked, for example, to more accurate alignment of responsibilities to roles (Monitoring Officer etc.), more substantial revisions had been made to some of the documents as identified in the appendices to the report.

RESOLVED

- (a). that the minor, consequential changes to the Authority's constitutional governance framework documents as indicated in paragraph 2.2 of report DSFRA/21/12 be endorsed;
- (b). that the following be approved:

- (i). those changes to the constitutional governance documents as listed in Appendix A to the report, subject to:
 - A. paragraph 3.4 (new) of the Corporate Governance Code being amended by the additional of a final sentence “This will be subject to regular review”; and
 - B. paragraph 3.5 (new) of the Corporate Governance Code being amended by the addition of a final sentence “Performance will be monitored regularly by the relevant Committee”;
- (ii). the revised Committee Terms of Reference as set out at Appendix B to the report, subject to:
 - A. the addition of the following, advisory, clause to the Terms of Reference of the Audit & Governance Committee:
 - “to keep under review the Authority’s governance structure, recommending changes to the full Authority as required”;
 - B. replacement, in the Terms of Reference for the People Committee, Point 2, Advisory issues, of the words “equality and fairness” by the words “equality, diversity and inclusion”; and
 - C. the addition, to Advisory issues Point 1 of the Terms of Reference for the Community Safety, People and Resources Committees of the words “and associated performance measures” after the words “Strategic Policy Objectives” in each case;
- (iii). the revised Members’ Code of Conduct as set out at Appendix C to the report;
- (iv). the document “Accountabilities, Roles and Responsibilities of Members and Officers of the Devon & Somerset Fire & Rescue Authority as set out in Appendix D to the report;
- (c). that the Clerk be authorised to publish all revised constitutional governance framework documents on the website; and
- (d). that the Clerk be authorised to make consequential amendments to the Authority’s approved Pay Policy Statement 2021-22 arising from the approved changes in the constitutional governance documents and to publish the revised Statement on the website.

DSFRA/21/5 Schedule of Appointments to Committees and Outside Bodies

The Authority considered a report of the Director of Governance & Digital Services (DSFRA/21/13) to which was appended a Schedule of proposed Authority appointments to committees etc. and outside bodies for the 2021-22 municipal year (i.e. until the next Authority annual meeting).

RESOLVED

- (a). that the following appointments be made to Authority Committees etc. and outside bodies, the term of office to be until the Authority's next annual meeting unless otherwise indicated:

Audit & Governance Committee (9 Members)

Councillors Brazil, Dr. Buchan, Healey MBE, Napper, Parker-Khan, Prowse, Roome, Thomas and Vijeh.

Community Safety Committee (7 Members)

Councillors Biederman, Chesterton, Corvid, McGeough, Parker-Khan, Radford and Redman.

People Committee (7 Members)

Councillors Best, Bown, Brazil, Clayton, Hannaford, Peart and Thomas.

Resources Committee (7 Members)

Councillors Coles, Drean, Long, McGeough, Peart, Radford and Shayer.

Appointments & Disciplinary Committee (4 Members)

Authority Chair and Councillors Best, Hannaford and Thomas.

Appeals Committee (4 Members)

Councillors Dr. Buchan, Napper, Scott and Vijeh.

Scheme Manager Appointments to Local Pensions Board

Councillor Thomas (to serve a four-year term of office in accordance with the Board's Terms of Reference and subject to confirmation at subsequent Authority annual meetings and continued membership of the Authority).

Authority Treasurer (to serve a four-year term of office in accordance with the Board's Terms of Reference).

Equality and Diversity Member Champion

Councillor Redman.

Climate Change and Sustainability Member Champions

Councillors Dr. Buchan and Clayton.

Local Government Association Fire Commission

Authority Chair and Coles.

Local Government Association General Assembly

Authority Chair (exercising one Corporate and one Service vote) and Councillors Bown, Redman and Thomas (each exercising one Service vote).

(NOTE: The General Assembly is held annually. Actual attendance by an Authority Member, as an approved duty, is subject to the inclusion of fire and rescue specific items in the business to be discussed).

South West Councils

Authority Chair

South West Provincial Council

Chair, People Committee.

- (b). that, in accordance with Standing Orders, the following appointments be made to Committee Chair and Vice Chair positions until the Authority's next annual meeting:

Audit & Governance Committee

Chair Councillor Healey MBE

Vice-Chair Councillor Prowse

Community Safety Committee

Chair Councillor Chesterton

Vice-Chair Councillor Radford

People Committee

Chair Councillor Bown

Vice-Chair Councillor Clayton

Resources Committee

Chair Councillor Peart

Vice-Chair Councillor Drean

Appointments & Disciplinary Committee

Chair Authority Chair

Appeals Committee

Chair Councillor Scott.

- (c). that, in relation to the appointment of two Authority Member Non-Executive Directors to the Board of Red One Ltd.:
- (i). the Clerk be authorised to undertake an appropriate process to identify appropriate candidates; and
 - (ii). the Appointments & Disciplinary Committee be delegated authority to determine the eventual appointment.

DSFRA/21/6 Draft Calendar of Meetings 2021-22

The Authority considered a report of the Director of Governance & Digital Services (DSFRA/21/14) to which was appended a draft Authority Calendar of Meetings for the 2021-22 municipal year.

RESOLVED that the Authority Calendar of Meetings 2021-22 be approved subject to:

- (a). confirmation in due course of the revised time and date for the July 2021 meeting of the People Committee (indicative date: Friday 23 July 2021); and

- (b). consideration of bringing forward to April 2022 the meetings of the Audit & Governance and People Committees scheduled for May 2022.

The Meeting started at 10.00 am and finished at 12.00 pm

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DEVON & SOMERSET FIRE & RESCUE AUTHORITY

(Ordinary Meeting)

29 June 2021

Present:

Councillors Randall Johnson (Chair), Best, Biederman, Bown, Brazil, Dr. Buchan, Chesterton, Clayton, Coles, Corvid, Drean, Hannaford, Healey MBE, Long, McGeough, Napper, Parker-Khan, Peart, Prowse, Radford, Redman, Roome, Scott, Shayer, Thomas and Vijeh.

DSFRA/21/7 Questions and Petitions from the Public

The Clerk to the Authority read the following statement as submitted by Exeter City Councillors Andrew Leadbetter, Rob Newby and Keith Sparkes and Simon Jupp, MP for East Devon:

“Ahead of the sale of the former fire station in Topsham, we, the elected councillors and Member of Parliament for East Devon including Topsham, ask the Fire & Rescue Authority to look favourably on forthcoming bids from local community. We are launching a petition to further demonstrate the strength of feeling in Topsham to retain the building as a community facility to benefit the town and hope this will be taken into account by the Fire & Rescue Authority”.

This Clerk also read the following response on behalf of the Authority:

“The statement will be taken into account by the Authority when the matter is considered later on the agenda at this meeting”.

(See also Minute DSFRA/21/13 below).

DSFRA/21/8 Minutes of Committees

a Human Resources Management & Development Committee

The Chair of the People Committee, Councillor Bown, **moved** the Minutes of the former Human Resources Management & Development Committee meeting held on 3 March 2021 which had considered, amongst other things:

- a progress report on the health, safety and well-being of the Devon & Somerset Fire & Rescue Service (the Service);
- an update report on the Service People Strategy; and
- applications for retirement and re-employment in accordance with the Authority's approved Pay Policy Statement.

RESOLVED that the Minutes be adopted in accordance with Standing Orders.

b Audit & Performance Review Committee

The Chair of the Audit & Governance Committee, Councillor Healey MBE, **moved** the Minutes of the former Audit & Performance Review Committee meeting held on 5 March 2021 which had considered, amongst other things:

- an external audit progress report and sector update;

- the external audit plan 2020-21;
- a report on the provision of group accounts for the Authority's trading company, Red One Ltd.;
- a report on progress against the approved internal audit plan 2020-21;
- a draft internal audit plan 2021-22;
- the draft Annual Statement of Assurance 2020-21;
- a report on the Corporate Risk Register; and
- a report on progress against recommendations in the report following inspection by the Service by Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS).

RESOLVED that the Minutes be adopted in accordance with Standing Orders.

c Community Safety & Corporate Planning Committee

The Chair of the Community Safety Committee, Councillor Chesterton, **moved** the Minutes of the former Community Safety & Corporate Planning Committee meeting held on 8 March 2021 which had considered, amongst other things:

- a progress report on the Service Safer Together Programme;
- a report on progress against those recommendations arising from the Grenfell Phase 1 Inquiry; and
- a report on development of a Community Risk Management Plan to replace the current Integrated Risk Management Plan.

RESOLVED that the Minutes be adopted in accordance with Standing Orders.

d Appraisals & Disciplinary Committee

The Chair of the Appointments & Disciplinary Committee, Councillor Randall Johnson, **moved** the Minutes of the former Appraisals & Disciplinary Committee meeting held on 24 March 2021 which had undertaken a process to appoint a new Service Director of Finance & Resourcing (and officer responsible for the proper administration of the Authority's financial affairs in accordance with Section 112 of the Local Government Finance Act 1988).

RESOLVED that the Minutes be adopted in accordance with Standing Orders.

DSFRA/21/9

Strategic Policy Objectives 2021-22

The Authority considered a report of the Chief Fire Officer (DSFRA/21/15) to which was appended proposed Authority Strategic Priority Objectives for 2020-21. The Objectives had been developed with input from Authority Members at recent Members' Forum meetings and three Member workshops.

Councillor Dr. Buchan **moved** (with the Authority Chair seconding):

“that the Strategic Policy Objectives appended to report DSFRA/21/15 be approved subject to:

- (a). adoption of the “or” option for Strategic Priority 1a (i.e. deliver interventions and education events to reduce the risk of fires in the community);

- (b). adoption of the “or” option for Strategic Priority 1(b) (i.e. develop and deliver initiatives to support children and young people in making safe lifestyle choices);
- (c). deletion of the words “identified in our Community Risk Management Plan” from Strategic Priority 2;
- (d). adoption of the “or” option for Strategic Priority 2(a) (i.e. provide response resources at times and in locations relevant to identified risks of fires and other emergencies);
- (e). Priority 4(a) to be split to provide:
 - Priority 4(a) – “We will explore and develop opportunities for collaboration with other agencies, charities and volunteers to enhance our work and deliver efficient and economic services” **and**
 - new Priority 4(b) – “We will invest in technology that: supports new ways of working; improves information governance and data sharing; supports interoperability; improves safety and service outcomes; and provides flexibility and increased productivity”; and
- (f). old Priority 4(b) being renumbered as Priority 4(c) and reworded to read “We will apply “best practice” methodology to planning, risk management and evaluation processes....”.

The motion was put to the vote and declared **CARRIED**, unanimously, whereupon it was

RESOLVED that the Strategic Policy Objectives 2021-22, amended as indicated above, be approved.

DSFRA/21/10 Provisional Financial Outturn 2020-21

The Authority considered a report of the Interim Treasurer (DSFRA/21/16) on the draft financial outturn position for 2020-21 against agreed financial targets.

In particular, outlined the draft outturn spending position against the 2020-21 revenue budget with explanations of the major variations. It was indicated that gross spending would be £1.960m below budget (2.54% of the total budget). Net spending (before transfers to earmarked reserves noted in this report) would be £9.745m below budget (12.61% of the total budget). Of this amount, £7.412m was associated with additional grants received, making the operational underspend £2.333m (3.02% of the total budget).

There had been some significant movements against the original budget (set in February 2020) as a result of organisational focus on the COVID pandemic response, with opportunities taken during the year to fund reserve items such as the full rollout of the Payment for Availability system.

Significant savings had been utilised either within the year or as part of the year end process within officer delegations, with the balance providing an opportunity to invest in the future via the capital reserve. A large amount of additional grant income was accounted for in 2020-21 which had impacted on the year-end position.

In relation to capital, the Authority had initially set its capital programme 2020-21 at £10.7m at its budget meeting on 18 February 2020 (Minute DSFRA/38(b) refers). This had subsequently been revised in-year to £11.3m as a result of timing differences in spending from the previous year, albeit that this increase did not represent any increase to the previously agreed borrowing limit. Capital spending of £4.582m was reported against the final capital programme, resulting from:

- an unspent programme of £6.715m, of which £6.316m related to timing differences to be carried forward to 2021-22; and
- £0.399m savings.

The Authority's reserves position as at 31 March 2021 was £46.348m (subject to approval of the recommendations as set out in the report).

The report indicated that none of the prudential indicators associated with the 2020-21 budget had been breached albeit that the outturn as set out in the report was subject to external audit of the Authority's accounts.

RESOLVED

- (a). that the provisional underspend against the 2020-21 revenue budget of £1.876m be transferred to the Reserve for Capital Funding;
- (b). that, subject to (a) above, the following be noted:
 - (i). the draft position in respect of the 2020-21 Revenue and Capital Outturn position, as indicated in report DSFRA/21/16; and
 - (ii). that the net underspend figure of £1.876m was after
 - A. the transfer of £3.281m to reserves as set out in Appendix C to the report; and
 - B. a transfer of £5.601m to the Grants Unapplied Reserve as required under International Financial Reporting Standards (IFRS) and relating to grants received during the financial year but not utilised as set out in Appendix D to the report; and
- (c). that, subject to b(ii)B above, a virement of £2.846m relating to National Non-Domestic Rates (NNDR) additional reliefs be approved within the 2021-22 budget, in line with accounting requirements;
- (d). that, in accordance with capital control legislation, the following use of capital finance resource be determined:
 - (i). use of £1.528m of external borrowing from previous years to fund the capital programme;
 - (ii). that £2.674m be capitalised and funded from revenue contributions to capital spending, either directly from the 2020-21 revenue budget or from balances in earmarked reserves; and
 - (iii). that £0.380m capital receipts be utilised to fund the capital programme.

DSFRA/21/11 Firefighters' Pension Scheme Immediate Detriment Cases - Further Considerations

The Authority considered a report of the Director of Governance & Digital Services (DSFRA/21/17) recommending a revision to the Authority's discretionary policy on Voluntary Scheme Pays arrangements to enable individual taxation issues to be addressed as required in relation to the treatment of "immediate detriment" Firefighters Pension Scheme issues as approved by the Authority at its Extraordinary Meeting held on 20 April 2021 (Minute DSFRA/82 refers).

RESOLVED that the Authority's discretionary policy on Voluntary Scheme Pays arrangements be amended by the addition of a third clause (c) (shown in ***bold italics***) after the wording "That a Voluntary Scheme Pays arrangement be made available to individuals where one or more of the following circumstances apply":

- (c). where access to the Voluntary Scheme Pays arrangement is necessary to meet additional tax charges resulting from an "immediate detriment" remedy.***

DSFRA/21/12 Exclusion of the Press and Public

RESOLVED that, in accordance with Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in the following Paragraphs of Part 1 of Schedule 12A (as amended) to the Act:

- Paragraph 3 (information relating to the financial and business affairs of any particular person – including the authority holding that information); and
- Paragraph 5 (information in respect of which a claim to legal professional privilege could be maintained in legal proceedings).

DSFRA/21/13 Disposal of former Topsham Fire Station - Further Considerations

(An item taken in accordance with Section 100(A)(4) of the Local Government Act 1972 during which the press and public were excluded from the meeting).

The Authority considered a joint report of the Director of Governance & Digital Services and Lawyer, Plymouth City Council, on legal considerations associated with the disposal of Topsham Fire Station. The report identified, amongst other things:

- the background to disposal of the station by reference to the previous consultation and subsequent decisions by the Authority to reform service delivery; and
- legislation and common law legal principles as applicable to the Authority.

In particular, the report identified that while the General Consent, allowing land to be disposed of at less than the best consideration that could reasonably be obtained, did apply to the Authority, this General Consent did not in itself confer additional legal powers on the Authority. The Authority had no general legal powers to support or promote community use/initiatives to promote economic, social or environmental well-being. Rather, the Authority had a very limited general power, by virtue of section 5A of the Fire & Rescue Services Act 2004, to do anything it considered appropriate **to carry out its functions**, either directly or indirectly. Any use of the General Consent would, as such, need to be linked to providing either a direct or indirect benefit to discharging the functions of the Authority. No such benefits had been identified in relation to the disposal of Topsham fire station for less than the best consideration that might reasonably be obtained.

As such, given the Authority's earlier decisions (including the rationale for those decisions, linked to a reform of service delivery against a backdrop of reducing funding) and in the absence of a defined benefit accruing to the Authority's functions from an undervalue sale, any decision to seek to progress an undervalue sale would expose the Authority to an entirely avoidable risk of legal challenge for failure to act rationally and reasonably, having due regard to all relevant considerations and not having regard to irrelevant considerations.

It was also highlighted that seeking to dispose of Topsham fire station for the best consideration that might reasonably be obtained would not, of itself, preclude any organisation from purchasing the site.

RESOLVED that, in light of the report:

- (a). the Director of Finance & Resourcing be authorised to dispose of the former Topsham Fire Station for the best consideration that can reasonably be obtained; and
- (b). given the very limited scope for the Authority to ever utilise the General Consent without the significant risk of legal challenge, the Authority's former policy on disposal of land be amended to provide that, in all cases, such disposals will be on the basis of the best consideration that can reasonably be obtained in accordance with the provisions of section 123 of the Local Government Act 1972.

DSFRA/21/14 Retirement of former Authority Members

On behalf of the Authority, the Chair paid tribute to the contribution to the Authority's work of retiring Members Councillors Colthorpe, Eastman, Saywell, Trail BEM, Wheeler (who had also served as Authority Vice-Chair since 2018) and Yabsley. Those retiring Members attending were presented with a small token of appreciation.

The Meeting started at 12.00 pm and finished at 1.20 pm

PEOPLE COMMITTEE

(Devon & Somerset Fire & Rescue Authority)

23 July 2021

Present:

Councillors Bown (Chair), Best, Brazil, Clayton (Vice-Chair), Peart and Thomas

Apologies:

Councillor Hannaford

* **PC/21/1** **Minutes**

RESOLVED that the Minutes of the Audit & Performance Review Committee (as replaced by the Audit & Governance Committee) held on 3 March 2021 be signed as a correct record.

* **PC/21/2** **Appointments to the Internal Disputes Resolution Panel**

The Committee considered a report of the Director of Governance & Digital Services (PC/21/1) that sought appointees from the membership the People Committee to serve on the Internal Disputes Resolution Panel (set up to consider and determine complaints made by individuals under stage 2 of the Firefighters' Pension Scheme Internal Disputes Resolution Procedure).

RESOLVED that Councillors Bown, Clayton and Hannaford be appointed as Members of the Internal Disputes Resolution Procedure (IDRP) Panel until the first meeting of the People Committee after the Annual Meeting of the Authority in June 2022.

* **PC/21/3** **People Committee Future Scrutiny Arrangements**

The Committee considered a report of the Deputy Chief Fire Officer (PC/21/2) that set out a proposal for a suite of measures to assist the Committee in its focus on monitoring performance against the Strategic Policy Objectives.

There were three Strategic Policy Objectives applicable to this Committee which were:

- 3(a) – ensure that the workforce was highly trained and had the capability and capacity to deliver services professionally, safely and effectively;
- 3(b) – increase the diversity of the workforce to better reflect the communities we serve, promoting inclusion and developing strong and effective leaders who ensure that we have a fair place to work where our organisational values are a lived experience; and
- 3(c) – recognise and maximise the value of all employees, particularly the commitment of on-call firefighters, improving recruitment and retention

The Deputy Chief Fire Officer advised that the measures had been mapped across to Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) strategic areas but if the Committee wished to scrutinise other areas, the Service could build this into the forward plan.

The Committee raised the following points in considering the proposed performance measures:

On strategic policy objective 3(a):

- whether the health and safety reporting on accidents at 25% was suitable as this seemed high and the Committee may benefit from seeing the raw data;
- if mental health associated with the Covid-19 pandemic was being looked at in the Service;
- on operational core competence, whether the Service would be able to respond and demonstrate compliance through the performance measures set out (monitor at 95%) if asked specific questions by HMICFRS. It was suggested that the Committee should see trends coming along so that it could ensure compliance perhaps to a higher level; and
- whether benchmarking of sickness absence against other fire and rescue authorities was undertaken and how the Service was performing currently compared to others especially in light of the Covid-19 pandemic.

The Deputy Chief Fire Officer replied that the Service could include the monitoring of near misses within the health and safety reporting but that this may increase numbers which was a positive step if there was a consequent reduction in accidents. He advised that 25% was the level set by HMICFRS as to when a report would be needed. The Service was happy to consider another figure though. He referred to the monitoring of health and safety issues through the Strategic Safety Committee which was chaired by the Chief Fire Officer. A full report would be submitted to the next meeting of the Committee.

In terms of core competence, the Deputy Chief Fire Officer clarified that the Service was not just reporting at 95% but, if performance fell below this, it would trigger a full report to the Committee as to why this had happened. The Service monitored core competence at 98% in practice.

In terms of the monitoring of sickness absence, the Deputy Chief Fire Officer suggested the submission of a report to the next meeting of the Committee. He confirmed that the Service was monitoring the position on sickness absence closely with the Covid-19 pandemic ongoing currently.

RESOLVED

- (a) that, with the inclusion of the monitoring of near misses within the Health and Safety reporting, the performance measures identified in Section 2 of report PC/21/2 be approved for monitoring progress against Strategic Priority 3 and its associated policy objectives; and

- (b) That the proposal at paragraph 2.2 and 2.3 of report RC/21/2 for presenting this information to future meetings be approved.

* PC/21/4

People Strategy: Progress Report

The Committee received for information a report of the Deputy Chief Fire Officer (PC/21/3) that set out the progress made to date with implementation of the Service's People Strategy.

At this point, the Chair expressed thanks to all operational and non-operational staff for their work undertaken during the Covid-19 pandemic and she asked the Deputy Chief Fire Officer to report this back.

It was noted that there had been good progress in many areas of the People Strategy which was due to be implemented by 2022. The report set out the progress made under each theme as statements of the "here and now" to shift thinking from aspirational to Service commitments in terms of a workplace environment and culture. The report, together with a presentation made at the meeting, set out some of the key actions taken under the 4 main areas of focus, including:

Leadership:

- A comprehensive, curated approach to how the Service developed its future leaders, underpinned by the National Fire Chief Councils (NFCCs) Leadership Framework, had been implemented;
- To support leadership accountability, a new approach to performance management with the Service's values and inclusion at its core had been developed. This included a suite of supporting policies and toolkits for performance conversations, capability and a new approach to investigations and discipline.

Learning & Development:

- There were new platforms available for self-awareness and development with a coaching culture in place;
- Ensuring people feel safe through the "Safe To" initiative, including learning from our experiences, successes and mistakes and sharing ideas to make things better.

Inclusion:

- The intervention programme "Safe To" provided the tools to make inclusion a reality through deliberate behaviours including the development of a toolkit to promote Fairness and Respect;

- To improve workforce diversity the Service had instigated a clear focus on positive action in Firefighter recruitment and development through paying attention to how communities view us as an employer, a new 'always open' approach to recruitment and accessible practical assessment facilities; and implemented the 'Our Time' sponsorship programme; and
- A new Fairness and Respect policy had been introduced.

Ways of Working:

- Flexible, On Call contracts had been introduced;
- More flexible and smarter working was being trialled and was being evaluated for longer term application;
- A new, robust strategic workforce planning approach was being developed.

Learning and Development:

- Work had been undertaken on Training for Competence and following national best practice to deliver quality assured, risk based training to ensure a professional, safe and high performing workforce;
- A range of new creative learning interventions had been curated and implemented for operational cohorts.

* **PC/21/5** **Annual Fitness Testing: Update**

The Committee considered a report of the Deputy Chief Fire Officer (PC/21/4) that set out the background and progress made with the implementation of a new fitness testing regime within Devon & Somerset Fire & Rescue Service.

The Deputy Chief Fire Officer advised the Committee that the Service measured fitness in order to ensure cardio vascular health on the fireground. HMICFRS had raised four points during a revisit under a Cause for Concern on fitness testing in 2019 which the Deputy Chief Fire Officer referred to at the meeting. It was noted that HMICFRS was due to carry out its second inspection of the Service in September 2021 and that the Service would not have implemented all of the fitness tests described in the policy by then due to the safety measures required as a result of the ongoing Covid-19 pandemic. The Fitness team was now managed under the Academy. One of the main changes implemented to address the cause for concern in respect of the recording of data was that fitness was being reported and monitored as a core competence with data stored in a central repository.

The Committee acknowledged the improvements made to fitness testing and the point that the delays in implementation of all of the new regime had been due to the safety measures required as a result of the pandemic. A regular update on progress was requested by the Committee. The Deputy Chief Fire Officer responded that the Service could submit three monthly updates to this Committee on progress.

The Committee also suggested that there may be similar issues in respect of the storage of data elsewhere within the Service and that this should be reviewed. The Deputy Chief Fire Officer replied that the way in which the Service gathered and kept data historically was being reviewed and work was in progress on this matter within the Governance & Digital Services Department. The Director of Governance & Digital Services advised that this was an efficiency issues and that the Resources Committee was set to look at this matter. Microsoft 365 enabled tooling for data for fitness testing but he would now look at the wider issue and where this should be reported in.

The Committee also drew attention to the point that it was crucial for it to have accurate performance data so that it could challenge in a timely manner and avoid any cause for concern in the first instance. Issues should be flagged early on rather than the Service just confirming that all was fine. The Deputy Chief Fire Officer acknowledged these points and indicated that they would be picked up.

RESOLVED that the improvements in performance on Firefighter Fitness Testing as set out within report PC/21/4 together with the action being taken to address the HMICFRS cause for concern as identified in paragraph 1.5 be noted.

* PC/21/6

Annual Diversity and Recruitment Report 2020

The Committee received for information a report of the Deputy Chief Fire Officer (PC/21/5) that set out the Service's Annual Recruitment & Workforce Diversity Annual Report for January to December 2020.

The key findings identified in the paper circulated included (amongst others):

- The COVID-19 pandemic had impacted the recruitment of external people into operational roles as recruitment events and assessments were unable to take place or had significantly reduced capacity. On Call had 89 new starters, compared to 170 in 2019 and 138 in 2018;
- In line with the previous point, there was a reduction in female On Call new starters, which at 14, was 7 less than in 2019. Together with 2 new female Wholetime staff starting in the same period, the Service reached the highest ever female representation in operational roles with 106 roles occupied by women;
- The On Call vacancies female application percentage was 16.6%, which is 2.5% higher than in 2019;
- The number of applicants with a minority ethnic background was higher than our community (5-6%) with support staff at 9.7%, On Call at 7.7% and Wholetime 6.5%.
- Operational female representation had remained broadly the same, with 14 women joining as On Call Firefighters and 5 taking on a Wholetime position, and 13 women left On Call positions;
- For On Call, the female turnover was twice (18.1%) the level of male turnover (9.5%). This may indicate retention issues specific to this period during the pandemic;

- In comparison to female representation, the amount of women gaining promotion in the operational roles was disproportionately low and no women gained a permanent promotion. This may indicate the existence of some barriers to progression;
- The attraction rate from female applicants for Support vacancies near enough reflected the community;
- No applicants from ethnic minority groups were offered a Support role despite a 5.2% applications rate;
- The representation from ethnic minority groups in the service (0.8%) was 2-4 times less than in the community; and
- Application rates from Lesbian, Gay, Bisexual and Transgender (LGBT) for Support (4.9%), On Call (3.8%) and Wholetime (10.1%) were all higher than the community (2.2%).

The Committee made reference to the point that the Service had gained 14 operational staff but lost 13 and asked for an explanation. The Deputy Chief Fire Officer advised that exit interviews were voluntary so the Service did not have data on all cases. The ones that had been received showed issues in terms of work/life balance, however. The Service recognised that there was a need to improve the exit interview process. The turnover of operational staff may be related to staff being unable to continue with their roles due to additional pressures that may have arisen from the Covid-19 pandemic. It was noted that the Service would be monitoring the cost of training and loss of staff and would report back at the next meeting.

***DENOTES DELEGATED MATTER WITH POWER TO ACT**

The meeting started at 10.00 am and finished at 11.50 am

COMMUNITY SAFETY COMMITTEE

(Devon & Somerset Fire & Rescue Authority)

26 July 2021

Present:

Councillors Chesterton (Chair), Corvid, Parker-Khan, Radford (Vice-Chair) and Redman

Apologies:

Councillor Biederman

* **CSC/21/1 Minutes**

RESOLVED that the Minutes of the meeting of the Community Safety & Corporate Planning Committee (as replaced by the Community Safety Committee) held on 8 March 2021 be signed as a correct record.

* **CSC/21/2 Community Safety Committee Future Scrutiny Arrangements**

The Committee considered a report of the Director of Service Delivery (CSC/21/1) that set out proposed performance measures for the delivery of future scrutiny arrangements in accordance with strategic objectives 1 and 2 as approved by the Authority at its meeting on 29 June 2021.

The Director of Service Delivery advised that the Committee may wish to consider the areas set out within Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) pillars in order to set out its performance measures.

The following points were raised by the Committee:

- That evaluation was key to understanding the Service's performance in respect of prevention activity;
- More information was required on direction of travel with a RAG rating (Red, Amber, Green) in each area and benchmarking information in order to assess the Service's performance;
- To fulfil the scrutiny role effectively, the Committee may wish to understand the views of other stakeholders.

Attention was also drawn to the point that it was difficult to gauge the results of prevention activity undertaken by the Service such as the installation of smoke alarms following a home fire safety visit. The Service had a Prevention Strategy in place for 2021-23 which set out how areas of work were quality assured and evaluated and a Business Analyst was in the process of preparing a report setting out whether the Service was targeting its resources in the right place.

The Director of Service Delivery responded that direction of travel and benchmarking information could be submitted to the Committee. In terms of scrutiny, the Director of Governance & Digital Services stated that it would depend on the issues that the Committee wanted to look at as to who might be invited to join the meeting. Although the Authority had not taken this approach in the past he indicated that it could be explored. The Director of Governance & Digital Services added that the Committee should not rule out that, when having discussions on governance in 2020, it also talked about having working groups in place to explore issues in depth in between meetings. These would give more flexibility and freedom to explore issues as such meetings could be held virtually. It was suggested that an initial Working Group meeting be set up initially to consider the Forward Plan for this Committee at the beginning of September 2021.

RESOLVED

- (a) That, subject to the inclusion of the information at the bullet points above, those performance measures identified in Section 2 of report CSC/21/1 for monitoring progress against Strategic Priorities 1 and 2 and its associated policy objectives be approved; and
- (b) That the proposal at paragraph 2.2 of report CSC/21/1 for presenting this information to future meetings be approved.

CSC/21/3

Match Funding of Domestic Sprinklers

The Committee received for information a report of the Director of Service Delivery (CSC/21/2) that set out details of funding agreed under the Chief Fire Officer's delegated power to fund a scheme for the installation of domestic sprinklers in six new build, one bedroom flats on a match funded basis in conjunction with Cornerstone Housing initially as an innovative way of preventing fire.

The Director of Service Delivery advised the Committee that there was £50k available in the 2020-21 budget to fund bespoke equipment which was held in the "Joint Working Initiative" budget within Prevention. The Service was working with partners such as local housing associations to identify where there were high risk and vulnerable individual in the community in order to drive down the 10 people per year who were still dying in fires. It was noted that, whilst the installation of domestic sprinklers was known to save lives, it was not a requirement in law. There was a need to evaluate any intervention to prove that this approach would make a difference hence the instigation of this trial.

The Committee supported this innovative approach and made the following points:

- That this was a fantastic initiative and should not be limited by the funding available currently;
- Whilst the installation of domestic sprinklers was a good place to start, there may be other interventions available which should be considered.

The Director of Governance & Digital Services suggested that, rather than wait until another project that might exceed the Chief Fire Officer's delegated authority (£10k), the Committee could put forward a proposal that the delegation for grants for this specific purpose be increased to up to £100k so that the Prevention Team could react to fund other fire suppression systems as they arose.

Councillor Chesterton **MOVED** the recommendation (seconded by Councillor Parker-Khan) with the addition of:

“part (b) to include a recommendation to the Authority an addition to the Chief Fire Officer's delegated powers within the Financial Regulations to facilitate the making of grants of up to £0.100m, in conjunction with local housing providers, for matched funding to facilitate the fitting of domestic sprinklers and/or other fire suppression systems.”.

The motion was **CARRIED** unanimously.

RESOLVED

- (a) That the report be noted as evidencing a different approach to supporting the following of the Authority's approved Strategic Policy Objectives:

Strategic Policy Objective 2(a) – provide response resources at times and in locations relevant to identified risks of fires and other emergencies; and

Strategic Policy Objective 2(c) - explore and develop opportunities to work with other agencies where the Service can add value to community outcomes.

- (b) To recommend to the Authority an addition to the Chief Fire Officer's delegated powers within the Financial Regulations to facilitate the making of grants of up to £0.100m, in conjunction with local housing providers, for matched funding to facilitate the fitting of domestic sprinklers and/or other fire suppression systems.

* **CSC/21/4 Draft Community Risk Management Plan - Next Steps**

The Director of Service Improvement gave an oral update at the meeting in respect of the proposed process and timetable for the Community Risk Management Plan (CRMP) in 2021.

It was noted that the process included the following key steps:

- Undertaken early analysis of the risks following initial meetings with internal stakeholders;
- Formulation of the draft CRMP (for consultation) by the Executive Board in August 2021;
- Consideration of the draft CRMP at an additional meeting of the Community Safety Committee 17 September 2021;

- Approval by the Devon & Somerset Fire & Rescue Authority on 29 September 2021 of the draft CRMP for consultation;
- Public consultation exercise – 4 October to 26 November 2021 2021;
- Review and analysis of the results of the public consultation exercise – 29 November to 17 December 2021;
- Submission of the CRMP to the Community Safety Committee on 25 January 2022 for consideration;
- Approval of the CRMP for 2022-25 by the Devon & Somerset Fire & Rescue Full Authority on 18 February 2022.

It was noted that the Clerk would be sending out a calendar invitation for the additional meeting of the Community Safety Committee to be held on 17 September 2021 at 10:00hours (to be a single item meeting) by email.

*** DENOTES DELEGATED MATTER WITH POWER TO ACT**

The Meeting started at 10.00 am and finished at 11.10 am

AUDIT & GOVERNANCE COMMITTEE

(Devon & Somerset Fire & Rescue Authority)

30 July 2021

Present:

Councillors Healey MBE (Chair), Brazil, Napper, Parker-Khan, Prowse (Vice-Chair), Roome and Thomas

Apologies:

Councillors Dr. Buchan and Vijeh

In attendance:

Mr B Morriss – Grant Thornton (the Authority's external auditor)

* AGC/21/1 Minutes

RESOLVED that the Minutes of the Audit & Performance Review Committee (as replaced by the Audit & Governance Committee) held on 5 March 2021 be signed as a correct record.

* AGC/21/2 Financial Statements 2020-21

The Committee considered a report of the Director of Finance & Resourcing (Treasurer) (AG/21/1) that set out the current position in relation to the submission of the final Statement of Accounts for 2020-21 in accordance with the Accounts and Audit Regulations 2015 (as amended in 2021).

It was noted that the amended Regulations now required the publication of the final financial statements by 30 September 2021. Whilst the majority of the financial audit for Devon & Somerset Fire & Rescue Authority was now completed, the Value for Money (VFM) opinion required before a certificate on the Financial Statements could be issued was outstanding thus an additional meeting of this Committee was required in order to approve the final financial statements.

RESOLVED

- (a). that an additional meeting be arranged for either 29 or 30 September 2021 at 10:00 hours to approve the 2020-21 final Statement of Accounts and the Annual Statement of Assurance for publication on the Authority's website by 30 September 2021, in accordance with Regulation 9(2) of the Accounts and Audit Regulations 2015 (as amended);
- (b). that, subject to (a) above, the report be noted.

Audit Findings for the Devon & Somerset Fire & Rescue Authority

The Committee considered a document prepared by the Authority's external auditor (Grant Thornton) setting out the initial audit findings on the Authority's financial statements for the year ended 31 March 2021.

The Treasurer advised the Committee that there would be a suite of financial statements for consideration at the next meeting centred on the Authority's Statement of Accounts for 2020-21. He referred to the delay in finalising the accounts but advised the Committee that there had been a good outcome on the financial statements for 2020-21 and that he was pleased with how this placed the Authority going into the next financial year. There were some issues to be resolved and the Treasurer provided an explanation on this, specifically in relation to how the process on journal entries was being resolved.

Mr Morriss, representing the External Auditors - Grant Thornton, presented the initial audit findings to the Committee. Mr Morriss referred to the issues caused by the Covid-19 pandemic in terms of preparation of the Authority's financial statements. He acknowledged the assistance provided by the Treasurer and finance team in undertaking this audit work remotely in such difficult circumstances and stated that the anticipation was that, subject to resolution of the points raised on page 3 of the audit findings, an unqualified audit opinion would be issued.

During his presentation to the Committee, Mr Morriss referred to the following points:

- The materiality level was now likely to be £1.750million;
- There were a number of issues identified including (amongst others) journal entries. Following testing, some weaknesses had been identified in financial systems but it was acknowledged this was being addressed. The audit work had not identified that any weaknesses in the system had been exploited, however, which was important;
- The valuation of land and buildings and pensions was in line with the expectations of auditors and actuaries.
- The audit findings had identified an anomaly on the salary growth range which had resulted in the Service seeming to be out of line but on investigation, the PWC growth rate appeared to be out of line so auditors were looking at this nationally;
- Attention was drawn to matters that would be included in the updated financial statements (not before the Committee as yet), including:
 - Note 25 – Red One was disclosed as a related party but the balance was not disclosed. The auditor did not feel this was complete and an amendment would be included in the final audit findings paper;
 - No death lump sums were identified but it had been identified that £0.116m should be included;

- There were no significant audit adjustments required on the statement of accounts;
- The Value for Money (VFM) judgement had changed as a result of new practice introduced by the National Audit Office under the Code of Audit Practice 2020. Auditors would no longer issue a single conclusion on VFM arrangements as part of their opinion on the financial statements. Instead, significant weaknesses in arrangements would be reported when identified together with recommendations for improvement. VFM arrangements would only be reported as part of the audit opinion by exception, where significant weaknesses were found. The main output on VFM would be a commentary contained in a new document, the Auditor's Annual Report, covering arrangements for:
 - Financial sustainability
 - Governance
 - Improving value for money

In conclusion, Mr Morriss indicated that the Authority was amongst the earliest of local authorities to complete its financial statements and progress the audit and he congratulated both the finance and audit teams on this achievement.

The Chair referred to an additional amount of funding that would be required now to bridge the gap as a result of the pay award agreed by the National Employers' in 2021 which would create an issue for all local authorities. The Treasurer added that he would be looking carefully at the budget deficit over the next 3 years which was about £7m.

It was noted that the Committee would receive the financial statements for approval at its meeting scheduled for either 29 or 30 September 2021.

(SEE ALSO ITEM *APRC/21/2 ABOVE)

*** AGC/21/4 Internal Audit 2020-21 Year-end Report**

The Committee received for information a report of the Director of Governance & Digital Services (AG/21/2) that set out details of the progress made against the approved 2020-21 Internal Audit Plan and which also provided an update on additional work undertaken.

The Director of Governance & Digital Services advised that internal audit work had been delayed by the Covid-19 pandemic in 2020-21 and the Audit Team had delivered less audit days than had been anticipated as a result. Reference was made to the progress with audits undertaken and also the sustained focus on closing down open actions and it was noted that good progress had been made. The overall opinion was that there was reasonable assurance that the Service had sound systems of internal control in place. There were areas for improvement but these were being addressed by the Service.

The Committee asked for clarification of the results of the staff survey and what a “fairly low” response rate meant. The Director of Governance & Digital Services confirmed the number of responses received was 25 (out of 132 emails sent out). It was recognised that there was a real opportunity to collate information differently as work was being undertaken in silos and the Service was looking at this but it was not a simple or quick fix. The Chief Fire Officer indicated that a paper could be submitted on this to the People Committee so that this area could be explored in more depth.

Councillor Thomas **MOVED** (seconded by Councillor Parker-Khan):

“That the People Committee be requested to look in more detail at the results of the survey on psychological safety”.

Upon a vote, the motion was carried unanimously.

RESOLVED

- (a) That the People Committee be requested to look in more detail at the results of the survey on psychological safety; and
- (b) Subject to (a) above, the report and opinion on the Internal Control Environment be noted.

*** AGC/21/5 Internal Audit 2021-22 Quarter 1 Progress Report**

The Committee received for information a report of the Director of Governance & Digital Services (AG/21/3) which provided a progress update in respect of the delivery of the 2021-22 Internal Audit Plan and also on the review work undertaken.

The Director of Governance & Digital Services advised that overall delivery of the Plan was on target. Reference was made in particular to the National Fraud Initiative and the number of open actions resulting from audits undertaken which was showing a positive downward trend. Reference was also made to the audit of fitness testing. It was noted that this audit had not progressed yet due to a further inspection from HMICFRS in September 2021. A separate piece of assurance work had been undertaken in this area recently and the level of improvement was significant. A clear action plan had been set out and this had been instigated. The audit would be progressed once the inspection by HMICFRS had concluded.

*** AGC/21/6 Local Pension Board Annual Report 2020-21**

The Committee considered a report of the Director of Governance & Digital Services (AGC/21/4) to which was appended the Local Pension Board annual report for 2020-21. The report provided information on (amongst other things):

- work undertaken by the Board in 2020-21;
- details of any identified risks and Board actions (based on a RAG rating);
- details of statutory breaches (if any); and
- the management of conflicts of interest.

The Director of Governance & Digital Services made reference to the risks which had an Amber rating, namely the application of remedies under the Appeal Court ruling on the McLeod Sergeant case (processing of immediate detriment cases) and an Injury on Duty pension issue (potential incorrect deduction of retirement allowance).

RESOLVED that the Local Pensions Board Annual Report for 2020-21, as appended to report AGC/21/4 be endorsed.

* **AGC/21/7** **Authority Policy on the Regulation of Investigatory Powers Act 2000 (RIPA) Review**

The Committee received for information a report of the Director of Governance & Digital Services (AG/21/5) covering the requirements for an annual review of its policy and procedures under the Regulation of Investigatory Powers Act (RIPA) 2000 which governed public authorities (such as the Devon & Somerset Fire & Rescue Authority) on the use of covert investigatory techniques.

It was noted that this Authority had never used and did not envisage using the RIPA powers in the future but it was nonetheless a requirement to have policies and procedures in place and to review them annually.

***DENOTES DELEGATED MATTER WITH POWER TO ACT**

The Meeting started at 10.00 am and finished at 11.45 am

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RESOURCES COMMITTEE

(Devon & Somerset Fire & Rescue Authority)

9 September 2021

Present:

Councillors Peart (Chair), Coles, Dreaan (Vice-Chair), Long, Randall Johnson and Thomas (vice Radford)

In attendance (Part 2 only):

Dr Sian George, Alison Hasbrig-Hartley and Steve West (Officers of Red One Ltd.)

* RC/21/1 **Minutes**

RESOLVED that the Minutes of the meeting held on 10 February 2021 be signed as a correct record.

* RC/21/2 **Treasury Management Performance 2021-22: Quarter 1**

NB. Adam Burlaton, representing Link Asset Services - the Authority's treasury management adviser – was present for this item of business.

The Committee received for information a report of the Director of Finance & Resourcing (Treasurer) (RC/21/9) that set out the Authority's performance relating to the first quarter of 2021-22 (to June 2021) in accordance with the Treasury Management in Public Service Code of Practice (published by the Chartered Institute of Public Finance and Accountancy {CIPFA}) and the CIPFA Prudential Code. The report set out how this Authority was demonstrating best practice in accordance with these Codes.

During consideration of this item, the following points were noted:

- The UK bank base rate remained at 0.10% with quantitative easing in place of £875billion to the year-end which would assist in keeping interest rates low;
- Supply chain issues in the short term together with wage pressures had pushed inflation above the 2% target, although the Bank had accepted this position as transitory;
- Interest rates were not forecast to rise in the next two years with no change in monetary policy.

It was noted that the annual treasury management strategy had continued on a prudent approach, underpinned by investment priorities based on security of capital, liquidity and yield. Despite the pandemic and economic downturn, investment income of £0.023m in quarter 1 outperformed the LIBID benchmark rate of -0.04% by 0.19bp. None of the Prudential Indicators (affordability limits) had been breached in quarter 1 with external borrowing at 30 June 2020 being £24.851m, forecast to reduce to £24.757m by the end of the financial year with no new borrowing undertaken.

Reference was made to the policy of investment based on security of capital, liquidity and yield and whether the Authority would be considering an alternative approach in future. The Director of Finance & Resourcing (Treasurer) advised the Committee that the Authority aimed for the optimum return on investment based on current treasury management policy and CIPFA guidance. A move to more socially acceptable (green) investments was likely to result in lower yield, however, the Authority would benefit from implementing a policy on socially responsible investing.

* RC/21/3

Financial Performance Report 2021-22: Quarter 1

The Committee considered a report of the Director of Finance & Resourcing (Treasurer) (RC/21/10) that provided the Committee with details of the first quarter performance (to June 2021) against the agreed financial targets for 2021-22.

The Director of Finance & Resourcing (Treasurer) advised that, at this stage in the financial year, it was projected that spending would be £0.028m more than the budget of £74.222m representing an overspend of 0.04% of total budget. He added that it was relatively early in the financial year, however, and the Executive Board would be monitoring the forecast position closely. He drew attention to a transposition error in the report at Table 4 under earmarked reserves for grants unapplied from previous years. The figure of £5.244m should have been £0.715m less (£4.529m) and he explained the reason why and indicated this error had been flagged to the external auditor.

The Committee noted that the Authority was within its prudential limits for external debt and, although there may be some delays to forecast expenditure on some projects (an underspend of £0.792m was forecast), the capital programme was progressing well. The total debtor invoices outstanding at quarter 1 totalled £0.963m of which £0.686m related to Red One Ltd.

RESOLVED

- (a). That the monitoring position in relation to projected spending against the 2021-22 revenue and capital budgets be noted; and
- (b). That the performance against the 2021-22 financial targets be noted.

RC/21/4

Revision to Capital Programme 2021-22 to 2023-24

The Committee considered a report of the Director of Finance & Resourcing (Treasurer) (RC/21/11) setting out a proposed revision to the three year Capital Programme for 2021-22 to 2023-24.

RESOLVED that the Devon & Somerset Fire & Rescue Authority be recommended to approve the revised Capital Programme and associated Prudential Indicators for 2021-22 to 2023-24 as set in report RC/21/11 and summarised in Appendices A and B to these Minutes.

RC/21/5 Reserves Strategy 2021-22

The Committee considered a report of the Director of Finance & Resourcing (Treasurer) (RC/21/12) upon the Reserves Strategy for 2021-22.

It was noted that the report included a risk assessment on the adequacy of the General Fund together with a section on each of the Earmarked Reserves including:

- Grants received in advance;
- Invest to improve;
- Budget smoothing;
- Capital funding; and
- Specific projects – Budget carry forwards or risks identified.

RESOLVED that the Authority be recommended to approve the Reserves Strategy 2021-2022 for publication.

*** RC/21/6 Resources Committee Future Scrutiny Arrangements & Forward Plan**

The Committee considered a report of the Director of Finance & Resourcing (Treasurer) (RC/21/13) that set out proposed performance measures for the delivery of future scrutiny arrangements in accordance with strategic objective 4 as approved by the Authority at its meeting on 29 June 2021.

The Director of Finance & Resourcing advised that this was an iterative process and things would evolve as the Committee delved into more areas of its work. The Environmental Strategy may result in new performance targets being considered in future and investigation into areas such as investment into more sustainable ways of putting out fires could also be considered.

RESOLVED

- (a). That the performance measures identified at section 2.1. of report RC/21/13 be approved for monitoring progress against Strategic Priority 4 and its associated policy objectives; and
- (b). that the proposal at paragraph 2.5 of report RC/21/13 for presenting this information to future meetings be approved.

*** RC/21/7 Exclusion of the Press and Public**

RESOLVED that, in accordance with Section 100A(4) of the Local Government Act 1972, the press and public (with the exception of the Officers of Red One Ltd. and Councillors Radford and Shayer [Authority appointed Non-Executive Directors on the Board of Red One Ltd.]) be excluded from the meeting for the following item of business on the grounds that they involved the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A (as amended) to the Act, namely information relating to the financial and business affairs of any particular person – including the authority holding that information.

* **RC/21/8 Restricted Minutes of Resources Committee held on 10 February 2021**

(An item taken in accordance with Section 100A(4) of the Local Government Act 1972 during which the press and public (with the exception of the Officers of Red One Ltd.) were excluded from the meeting).

RESOLVED that the Restricted Minutes of the meeting held on 10 February 2021 be signed as a correct record.

* **RC/21/9 Red One Performance 2021-22: Quarter 1**

(An item taken in accordance with Section 100A(4) of the Local Government Act 1972 during which the press and public (with the exception of Officers of Red One Ltd.) were excluded from the meeting).

The Committee considered a report of the Officers of Red One Ltd. (RC/21/14) on the financial performance of Red One Ltd. in quarter 1 of 2021-22.

Following a discussion on this matter and consideration of information presented verbally to the Committee, Councillor Drean **MOVED** (seconded by Councillor Coles:

“That an interim Business Plan for 2021-22 as presented verbally to the Committee be submitted formally to the Authority on 29 September 2021”.

Upon a vote, this motion was **CARRIED** unanimously, whereupon it was:

RESOLVED

- (a). That the financial performance of Red One Ltd. for the quarter ended June 2021 be noted;
- (b). That the year to date performance against agreed budget for 2021-22 be noted; and
- (c). That an interim Business Plan for 2021-22 as presented verbally to the Committee be submitted formally to the Authority on 29 September 2021.

***DENOTES DELEGATED MATTER WITH POWER TO ACT**

The meeting started at 10.00 am and finished at 12.27 pm

**APPENDIX A TO THE RESOURCES COMMITTEE MINUTES 9
SEPTEMBER 2021**

	2021/22 £000	2022/23 £000	2023/24 £000
PROJECT	Budget	Budget	Budget
Estate Development			
Site re/new build	2,150	0	0
Improvements & structural maintenance	5,089	3,600	1,300
Estates Sub Total	7,239	3,600	1,300
Fleet & Equipment			
Appliance replacement	5,157	2,300	2,800
Specialist Operational Vehicles	440	5,100	1,900
Equipment	0	0	0
ICT Department	400	0	0
Water Rescue Boats	0	0	0
Fleet & Equipment Sub Total	5,997	7,400	4,700
Estates Optimism bias	(1,400)	(500)	(200)
Fleet Optimism bias	(1,200)	(800)	(600)
Optimism bias Sub Total	(2,600)	(1,300)	(800)
Overall Capital Totals	10,636	9,700	5,200
Programme funding			
Earmarked Reserves:			
Capital reserve	6,575	6,298	1,617
USAR - Water Rescue Boats			
Earmarked Reserves:	6,575	6,298	1,617
Revenue funds:	2,037	2,037	2,300
Borrowing - internal	2,024	1,365	1,283
Borrowing - external	0	0	0
Total Funding	10,636	9,700	5,200

APPENDIX B TO THE RESOURCES COMMITTEE MINUTES 9 SEPTEMBER 2021

PRUDENTIAL INDICATORS				INDICATIVE INDICATORS	
	2021/22 £m Estimate	2022/23 £m Estimate	2023/24 £m Estimate	2024/25 £m Estimate	2025/26 £m Estimate
Capital Expenditure					
Non - HRA	12.693	11.400	7.000	8.200	6.400
HRA (applies only to housing authorities)					
Total	12.693	11.400	7.000	8.200	6.400
Ratio of financing costs to net revenue stream					
Non - HRA	4.30%	3.93%	3.76%	3.64%	3.68%
HRA (applies only to housing authorities)	0.00%	0.00%	0.00%	0.00%	0.00%
Capital Financing Requirement as at 31 March	£000	£000	£000	£000	£000
Non - HRA	24,758	24,264	23,771	24,540	26,747
HRA (applies only to housing authorities)	0	0	0	0	0
Other long term liabilities	907	791	656	509	349
Total	25,665	25,055	24,426	25,049	27,096
Annual change in Capital Financing Requirement	£000	£000	£000	£000	£000
Non - HRA	(196)	(610)	(628)	622	2,048
HRA (applies only to housing authorities)	0	0	0	0	0
Total	(196)	(610)	(628)	622	2,048
PRUDENTIAL INDICATORS - TREASURY MANAGEMENT					
Authorised Limit for external debt	£000	£000	£000	£000	£000
Borrowing	26,189	26,071	25,553	26,325	28,278
Other long term liabilities	1,056	947	823	681	527
Total	27,244	27,018	26,376	27,006	28,805
Operational Boundary for external debt	£000	£000	£000	£000	£000
Borrowing	24,951	24,857	24,364	25,098	26,941
Other long term liabilities	1,010	907	791	656	509
Total	25,961	25,765	25,155	25,754	27,450
Maximum Principal Sums Invested over 364 Days					
Principal Sums invested > 364 Days	5,000	5,000	5,000	5,000	5,000

TREASURY MANAGEMENT INDICATOR	Upper Limit %	Lower Limit %
Limits on borrowing at fixed interest rates	100%	70%
Limits on borrowing at variable interest rates	30%	0%
Maturity structure of fixed rate borrowing during 2021/22		
Under 12 months	30%	2%
12 months and within 24 months	30%	2%
24 months and within 5 years	50%	13%
5 years and within 10 years	75%	3%
10 years and above	100%	80%

APPENDIX TO RESOURCES COMMITTEE MINUTES 9 SEPTEMBER 2021

REPORT REFERENCE NO.	RC/21/12
MEETING	RESOURCES COMMITTEE
DATE OF MEETING	9 SEPTEMBER 2021
SUBJECT OF REPORT	RESERVES STRATEGY 2021-22
LEAD OFFICER	Director of Finance and Resourcing (Treasurer)
RECOMMENDATIONS	<i>That the Committee recommends the Reserves Strategy to the Authority for publication.</i>
EXECUTIVE SUMMARY	<p>The Fire and Rescue National Framework for England introduced a requirement for fire and rescue authorities to prepare and publish a Reserves Strategy setting out the purpose of each Earmarked Reserve, an analysis of the General Fund and the expected timing of expenditure from the reserves. The requirement commenced in 2018 and this is the fourth such strategy.</p> <p>This report includes a risk assessment of the General Fund and a section on each of the Earmarked Reserves – which it is proposed should be combined into broader categories to simplify the way that Reserves are reported on. It should be noted that this report has been prepared under those new categories.</p>
RESOURCE IMPLICATIONS	As set out within this report.
EQUALITY RISKS AND BENEFITS ANALYSIS	
APPENDICES	<p>A. Risk Assessment of the Adequacy of General Reserves</p> <p>B. Projected Reserve Balances over MTFP</p>
BACKGROUND PAPERS	The Fire and Rescue National Framework for England Reserves Strategy 2020-21

1. INTRODUCTION AND BACKGROUND

- 1.1. Section 43 of the Local Government Finance Act 1992 requires that, when setting the budget for the forthcoming year, precepting authorities should have regard to the level of reserves needed to provide sufficient resources to finance estimated future expenditure, plus any appropriate allowances that should be made for contingencies.
- 1.2. Best practice on the use and management of reserves and balances is provided by CIPFA and the Local Authority Accounting Panel (LAAP) guidance, specifically LAAP Bulletin 99 - 'Local Authority Reserves and Balances'. This was issued in July 2014, but since then many references have been made to the scale of public sector reserves by various parties.
- 1.3. In May 2018, the Government published the new Fire and Rescue National Framework for England. This introduces a requirement for fire and rescue authorities to publish a Reserve Strategy on their website and outlines the detail which should be included. The Reserves Strategy can form part of the Medium Term Financial Plan or be a stand-alone document.
- 1.4. The Reserves Strategy for this Authority has been prepared as a stand-alone document for 2021-22.

2. STRATEGIC CONTEXT

- 2.1 There are a number of reasons why a Local Government Authority might hold reserves, these include to:
 - (a) mitigate potential future risks such as increased demand and costs;
 - (b) help absorb the costs of future liabilities;
 - (c) temporarily plug a funding gap should resources be reduced suddenly;
 - (d) enable the Authority to resource one-off policy developments and initiatives without causing an unduly disruptive impact on Council Tax;
 - (e) spread the cost of large scale projects which span a number of years.
- 2.2 Reserves only provide one-off funding so the Authority aims to avoid using reserves to meet regular and ongoing financial commitments, other than as part of a sustainable medium-term budget plan.

3. **LONG-TERM SUSTAINABILITY**

- 3.1 Reserves are an essential tool to ensure long term budget stability particularly at a time when the Authority is facing significant year on year reductions in grant funding over the medium term. Due to the fact that funding for future capital projects is held as an Earmarked Reserve, the overall level of reserves held by the Authority is currently still high, but will reduce significantly as the capital programme progresses.
- 3.2 Reserve balances have been identified as a key indicator of financial health and the Authority continues to have an appropriate level of reserves to deal with identified risks. As a minimum, there are sufficient balances to support the budget requirements and provide an adequate contingency for budget risks.
- 3.3 There are two different types of reserve, and these are:
- Earmarked Reserves*** – these reserves are held to fund a specific purpose and can only be used to fund spending associated with that specific purpose. Should it transpire that not all of the agreed funds are required then the agreement of the Authority would be sought to decide how any remaining balance is to be utilised; and
- General Reserve*** – usage from this Reserve is non-specific and is held to fund any unforeseen spending that had not been included in the base budget e.g. excessive operational activity resulting in significant retained pay costs.
- 3.4 In addition to reserves the Authority may also hold provisions which will provide funding for a liability or loss that is known, with some certainty, will occur in the future, but the timing and amount is less certain.

4. **RISK ASSESSMENT TO DETERMINE THE ADEQUACY OF THE GENERAL RESERVE**

- 4.1 A well-managed multi-purpose authority will strive to maintain as low a level of General Reserve as possible, whilst still covering its financial risks. As a single-purpose authority, this Authority has no opportunity to use cross-service subsidies to meet unanticipated expenditure and so, proportionally, its General Reserve may be slightly higher than for a multi-purpose authority.
- 4.2 This Authority has a robust approach to managing risk and there are effective arrangements for financial control in place. That said, given the high level of influence that third parties (such as the Local Government Employers and Government departments) have on its income and expenditure, there is always a risk that the Authority will unexpectedly become liable for expenditure that it has not budgeted for, e.g. the 2021-22 funding gap on the Firefighters Pension scheme and any shortfall in council tax receipts.

- 4.3 The Authority has set its prudential Indicator for the General Reserve at around 5% of annual budget which is a commonly used benchmark across the Fire Sector. At the start of 2021-22, the General Reserve slightly exceeded this at 6.8% of the Authority's net revenue budget. Due to varying revenue budgets, maintaining a consistent level of General Reserve will result in the percentage varying over time. Transfers in or out of the General Reserve to conform to the 5% indicator would only be considered if there was significant variance in budgets, an emerging risk, or if resources were earmarked to another project.
- 4.4 The prudential indicator is a useful control measure but is a rudimentary way of assessing the adequacy of the general reserve and a more meaningful approach is to develop a risk assessment. The Authority will consider both measures as part of its annual reserve strategy.
- 4.5 A risk assessment of the adequacy of the Authority's General Reserve will be carried out annually to determine the extent to which the Authority is exposed to uninsured and unbudgeted losses. The risk assessment for the current financial year, 2021-22, has been expanded on that prepared as part of the budget setting process and is shown in Appendix A. The impact and scale of potential losses has been estimated to calculate a potential net financial impact of £4.7m. At the start of 2021-22 the General Reserve stood at £5.3m and therefore it will not be necessary to amend the amount based on the current risk assessment.

5. ANNUAL REVIEW OF EARMARKED RESERVES

- 5.1. The Authority has a number of earmarked reserves which have been established for specific purposes where there have been timing differences at budget setting or year-end, or emerging risks or cost pressures. The relevance of, and balance in each of these is reviewed annually and the Authority is informed of the latest plans for the balances held in such reserves over the medium term via the Reserves Strategy. When the Authority approves the Reserves Strategy for publication it will be made available on its website.
- Grants received in advance*
- 5.2. **£5.24m:** These reserves relate to grants which have been given to the Authority which have either not been fully spent or have been received in advance of the intended expenditure period. Where a grant has been received in advance the Authority's policy and accounting rules dictate that the funding be transferred to an Earmarked Reserve to be spent in future years.
- 5.3. Any smaller amounts will be reviewed annually as part of the budget monitoring process to assess whether they are still needed. It is not anticipated that any of the current balances will be carried forward beyond the medium term financial plan period of 2021-26.

Invest to Improve

- 5.4. **£4.35m:** A significant amount of funding has been set aside in Reserves to support the change activity within the Service. Following release of the Integrated Risk Management Plan, which addresses Community risk, and the Fire and Rescue Plan, which addresses organisational risk, the Service has developed its Safer Together programme. Invest to Improve reserves will be used to invest in projects such as digital transformation and development of our people which will support the modernisation of the Service. If restructure is required, reserve funding could be required to pay for any associated costs.
- 5.5. The Authority has approved the Safer Together programme and new Service Delivery Operating Model which identified the requirement to invest in improvement activity and the resulting costs and benefits have been fed in to the Medium Term Financial Plan for 2021-22 and beyond. The Invest to Improve reserve will be subject to regular budget monitoring and forecasting by the Service Programme Board. Of the current forecast up to 2022, £1.54m is committed to existing projects with the remaining expenditure to be spent over the next three years.

Budget smoothing

- 5.6. **£1.82m:** The budget smoothing reserve is intended to support any shortfalls in future revenue budgets which are identified during the development of the Medium Term Financial Plan. The reserve has arisen from a surplus of funding in previous financial years, particularly where non-domestic rates or grant income have exceeded the budget requirement. The Medium Term Financial Plan for the period 2021-22 to 2025-26 has identified a potential funding shortfall of £7.2m (base case) which, if not addressed through changes to the way we work, will need to be funded from reserves.
- 5.7. The COVID-19 pandemic has introduced further uncertainty over financial security of all public services, a Spending Review in the autumn of 2021 has now been confirmed. Regardless of central government, the impact of the pandemic in economic terms is likely to be felt for many years, potentially reducing council tax and business rates income. It is therefore forecast that the Budget Smoothing reserve will be exhausted within the Medium Term Financial Planning Period.

Capital Funding

- 5.8. **£23.3m:** Capital Funding is the largest of the Authority's earmarked reserves. There is a long term strategy in place to reduce borrowing to fund capital expenditure and this reserve has been built up over several years from under spends in the Capital Programme along with savings made in other areas. Reserves represents an opportunity to reduce borrowing in the future as well as the associated costs.

- 5.9. Borrowing currently stands at £24.8m and the loan portfolio is regularly reviewed for opportunities to pay off loans where there would be a long term benefit but this is dependent on economic conditions. If the Authority does opt to pay off loans early, use of the Capital Funding reserve will accelerate. Currently it is forecast that the programme will require £6.575m of reserve funding in 2021-22 and for the reserve to be exhausted over the medium term. This level of expenditure is due to the order of a significant upgrade to our fire engine fleet and several major Estates projects which have been formally commissioned.
- 5.10. Planning for the Capital Programme is undertaken as part of the annual budget setting programme and so each year the Authority will have the opportunity to review the funding options of the programme. The forecast use of the Capital Funding reserve will be determined by that programme. Given that it is prudent to maintain the long term strategy to reduce, ideally remove, reliance on external borrowing to fund Capital expenditure, a healthy reserve will be maintained wherever possible.

Specific projects, budget carry forwards or risks identified

- 5.11. The Authority holds several Earmarked Reserves for items which have been identified through a business case, to address a specific risk or where timing differences have arisen in the revenue budget. Expenditure on these items will normally be spread over several financial years.
- 5.12. These one off reserves will be reviewed annually and either maintained or enhanced. Any unspent funds remaining at the end of the project will, subject to the relevant approval, be transferred to an alternative reserve such as the Invest to Improve or Capital Funding reserve.
- 5.13. Explanation of specific reserves:
- **£0.15m: PFI Equalisation** – The Authority is part of a tri-service Private Finance Initiative which covers the Severn Park training facility. Due to the nature of the contract and its longevity (will mature in 2028) the amount due at the end of the contract is dependent on various factors such as interest rates and investment performance. The reserve is held to mitigate the risk at the end of the contract period.
 - **£0.55m: Emergency Services Mobile Communications Programme (ESMCP)** – The Authority has committed to be part of the ESMCP national project which provides the technology and network to allow Emergency Services a dedicated method of communication whilst being more financially efficient than its predecessor. Whilst funding has been allocated on a regional basis there is a need to support the project beyond the funding (which has been allocated for discrete time periods) because of the South West region being the last to transition which is why the reserve was established.

The reserve also holds grant funding from central government to support the establishment of Emergency Services Network capability. The national project is currently under scrutiny of the Public Accounts Committee and may be subject to change or cancellation. If cancelled, there is a risk that the current Airwave facility will cost the Authority more although at this stage that cannot be quantified.

- **£0.27m: Mobile Data Terminals (MDT) Replacement** – MDTs are computers in appliances which provide site specific risk and technical information to firefighters when they respond to incidents. Due to the age of the current suite of MDTs, which are purchased and maintained under the Airwave Communications system, replacements are required in advance of the roll out of the new Emergency Services Mobile Communications Project. Refreshing the safety critical information available to firefighters at incidents supports the Authority's underlying principles of Public Safety and Firefighter safety. The project is due to complete in 2021-22.
- **£1.23m: Pension Liability reserve** – There are ongoing legal cases which may impact on future employers' costs and therefore a pension reserve has been established to contribute towards the revenue budget if a liability arises.
- **£0.308m: Environmental Strategy** – This new reserve has been established to support the Authority's environmental strategy, assessing the impact of services and seeking to adapt and mitigate to reduce emissions.
- **£3.7m: Budget Carry Forwards** – Arise as a result of timing differences, where a revenue project has been unable to complete in year and therefore the under spend on a particular budget line has been transferred to Earmarked Reserves. As reserve funds can span several financial years these are expected to be used in the short term, but the reserve may be enhanced at a later date if there are timing differences in the 2020-21 budget and beyond.
- **£0.1m: Lightweight/ female PPE**- Firefighters are required to wear a specific range of Personal Protective Equipment (PPE) when responding to incidents and each set has a finite life dependant on the number and type of incidents attended. The Service has determined a provision for lightweight PPE and this was delivered in late 2019. The project has now moved on to ensuring that appropriate stocks and sizing of female firefighter PPE are maintained. The project supports the safety and wellbeing of our staff.
- **£0.2m: MTA Plan**- Organisational action plan to improve Marauding Terrorist Attack (MTA) capability in line with the National Joint Operating Principles (JOP's)

SHAYNE SCOTT

Director of Finance and Resourcing (Treasurer)

Risk Assessment of the Adequacy of General Reserves

Budget Head	Budget Provision 2021-22 £m	RISK	Likelihood	Impact £m	Net Impact £m
Service Delivery Staff	51.8	Whole-time Pay represents nearly a third of service costs. There is a high level of uncertainty around future pay increases, particularly whether pay awards will be linked to a change to the Firefighter role map to include emergency medical response, which might attract a larger Pay award. An unfunded pay award of 1.5% has been agreed with effect from 1 July which represents an unbudgeted pressure. As such, this risk has now crystallised.	Crystallised	0.777	0.777
Firefighter's Pensions	2.4	The Authority is required to fund the costs associated with ill-health retirements, and the potential costs of retained firefighters joining the scheme. There were fewer retirees than budgeted in 2020-21 which has increased the likelihood of those individuals retiring in 2021-22.	High	0.500	0.375
Insurance Costs	0.9	The Fire Authority's insurance arrangements require the authority to fund claims up to agreed insurance excesses. In addition, some uninsured costs such as any compensation claims from Employment Tribunals carry a financial risk to the Authority. The Insurance Mutual holds a reserve which will enable the pool to absorb a reasonable level of claims.	Low	0.500	0.125
Fuel Costs	0.7	Fuel price fluctuation can have a significant impact on fleet running costs. This risk has been increased from medium to high due to anticipated inflation during the COVID-19 recovery period	High	0.173	0.129

Budget Head	Budget Provision 2021-22 £m	RISK	Likelihood	Impact £m	Net Impact £m
Treasury Management Income	(0.1)	Reduced Interest Income. The target income for 2021-22 has been set at a prudent level of achieving £0.1m return on investments. While interest rates are slowly recovering, we are now not expecting to achieve this level of return. Q1 performance has seen us obtain 0.023m return on our investment. This risk remains at a medium likelihood.	Medium	0.075	0.038
Income	(0.8)	Whilst the authority has only limited ability to generate income, the budget has been set on the basis of delivering £0.8m of external income whilst setting the reliance on the Service budget for Red One Ltd. Income at £0.3m. A repayment plan has now been agreed with Red One Ltd. therefore this risk has been reduced from High to Medium.	Medium	0.415	0.208
Capital Programme	12.6	Capital projects are subject to changes due to number of factors; these include unforeseen ground conditions, planning requirements, necessary but unforeseen changes in design, and market forces. The risk of contract deviation has been measured at 10% of proposed spend, although the likelihood remains low given the Authority's robust capital reserves.	Low	1.260	0.315
External Contracts		The Authority has a wide range of contractual arrangements which could see a financial loss in the event of the bankruptcy of a supplier or a customer. The Authority maintains a bad debt provision based on aged debtor analysis but it would be insufficient to fully fund a loss from a major contract. Additionally, Public Sector procurement processes and contracts are coming under increasing scrutiny and could be open to legal challenge.	Low	2.000	0.500

Budget Head	Budget Provision 2021-22 £m	RISK	Likelihood	Impact £m	Net Impact £m
Legal Issues		Given the nature of the work of the Authority there is a possibility that it could suffer a major health and safety or environmental failure.	Low	3.000	0.750
System/ Infrastructure Issues		In the event that a key system, such as the control mobilising system or system networks, were to fail, it is possible that urgent consultancy or replacement equipment would be required within short time constraints.	Low	1.500	0.375
Funding Issues		The changes to the funding mechanism for local government, introduced following the Local Government Resource Review, transferred potentially significant levels of financial risk to the Authority.	Medium	1.000	0.500
Inflation		Whilst allowances for inflation have been made within specific budget lines, generally at 2% per annum, the uncertainty surrounding Brexit, COVID-19 and the likely surge in UK economic activity will likely lead to increased inflation. This risk has therefore been increased from Low to Medium due to current inflation forecasts for 2021-22 suggesting that inflation may temporarily exceed 3%.	Medium	0.200	0.100
Employment Issues		Issues that might arise in respect of pay settlements or other factors which might lead to industrial action would, in the first instance, be managed within the revenue budget. Prolonged Action or issues would require funding from Reserves.	Medium	1.000	0.500
Estimated Reserve Requirement					4.7

APPENDIX B TO REPORT RC/21/12

Projected Reserve Balances over Medium Term Financial Plan Period (2021-26)

RESERVES AND PROVISIONS					
	Balance as		Proposed		
	at 1 April	Forecast Spend	Balance as at	Projected	Proposed
	2021	2021-22	31 March	Spend 2022-26	Balance as at
	£000	£000	2022	£000	31 March 2026
RESERVES					
Earmarked reserves					
Grants unapplied from previous years	(5,244)	3,335	(1,909)	1,909	-
Invest to Improve	(4,133)	1,516	(2,616)	2,616	-
Budget Smoothing Reserve	(1,818)	-	(1,818)	1,818	-
Direct Funding to Capital	(23,270)	6,575	(16,695)	15,245	(1,450)
Projects, risks, & budget carry forwards	-	-	-	-	-
PFI Equalisation	(150)	-	(150)	-	(150)
Emergency Services Mobile Communications Programme	(550)	-	(550)	550	-
Mobile Data Terminals Replacement	(266)	266	(0)	0	-
Pension Liability reserve	(1,231)	1,231	(0)	0	-
Environmental Strategy	(308)	100	(208)	208	-
Budget Carry Forwards	(3,459)	1,179	(2,280)	2,280	-
Performance Info System	(230)	-	(230)	230	-
Lightweight/female PPE	(100)	-	(100)	100	-
Uncategorised	(231)	23	(208)	208	-
MTA Action Plan	(200)	200	0	-	-
Total earmarked reserves	(41,189)	14,425	(26,765)	25,165	(1,600)
General reserve					
General Fund (non Earmarked) Balance	(5,282)	-	(5,282)	-	(5,282)
Percentage of general reserve compared to net budget					
TOTAL RESERVE BALANCES	(46,472)	14,425	(32,047)	25,165	(6,882)
PROVISIONS					
Doubtful Debt	(655)	-	(655)		(655)
Fire fighters pension schemes	(659)		(659)	659	-
TOTAL PROVISIONS	(1,314)	-	(1,314)	659	(655)

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Agenda Item 8

REPORT REFERENCE NO.	DSFRA/21/19
MEETING	DEVON & SOMERSET FIRE & RESCUE AUTHORITY
DATE OF MEETING	29 SEPTEMBER 2021
SUBJECT OF REPORT	AUTHORITY GOVERNANCE PROCESSES (Item raised in accordance with Standing Order 21)
LEAD OFFICER	Director of Governance & Digital Services
RECOMMENDATIONS	Nil.
EXECUTIVE SUMMARY	<p>The Authority's Standing Orders (Standing Order 21) provide that any Member may request an item relating to the work of the Authority to be placed on the agenda for a forthcoming meeting.</p> <p>In accordance with this, Councillor Brazil has requested that the following item be raised at this meeting of the Authority:</p> <p>“Following the Authority's AGM in June and the appointment of Chairs and Vice-Chairs of Committees and, subsequently, the appointment of Authority Member non-executive directors to the Board of Red One Ltd., the Authority should debate the operation of its governance arrangements and also the direction in which the Authority is moving”.</p>
RESOURCE IMPLICATIONS	Nil.
EQUALITY RISKS AND BENEFITS ANALYSIS	N/A
APPENDICES	Nil.
BACKGROUND PAPERS	Nil.

MIKE PEARSON
Director of Governance & Digital Services

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REPORT REFERENCE NO.	DSFRA/21/20
MEETING	DEVON & SOMERSET FIRE & RESCUE AUTHORITY
DATE OF MEETING	29 SEPTEMBER 2021
SUBJECT OF REPORT	DEVELOPMENT OF COMMUNITY RISK MANAGEMENT PLAN – PROPOSALS FOR MEMBER ENGAGEMENT
LEAD OFFICER	Chief Fire Officer
RECOMMENDATIONS	<p><i>(a). that the Authority approves the rescheduling of the meeting from the previously approved date of 15 December 2021 to 10 November 2021 to enable a draft Community Risk Management Plan to be approved for public consultation purposes;</i></p> <p><i>(b). that the remaining proposals for engagement on development of the Plan and public consultation, as set out in Section 2 of this report, be endorsed.</i></p>
EXECUTIVE SUMMARY	This paper sets out the requirement for the Authority to have a Community Risk Management Plan together with the proposed stages for development and consultation on this Plan.
RESOURCE IMPLICATIONS	Resource implications will be contained from within existing, approved budgets.
EQUALITY RISKS AND BENEFITS ANALYSIS	Nil at present but full analysis will be undertaken of any proposals contained in the draft Community Risk Management Plan.
APPENDICES	Nil.
BACKGROUND PAPERS	Fire & Rescue National Framework

1. **BACKGROUND AND INTRODUCTION**

Fire & Rescue Services Act 2004 and Fire & Rescue National Framework

- 1.1. Section 21 of the Fire & Rescue Services Act 2004 (“the Act”) requires the Secretary of State to prepare a Fire & Rescue National Framework (“the Framework”) which:
- (a). must set out priorities and objectives for fire and rescue authorities in connection with the discharge of their functions;
 - (b). may contain guidance to fire and rescue authorities in connection with the discharge of any of their functions; and
 - (c). may contain any other matter relating to fire and rescue authorities or their functions that the Secretary of State considers appropriate.
- 1.2. The latest version of the Framework was published in May 2018. Paragraph 4.6 of the Framework requires every fire and rescue authority to produce an Integrated Risk Management Plan (subsequently retitled a Community Risk Management Plan, in line with guidance issued by the National Fire Chiefs’ Council) which must:
- 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.
- Devon & Somerset Integrated Risk Management Plan***
- 1.3. The current Integrated Risk Management Plan for the Authority, spanning the period 2018-22, was approved by the Authority at its meeting on 16 February 2018, following an eight-week consultation period (Minute DSFRA/65 refers).

- 1.4. Subsequently, at an extraordinary meeting on 10 January 2020, the Authority approved a series of proposals to re-allocate resources to provide for a new Service Delivery Operating Model to give effect to the strategic intent expressed in the approved Integrated Risk Management Plan (Minute DSFRA/32 refers). These proposals had been subject to an extensive twelve week public consultation exercise.
2. **DEVELOPMENT OF COMMUNITY RISK MANAGEMENT PLAN (CRMP) 2022-27**
- 2.1. It is proposed that the successor to the current Integrated Risk Management Plan – the Community Risk Management Plan (“the Plan”) – should cover a five-year period. Unlike the previous Integrated Risk Management Plan, it is not envisaged that the new Community Risk Management Plan will result in significant changes in either Service structure or delivery.
- 2.2. The Authority has previously been informed, via Members’ Forum meetings, of pre-consultation undertaken by the Devon & Somerset Fire & Rescue Service (the Service) to seek views of interested parties on areas the Plan should cover. As part of this pre-consultation, the opportunity was also taken to provide more information on the range of activities undertaken by the Service.
- 2.3. While effective consultation with communities, the Service workforce and representative bodies other partners on the proposed Plan is a National Framework requirement, the importance of securing full and meaningful engagement with the Authority in developing the Plan is also recognised.
- 2.4. In addition to previous Members’ Forum meetings, a workshop for Members of the Community Safety Committee was held on 17 September 2021 to discuss proposals for the Plan. The Terms of Reference for the Committee provide, amongst other things, for it to consider and recommend for approval by the Authority a Community Risk Management Plan.
- 2.5. To facilitate full and meaningful engagement on the Plan, the following additional stages are also proposed:
- (a). discussion at the forthcoming Members’ Forum meetings on 5 October and 1 November 2021;
 - (b). rescheduling of the Community Safety Committee meeting initially planned for 18 October 2021 to 10.00hours, Tuesday 2 November 2021 to consider a draft Plan for public consultation purposes, for recommendation to the Authority (**Note:** Standing Orders provide for dates of Committees previously agreed by the Authority to be varied – either by cancellation, re-arrangement or addition - by the Clerk following consultation with the Committee Chair. The Chair of the Community Safety Committee, Councillor Chesterton, has indicated his willingness for this rescheduling);

- (c). rescheduling of the Authority meeting initially planned for 15 December 2021 to 10.00hours, Wednesday 10 November 2021. This meeting is intended to consider any recommendations made by the Community Safety Committee and to approve the Plan for public consultation purposes;
- (d). a minimum of an eight-week public consultation period, with subsequent evaluation of the consultation responses;
- (e). consideration of consultation responses and a draft final Plan at the Community Safety Committee meeting on 25 January 2022;
- (f). submission of a final Plan, taking account of consultation responses as necessary and any recommendation made by the Community Safety Committee, to the Authority Budget meeting on 18 February 2022 for approval;
- (g). implementation of the Plan from 1 April 2022.

3. CONCLUSION

- 3.1. The stages and associated timescales as set out in Section 2 above are intended to provide for full and meaningful engagement with the Authority on development of the Community Risk Management Plan, together with an appropriate period for consultation with the public and other interested parties on the draft Plan once approved.
- 3.2. The Authority is asked to approve the rescheduling of the December meeting to 10 November 2021 and to endorse the remaining proposals for development of and consultation on the draft Community Risk Management Plan.

LEE HOWELL
Chief Fire Officer

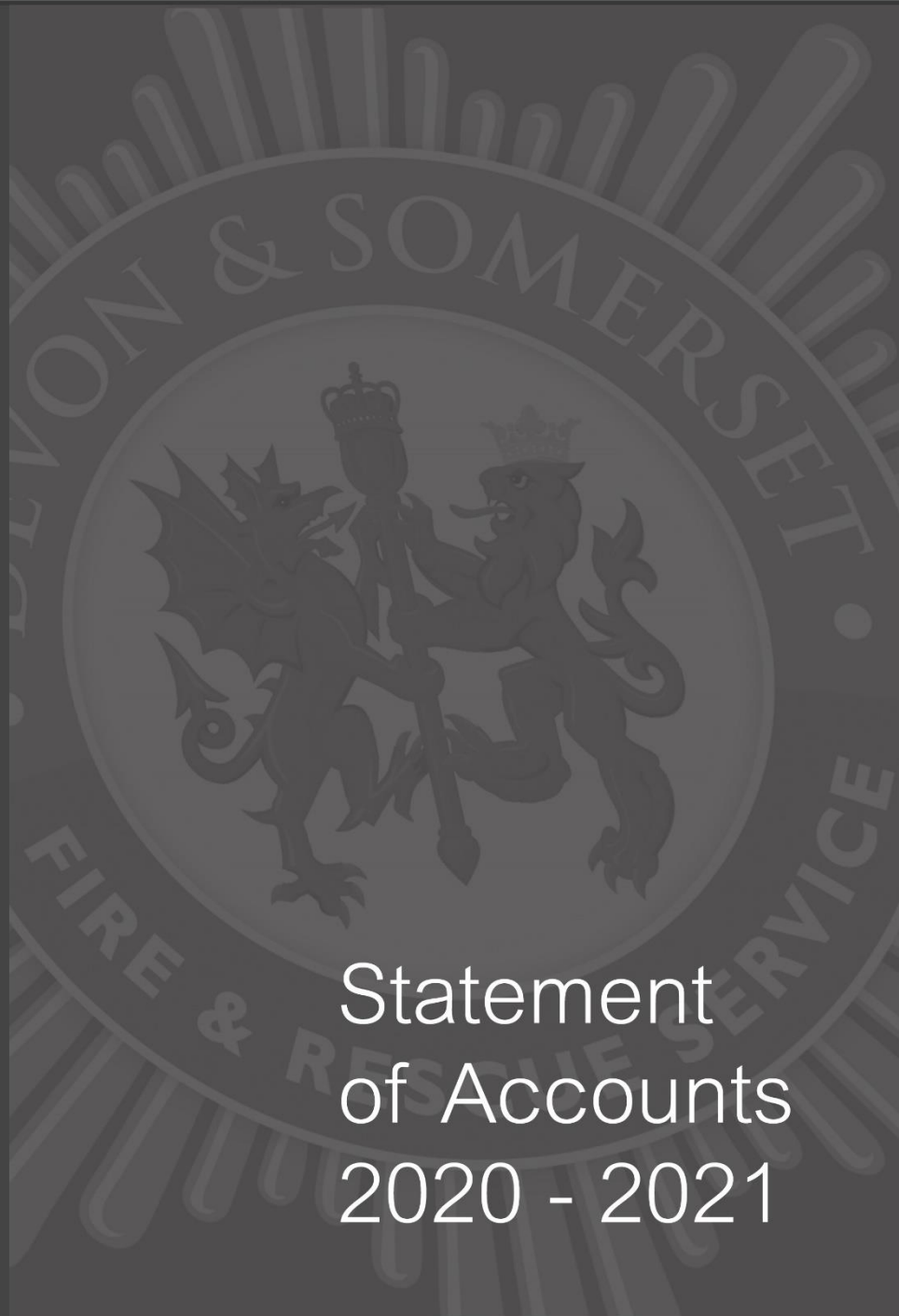
REPORT REFERENCE NO.	DSFRA/21/21
MEETING	DEVON & SOMERSET FIRE & RESCUE AUTHORITY
DATE OF MEETING	29 SEPTEMBER 2021
SUBJECT OF REPORT	STATEMENT OF ACCOUNTS 2020-21
LEAD OFFICER	Treasurer
RECOMMENDATIONS	<p>(a). <i>That the Authority's final Statement of Accounts for 2020-21, as appended to this report, be approved and signed;</i></p> <p>(b). <i>that the Treasurer be authorised to publish a notice, in accordance with Regulation 10(2) of the Accounts and Audit Regulations 2015 (as amended), advising that it is not possible to publish the final Statement of Accounts by 30 September 2021 and that these will be published as soon as practicable following receipt of the external auditor's final findings.</i></p>
EXECUTIVE SUMMARY	<p>Appended to this report is the Final Statement of Accounts for the Authority for 2020-21.</p> <p>The Accounts and Audit Regulations 2015 (as amended) require:</p> <ul style="list-style-type: none"> • for each financial year, a Statement of Accounts and accompanying narrative statement (on financial performance, economy, efficiency and effectiveness in use of resources) to be prepared (Regulation 8); • for the Statement of Accounts to be subject to a public inspection period for a minimum of 30 days (Regulation 14), to commence on or before the first working day of August (Regulation 15, as amended). This has been undertaken for this Authority and the external auditors were advised of this on 28 June 2021; • on the conclusion of the public inspection period, for the Authority (or Committee thereof) to approve and sign the Statement of Accounts (Regulation 9). <p>Usually, such approval would be undertaken by the Audit & Governance Committee but this has not been practicable this year for the reasons indicated below and which have been outside of the control of this Authority.</p> <p>Regulation 10(1) (as amended) requires the Authority to publish its final Statement of Accounts and narrative statement for 2020-21, together with the external auditors final findings on the accounts and an annual governance statement, by 30 September 2021. The annual governance statement features as part of the Annual Statement of Assurance, required of the Authority by the Fire & Rescue National Framework for England, and is included elsewhere on the agenda for this meeting.</p> <p>Regulation 10(2), however, provides that – in the event that the external auditor's final findings are not available by 30 September 2021 - then the Authority must:</p>

	<p>(a). publish, as soon as reasonably practicable after 30 September, a notice that it has not been possible to publish the Statement of Accounts and the reasons for this; and</p> <p>(b). publish the Statement of Accounts as soon as reasonably practicable after receipt of the external auditor's final findings.</p> <p>The Authority's external auditor, Grant Thornton, as advised that it will not be in a position to issue its final findings on the Statement of Accounts as it is awaiting letters of assurance from the pension fund auditor relating to the Local Government Pension Scheme. The external auditor hopes, however, to be in a position to issue its final findings on the Statement of Accounts in time for these to be considered by the next meeting of the Audit & Governance Committee on 28 October 2021.</p>
RESOURCE IMPLICATIONS	As indicated in the report.
EQUALITY IMPACT ASSESSMENT	An initial assessment has not identified any equality issues emanating from this report.
APPENDICES	A. Statement of Accounts 2020-21.
BACKGROUND PAPERS	<p>Account and Audit Regulations 2015 (as amended)</p> <p>Fire & Rescue National Framework for England</p> <p>Report AGC/21/1 (Financial Statements 2020-21) to the Audit & Governance Committee meeting on 30 July 2021 (and the Minutes of that meeting)</p> <p>Audit Findings for the Devon & Somerset Fire & Rescue Authority as submitted to the Audit & Governance Committee meeting on 30 July 2021.</p>

SHAYNE SCOTT
Director of Finance & Resourcing (Treasurer)



DEVON & SOMERSET FIRE & RESCUE AUTHORITY



Statement of Accounts 2020 - 2021

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Devon & Somerset Fire & Rescue Authority - STATEMENT OF ACCOUNTS 2020/21

NARRATIVE REPORT

Introduction

The purpose of these Accounts is to advise stakeholders of the financial performance of the Authority for the financial year ending 31 March 2021. The Accounts are presented in compliance with International Financial Reporting Standards (IFRS). The Accounts are prepared on the basis of a going concern given that the Authority has sufficient resources to fund its financial obligations and has no concerns of its financial viability over the medium term.

The main purpose of the report is to provide an explanation of the financial position of the authority and assist in the interpretation of the financial statements as well as providing information on the economy, efficiency and effectiveness in its use of resources over the financial year.

Information on the financial performance of the authority includes four key accounting statements;

Movement in Reserves Statement - This statement shows the movement in the year on all of the different reserves held by the Authority. The reserves are reported under two broad headings; "usable reserves" (which can be used to fund expenditure or reduce local taxation) and "unusable reserves" (which recognise non-cash transactions in/out of reserves e.g. revaluation of an asset.)

Comprehensive Income & Expenditure Statement - This statement reports the cost of providing services based upon generally accepted accounting principles. This cost will differ from the actual expenditure funded from taxation, as there are some costs e.g. depreciation of assets, which are not required to be funded from taxation.

Balance Sheet - This records the assets and liabilities of the Authority as at the end of the financial year.

Cash Flow Statement - This statement shows the movement in cash and cash equivalents during the year. It illustrates how the Authority generates and uses cash and cash equivalents, analysed by operating, investing and financing activities.

Coronavirus (Covid 19) - Pandemic

The Accounts demonstrate the performance of the Authority as at 31st March 2021, the period covers a full year of restrictions due to the Covid 19 pandemic, which has significantly impacted the way we deliver services. At this stage the pandemic has had a minimal impact on the assets and liabilities of the Authority but has reduced capacity to deliver against agreed strategy and plans.

We have appointed a valuer who is a member of the Royal Institute of Chartered Surveyors (RICS) to value the Property, Plant and Equipment (PPE) who has stated that Land and Buildings are carried at current value. In his report he notes that "the valuation is reported as being subject to 'material valuation uncertainty' as set out in VPS 3 and VPGA 10 of the RICS - Global Standards. Consequently, in respect of this valuations less certainty - and a higher degree of caution - should be attached to the valuation than would normally be the case". The valuer has given regard to the guidance available and concluded "the 'material valuation uncertainty declaration does not mean that the valuation cannot be relied upon. Rather, this explanatory note has been included to ensure transparency and to provide further insight as to the market context under which the valuation opinion was prepared. In recognition of the potential market conditions to move rapidly in response to changes in control or future spread of COVID-19 we highlight the importance of the valuation date".

Impact on Services

The Service deployed its Business Continuity measures as a result of COVID-19 on the 16th of March 2020, following well-rehearsed processes to stand up organisational and operational response to the outbreak and to support Local Resilience Forums. Due to restrictions on travel, office-based staff were asked to work from home and non-essential activity was paused. The Service has seen low levels of absence as a result of COVID-19 and staff absence has not impacted on the ability to maintain core services. Some non-essential activity recommenced in the summer of 2020 and by the 31st March 2021 the Service was operating business as usual (with remote working) alongside its COVID response activity.

Focus was placed on the ability to maintain fire and rescue response activities, which meant that face-to-face prevention and protection activity could not go ahead in the earlier parts of the year. However, as restrictions eased a risk based approach has been taken to delivering these services with control measures in place to protect staff and the public. As part of the South Western Ambulance Service NHS Foundation Trust (SWAST) continued response to COVID-19, a 'combined crewed' fleet of ambulances were deployed in partnership with Cornwall, Devon and Somerset, Dorset and Wiltshire, Avon and Gloucestershire fire and rescue services. These vehicles are crewed by one firefighter and one SWAST emergency care assistant initially. Devon & Somerset are the lead fire and rescue service to allow for clear lines of communications and a consistent approach to this project and are currently providing blue light drivers for five patient support vehicles. This support remained in place throughout 2020-21 and continues into 2021-22

A COVID-19 Integrated Risk Management Plan (IRMP) was introduced in March 2020 which has driven a number of changes or pieces of activity to the work that would usually be undertaken, conducting risk visits and providing safety advice remotely where possible and tailoring activity to the pandemic risk, for example supporting businesses to ensure that they reopened safely and in line with fire regulations. Insight driven communications have targeted members of the public to alert to the dangers around emerging risks and change behaviours.

Recovery from COVID-19

The Service is now in a recovery planning phase and therefore a recovery impact assessment was issued to key functions and stakeholders to identify the impacts, opportunities and risks that this business continuity (BC) event has shown us. As the government continues to evaluate the changing environment and reviews the rules and regulations originally in place, the Service has to respond accordingly to ensure its approach to recovery remains measured, coordinated and safe. This business continuity event has provided the Service with the unique opportunity to review and ensure that all department and strategic plans pull in the same direction moving forward.

Rather than return to 'business as usual', the Service will plan the recovery to ensure it learns from a variety of sources and adapts from the opportunities and lessons learnt. This reflection will feed into strategic objectives to evaluate our learning, particularly focussing on organisational resilience, hybrid working and review of the estate. At time of signing off these financial statements, the recovery and smarter working programme was being progressed and scoped.

Risks and Opportunities of COVID-19

Part of the business continuity process has been to establish a COVID-19 risk register. The risk register is reviewed on a fortnightly basis and captures items which could impact on current or future performance. Mitigating actions are implemented to reduce risk to acceptable levels. The key risks (R) and opportunities (O) identified are:

- ICT infrastructure to support new ways of working (R/O)
- Identifying, reacting and monitoring progress against the volume of change (R)
- Cyber-attack (R)
- Increasing costs (supplies, consumables, vehicles) and reduction of income (council tax, business rates, commercial) impacting on financial outturn for 2020-21 (R)
- Responding to the new ways of working imposed by the government through emergency legislation and interpretation of relevant professional guidance (R/O)
- Availability of staff and social distancing results in reduced levels of service (R)
- Reprioritisation of activities to manage Covid response reduces resources available to deliver and implement change (R/O)
- Innovation and new ways of working and learn from business continuity pandemic arrangements (O)
- Future financial planning may be impacted by another recession in particular the impact on collection funds (R)
- Internal controls impacted by remote working practices (R)
- Staff welfare issues (R) arising from Covid risks and new ways of working (O)
- Health and safety implications of changes to working practices (R)
- Ability to maintain an effective service to agreed response standards (R/O)
- Documenting and managing emerging risks (R/O)
- Effective internal and external communications (R/O)

Governance during COVID-19

Due to lockdown restrictions, the Authority and its committees have not been able to operate as usual. Per amended regulations, the Annual General Meeting of the Authority was deferred to 2021. Until 2 July 2020, the Service was operating under urgency powers, as laid out in standing orders, with decisions being made by the Chief Fire Officer in consultation with the Chair and published on the Authority's website. Since July 2020 video conferencing was introduced to enable properly constituted virtual meetings. Plans are now underway to return to physical meetings now that emergency regulations have expired. Further detail on revised governance arrangements is available in the Annual Statement of Assurance which is published alongside these accounts. As part of our business continuity response, the Service has implemented a new management structure, using gold, silver and bronze (cells) tiers.

Financial Impacts of COVID-19

The key financial risks relating to the COVID-19 pandemic were reported to the Resources Committee on the 2nd of July 2020 (available on the Authority website). The cessation of some activity in particular delays to the capital programme had effect of improving cash flows for the Authority during 2020-21 and delivering savings in other areas, such as travel, resulting in a surplus at year-end. The activity planned under most budget headings will still need to be delivered in future years and therefore the funding will be rolled forward in to reserves. The Authority has a healthy cash position, with sufficient reserves to ensure protection from delayed payments for a prolonged period with the majority of cash reserves being held in short-term investments which are accessible should the need arise. In addition, fire authorities were supported by central government who have paid several grants early to ease any cash flow pressures.

The Authority has benefited from £1.6m of specific COVID grants in 2020-21 and compensation for loss of income from its trading arm. The government has delivered further measures to support local authorities during 2021-22 with pressures arising from loss of income from Council Tax and Business Rates. The Authority, in collaboration with the fire sector, will be seeking to measure and understand the longer-term impact of losses and request government support against any detriment.

Financial Performance for the year

Economic Context and outlook

At the budget in 2020 the government announced that "Austerity is over" which was thought to mean a slow down in the rate of cuts to public services. However, the Fire Service is an "unprotected" service which means it can expect further reductions in government funding beyond the current Spending Review period. 2019-20 was the final year of a four-year Local Government Finance Settlement which saw a reduction in central government funding of 25% (£7.3m) over the period. The Government has delayed its Spending Review from 2019, initially due to Brexit and then the pandemic. This has resulted in a rollover of 2019-20 funding in to 2020-21 and 2021-22 with additional support for fire protection activity via section 31 (one-off) grants. Current expectation is for a three year settlement to cover 2022-25, although there is potential for further delay of the spending review due to the Coronavirus pandemic.

The Coronavirus pandemic has increased uncertainty over funding available to all public services, with the likely impact on the long-term economy unknown. It is therefore even more important that scenario planning informs financial plans for the Authority. A sustained economic downturn is likely to exacerbate the risk that households and business will struggle to pay their council tax and business rates bills, restricting the funding available to local services.

Against this backdrop it is imperative for the Authority's Medium Term Financial Plans to be focused on providing forecasts of budget savings required and to inform its strategic planning. So far the Authority has responded well based upon a strategy which has been focused around the three key areas of improving efficiency, reducing costs and increasing income generation. Total recurring budget savings of £20.1m have been delivered since 2010. The Service is in the process of developing the next phase of savings and improvement plans for the period to 2024-25. It is forecast that a minimum of £7.2m of recurring savings need to be identified over that period but that this may increase to £17.3m if funding risks and cost pressures do materialise.

The Service has progressed well with its Safer Together programme, a range of projects to deliver improvements to the Service alongside the required savings alongside significant investment in the On Call service. However some projects will take longer than others to deliver cashable savings and it may be the case that there will be some call on reserve balances during the next four years to assist in setting a balanced budget.

The Authority has established an Earmarked Reserve specifically to provide funding to enable a smoothing of the impact of funding reductions. It is considered that this reserve will also provide required financial contingency against any unforeseen change in circumstances. The Authority has reviewed its published Reserves Strategy in light of the Coronavirus pandemic.

The COVID-19 crisis has seen unprecedented change globally and has the ability to significantly impact on the way we live our lives as well as the global economy. At time of writing and 15 months in to UK restrictions, there is still much speculation over the longer term impact with most considering a prolonged downturn to be likely which will of course impact on the Authority. Due to such uncertainty, the best way to assess future impact is to engage nationally to ensure we have the latest information available to inform planning. Reassuringly, the investment portfolio and asset base of the Authority is not considered to be impaired and therefore no amendments have been made to the balance sheet.

Revenue spending in 2020-21 after transfer to reserves of £10.8m was £77.3m, compared to an agreed budget of £77.3m. Table 1 provides a summary of revenue spending in 2020-21 compared with agreed budget headings.

TABLE 1 – SUMMARY OF REVENUE SPENDING 2020-21

	Budget	Spending	Variance
	£m	£m	£m
Employee Costs	63.8	63.5	(0.3)
Premises Related Costs	4.2	4.1	(0.1)
Transport Related Costs	3.3	2.8	(0.4)
Supplies and Services	7.0	6.2	(0.8)
Establishment Expenses	0.7	0.6	(0.1)
Payments to Other Authorities	0.7	0.6	(0.1)
Capital Financing	5.5	5.4	(0.2)
Gross Spending	85.2	83.2	(2.0)
Income	(8.9)	(16.0)	(7.1)
Transfer to (from) Reserves	1.0	10.0	9.0
Net Spending	77.3	77.3	0.0
Funded By:			
Council Tax Precept	(54.7)		
Business Rates Redistribution	(16.2)		
Central Government Funding	(6.4)		
Total Funding	(77.3)		

An underspend of £2.333m, equivalent to 3.02% of the total revenue budget, has been achieved due to income exceeding targets in 2020/21 - this was due to restrictions in place for the whole of the year as a result of the Covid 19 pandemic. There was a requirement to account for loss of income relating to Council Tax and National Non-Domestic Rates in 2020-21. This has been moved into a Earmarked Reserve to assist with funding the Authority in 2021-22 - 2022-23. This accounts for the large amount of income accounted for.

Contributions to Earmarked Reserve

The Fire Authority approved that the net underspend of £1.867m be transferred to fund the future investment in Capital expenditure thus reducing the requirement to borrow external funding in the future. Further detail on all Earmarked Reserve balances is included in Note 20 to the financial statements.

Reductions to Provisions

The reported spending for 2020-21 includes a £157k reversal of a provision set aside to fund future firefighter pension costs, which leaves the provision balance of £0.502m as at 31 March 2021. This balance is considered to be sufficient to fund any costs resulting from case law relating to pensionable allowances and has been based upon information received from the National Employers Council relating to compensatory payments to be made to individual fire-fighters and internal calculations of employer's pension.

Capital Expenditure and Financing 2020/21

The financial statements include capital spending of £4.6m in 2020-21 of which £2.6m has been spent either on the rebuild of fire stations or improvements to them and £2.0m on replacement fleet and equipment, primarily focused on the continued roll-out of new traditional fire appliances to replace older vehicles of the same type.

Aligned to the Authority strategy to avoid any new external borrowing to fund medium term capital spending, no new borrowing was taken out in 2020-21. Of the total spending of £4.6m an amount of £1.5m was funded from existing borrowing.

Authority Borrowing

External borrowing from the Public Works Loan Board (PWLb) as at 31 March 2021 was £24.8m, a reduction of £0.6m from the figure at the beginning of the financial year as a result of principal repayments. All of this debt is at fixed rates which protects costs from adverse changes in interest rates in the future. This level of debt is well within the maximum debt level of £28.7m, set by the Authority at the beginning of the financial year as one of its prudential indicators for capital financing.

Pension Liabilities

As at 31 March 2021 the Authority pension liability has been calculated to be £883.2m (£729.9m in 2019-20). This is based on an actuarial assessment and represents accrued benefits of members of the pension schemes that the Authority participates in; the Fire-fighter Pension Schemes (operational staff) and the Local Government Pension scheme (civilian staff). Further details of the assets and liabilities of each scheme are included in note 30 of these Accounts.

The impact of reporting pension assets and liabilities, under the current accounting standards (IAS19), is that all fire and rescue authorities, and also police services, find themselves in the position of reporting significant net liability position in the balance sheet. This is because the Fire-fighter Pension Scheme is not a funded scheme, unlike the Local Government Scheme, and therefore has no reported assets to meet future pension costs. It should be emphasised that this liability position does not cause any funding concerns as it does not require any immediate call on Authority reserves. Current accounting standards for the Fire-fighter Scheme require that the Authority only set aside provision for retirement benefits in the year in which the commitment arises.

In 2015 the Government introduced reforms to public sector pensions, meaning most public sector workers were moved into new pension schemes in 2015. In December 2018, the Court of Appeal ruled that the 'transitional protection' offered to some members of the judges and fire fighters' schemes as part of the reforms amounted to unlawful discrimination. The Government sought permission to appeal from the Supreme Court, however this was not granted.

The Government has considered the impact of the Court of Appeal decision including any impact on other public service schemes and launched a consultation to address the discrimination in July 2020. The proposed remedy is to offer pension scheme members the option to return to their previous scheme if this is preferential and will therefore increase costs of the scheme going forward, although this cannot be measured with any certainty at this time. The final remedy was confirmed when HMT published their response to their consultation on 4 February 2021, with no change to that proposed in the consultation. Last year's Statement of Accounts was in line with this remedy therefore no further adjustments are required to the allowance

Assets/Liabilities of the Authority

The balance sheet of the Authority as at 31 March 2021 shows a net liability of £753.1m (£600.3m as at 31 March 2020 RESTATED). This includes the pension liability of £883.2m (£727.7m as at 31 March 2020 RESTATED) required to be included under IAS 19.

Performance and Use of Resources

Public Safety - We believe it is better to prevent an emergency from happening in the first place rather than deal with it when it does. To support this belief we work with local communities and partners to educate them in how to reduce the risk of fires and other emergencies and do all we can to help prevent crime and disorder through, for example, our work on reducing incidents of arson.

If a fire does start, we want to make sure people have the best chance of escape and that the disruption to business and the community is kept to a minimum. We will work with businesses to influence and regulate the built environment to protect people, property and the natural environment from harm.

In situations when an emergency response is needed, we will make sure that our resources are appropriately located, reflecting our Integrated Risk Management Plan, so that we have the right resources in the right place at the right time.

Staff Safety - As our work evolves due to the changing demands on our service, we need to make sure that we develop our staff so they have the right skills and values to deliver our services to the community. Our staff need to operate in a safe and supportive working environment and we will provide them with the most appropriate vehicles, equipment and information relevant to the risks they are likely to face.

Effectiveness and Efficiency - We will aim to continuously improve our effectiveness and efficiency. This means that we are working to improve, while at the same time spending less money. To achieve this, we will need to transform the way we work through continuous long-term improvement. We will promote this transformation by involving staff and the community, encouraging innovation and change, and looking for opportunities to do things differently for the benefit of the community. We will learn from other high-performing organisations and focus on activities that support effectiveness and efficiency.

Key Performance Indicators

In Table 2 is a summary of performance against corporate Key Performance Indicators (KPIs) in 2020-21 with a comparison against the previous year. Our KPIs are reported to the Fire Authority throughout the year and are used to benchmark against other Service's.

Table 2 - SUMMARY OF KPI's 2020-21

Measure			
Non-financial Indicators	2020-21	2019-20	variance
Number of deaths as a result of fires where people live	10	8	25.00%
Number of injuries as a result of fire where people live	69	84	-17.86%
Number of fires where people live	877	932	-5.90%
Number of fire related deaths where people work, visit and in vehicles	2	1	1
Number of fire related injuries where people work, visit and in vehicles	15	16	6.25%
Number of fires where people work, visit and in vehicles	1,100	1,315	-16.35%
Emergency Response Standard for attendance at fires where people live (1st appliance to attend within 10 minutes)	71.3%	71.2%	+0.1% pt
Emergency Response Standard for attendance at road traffic collisions (1st appliance to attend within 15 minutes)	75.5%	76.6%	-1.1% pt
Sickness - Rate of shifts lost to sickness per full time equivalent (FTE)	6.27	9.07	-30.87%

Overview of Service Performance in 2020-21

The COVID-19 pandemic and resultant national lockdowns have had a material impact on some of our non-financial indicators. Working patterns that were historically ingrained have vastly changed during the pandemic. Even with more and more people working at home for longer, the number of fires where people live have reduced. It is a similar story for the number of recorded fires where people work, visit and in vehicles. As a result of numerous lockdowns and people undertaking far fewer journeys during the financial year 2020-21. Whilst looking internally, the level of sickness recorded was significantly lower compared to the previous year, again this reflects the change in working patterns with a switch to almost exclusively working from home. The prevention work undertaken by the service took a drastic hit during the pandemic. In previous years the new Home Safety app had allowed the Service to increase the number of HFSVs being provided to clients. The emergence of the COVID-19 pandemic had resulted in a scaling back of the number of face to face visits in people's homes replaced by providing home safety advice over the phone. Although the number of visits since the start of the 2021 calendar year have gone back to pre-pandemic levels.

Devon & Somerset Fire & Rescue has a statutory obligation to ensure that non-domestic premises and public events are compliant with fire safety regulations. In a similar vein to the prevention work, the COVID-19 pandemic hampered the Service in undertaking on-site visits. In 2020-21 the Service conducted over 400 fire safety checks, over 300 fire safety audits and 6,000 other protection activities to help ensure public safety.

The Business Safety team continue to engage with the call for evidence initiative / Building a Safer Future (Post Grenfell) and have contributed to reviews of:

- Regulatory Reform (Fire Safety) Order 2005
- NFCC Competency framework
- Review of LACORS fire safety guidance
- Building Regulations
- Freedom of Information requests

Developing and maintaining successful partnerships with businesses and partner agencies is essential to support improved understanding of regulatory requirements and ensure that the places that people work and visit are compliant and aware of fire safety. Liaising with hospitals, universities, housing providers, the Care Quality Commission and Environmental Health is a key activity. The Service also works closely with council's Building Control Departments, communicating regularly regarding building developments to ensure compliance with fire safety regulations.

Conclusion on performance for the year

The Authority has been in a good position to use its resources to effectively respond locally to the global coronavirus crisis and continue to meet the needs of the community it serves. The longer-term impact of the pandemic remains to be seen but a continued focus on organisational and financial risk management will enable effective performance going forward. For 2020-21, the Authority has been able to not only deliver the targeted savings required to set a balanced budget, but also to deliver income in excess of target which has been transferred to Earmarked Reserves to fund future change activity.

I would like to take this opportunity to place on record my own thanks to members and officers of the Authority who have played their part in securing the financial health of the Authority during 2020-21.

Shayne Scott
Authority Treasurer

STATEMENT OF RESPONSIBILITIES FOR THE ACCOUNTS

Responsibilities of the Authority

The Authority is required to:

- Make arrangements for the proper administration of its financial affairs and to secure that one of its Officers has the responsibility for the administration of those affairs. For the Fire Authority, that Officer is the Treasurer.
- Manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.
- Approve the Statement of Accounts

Responsibilities of the Treasurer

The Treasurer is responsible for the preparation of the Authority's Statement of Accounts in accordance with proper practices, as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in United Kingdom.

In preparing the Statement of Accounts, the Treasurer 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 Treasurer has also:

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

Treasurer's Certificate

I certify that the Statement of Accounts provide a true and fair view of the financial position of the Authority at the accounting data and its income and expenditure for the year ended 31 March 2021.

Shayne Scott
Treasurer to the Authority
Date: 29/09/2021

STATEMENT OF ACCOUNTING POLICIES

General principles

The Statement of Accounts summarises the Service transactions for the 2020-21 financial year and its position at the year-end of 31 March 2021. The Authority is required to prepare an annual Statement of Accounts by the Accounts and Audit Regulations 2015, which are to be prepared in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2020-21, supported by International Financial Reporting Standards (IFRS) and statutory guidance issued under the 2015 Act.

These accounts have been prepared on a going concern basis, it is assumed that the functions of the Authority will continue in operational existence for the foreseeable future.

The accounting convention adopted in the Statement of Accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments.

Each entry in the Statement of Accounts is consistently rounded to the nearest £1,000 and because of the complexity of the accounts there will be instances where, due to the use of rounding, subtotals or final totals appear inconsistent with the entries which make up the total or where an entry has a small difference between notes. These minor rounding differences are considered immaterial to the overall presentation of the Statements and accompanying notes.

Charges to Revenue

The Income and Expenditure Account is charged for the use of capital. These charges comprise of minimum revenue provision (MRP) and depreciation.

Basis of Provision for the Redemption of Debt and External interest

The extent to which the Authority is to set aside an amount each year from its revenue budget to repay debt is laid down in its Minimum Revenue Provision (MRP) Statement, as agreed at the beginning of the financial year. The policy adopted by the Authority is to make a provision based upon the useful lives of the assets which are being provided for.

Interest charged on external borrowing, and also interest receivable on investments, is accrued and accounted for in the period to which it relates.

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 particular:

Revenue is recognised when the Authority transfers the significant risks and rewards of ownership to the purchaser and it is probable that economic benefits or service potential associated with the transaction will flow to the Authority.

Revenue from the provision of services is recognised when the Authority can measure reliably the percentage of completion of the transaction and it is probable that economic benefits or service potential associated with the transaction will flow to the Authority. The main source of revenue for the Service is Council Tax and Government Grant.

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

Supplies are recorded as expenditure when they are consumed. Where there is a gap between the date supplies are received and their consumption, they are carried as inventories on the Balance Sheet.

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. They are measured at the fair value of the consideration payable.

Interest receivable on investments and payable on borrowings is accounted for respectively as income and expenditure 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 revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

The basis on which payables and receivables are included in the Accounts is as follows:

Payables are accrued on expenditure to cover goods and services received but not paid for by 31 March 2021.

Receivables are accrued on income to cover goods and services provided before 31 March 2021 but for which no payment has been received.

IFRS15 - Revenue from Contracts

We have reviewed the requirements of IFRS 15 - Revenue from Contracts, and consider that this standard does not apply to the Authority

Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in three months or less from the date of the Accounts and that are readily convertible to known amounts of cash with insignificant risk of change in value. Investments exceeding 3 months but less than 12 months are classed as short-term investments.

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

Prior Period Adjustments, Changes in Accounting Policies and Estimates and Errors

Prior period adjustments may arise as a result of a change in accounting policies or to correct a material error. Changes in accounting estimates are accounted for prospectively, i.e. in the current and future years affected by the change and do not give rise to a prior period adjustment.

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Authority's financial position or financial performance. Where a change is made, it is applied retrospectively (unless stated otherwise) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.

Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period.

Charges to Revenue for Non-Current Assets

Services, support services and trading accounts are debited with the following amounts to record the cost of holding depreciation attributable to the assets used by the relevant service

revaluation and impairment losses on assets used by the service where there are no accumulated gains in the Revaluation Reserve against which the losses can be written off

amortisation of intangible fixed assets attributable to the service.

The Authority is not required to raise council tax to fund depreciation, revaluation and impairment losses or amortisations. However, it is required to make an annual contribution from revenue towards the reduction in its overall borrowing requirement equal to an amount calculated on a prudent basis determined by the Authority in accordance with statutory guidance. Depreciation, revaluation and impairment losses and amortisations are therefore replaced by the contribution in the General Fund Balance [MRP or loans fund principle], by way of an adjusting transaction with the Capital Adjustment Account in the Statement of Movement in Reserves for the difference between the two.

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 such benefits as wages and salaries, paid annual leave and paid sick leave, bonuses and non-monetary benefits (e.g. cars) for current employees and are recognised as an expense for services in the year in which employees render service to the Authority. An accrual is made for the cost of holiday entitlements (or any form of leave, e.g. time off in lieu) earned by employees but not taken before the year-end which employees can carry forward into the next financial year. The accrual is made at the wage and salary rates applicable in the following accounting year, being the period in which the employee takes the benefit. The accrual is charged to Surplus or Deficit on the Provision of Services, but then reversed out through the Statement of Movement in Reserves so that holiday benefits are charged to revenue in the financial year in which the holiday absence occurs.

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 an officer's decision to accept voluntary redundancy. Benefits are charged on an accruals basis to the Cost of Service line in the Comprehensive Income and Expenditure Statement when the Authority is demonstrably committed to the termination of the employment of an officer or group of officers or making an offer to encourage voluntary redundancy.

Where 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 Statement of Movement in Reserves, 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.

Post-Employment Benefits

The treatment of pension costs in these accounts complies with the Code of Practice on Local Authority Accounting for 2020-21, which requires adoption of IAS19 Employee Benefits.

The Authority participates in five different pension schemes to meet the needs of the employees. Each scheme provides members with defined benefits related to pay and service. These schemes are administered by either West Yorkshire Pension Fund for the firefighters pension scheme or Peninsula Pensions for the Local Government Pension Scheme.

(a) Uniformed Staff

From 6th April 2015, the Firefighters pension 2006 and 2006 modified schemes were closed to new entrants and replaced with the new Firefighters pension scheme 2015. These schemes and the previous 1992 scheme are unfunded. The Authority is responsible for deducting contributions from current employees to be paid into the Pensions Account, together with an employer's contribution based upon a rate set by the Government Actuary Department (GAD). The last valuation was undertaken in December 2017. The four schemes administered for Uniformed staff are:-

- 1992 scheme
- 2006 scheme
- 2006 modified scheme
- 2015 scheme

(b) Civilian Staff

Other employees, subject to certain qualifying criteria, are eligible to join the Local Government Scheme through the Pension Fund, which is administered by Peninsula Pensions on behalf of Devon County Council. The employer's contribution rate for those employees in the scheme is based on advice from the Fund's Actuary who carries out regular actuarial valuations. The last valuation was undertaken in March 2019.

Pensions Reserve and Impact on Council Tax

For all schemes, the pension costs charged in the accounts are as introduced by the reporting requirements of the Standard IAS19. This means that the figures are calculated on an actuarial basis to reflect the Authority's share of the increase in the present value of pension liabilities arising from employee service in the current period.

It is a statutory requirement that the cost of pension's benefits to be funded by taxation are those cash payments made in accordance with the scheme requirements. These payments do not match the change in the Authority's pension assets or liabilities for the same period including the real cost of retirement benefits earned during the year by Authority employees. The difference between the cost charged against taxation and the real cost of retirement benefits is represented by an appropriation to the pensions reserve, which equals the net change in the pensions liability recognised in the Comprehensive Income & Expenditure Account.

Financial Instruments

Financial Liabilities

Financial liabilities are recognised on the Balance Sheet when the Authority becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value and are carried at their amortised cost. Annual charges to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments over the life of the instrument to the amount at which it was originally recognised.

For the borrowings that the Authority has, this means that the amount presented in the Balance Sheet is the outstanding principal repayable (plus accrued interest); and interest charged to the Comprehensive Income and Expenditure Statement is the amount payable for the year according to the loan agreement.

The Authority has not provided or received any soft loans as at 31st March 2021.

Gains and losses on the repurchase or early settlement of borrowing are credited and debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement in the year of repurchase/settlement. However, where repurchase has taken place as part of a restructuring of the loan portfolio that involves the modification or exchange of existing instruments, the premium or discount is respectively deducted from or added to the amortised cost of the new or modified loan and the write-down to the Comprehensive Income and Expenditure Statement is spread over the life of the loan by an adjustment to the effective interest rate.

Where premiums and discounts have been charged to the Comprehensive Income and Expenditure Statement, regulations allow the impact on the General Fund Balance to be spread over future years. The Authority has a policy of spreading the gain or loss over the term that was remaining on the loan against which the premium was payable or discount receivable when it was repaid. The reconciliation of amounts charged to the Comprehensive Income and Expenditure Statement to the net charge required against the General Fund Balance is managed by a transfer to or from the Financial Instruments Adjustment Account in the Statement of Movement in Reserves.

Financial Assets

Loans and receivables are recognised on the Balance Sheet when the Authority becomes party to the contractual provisions of a financial instrument and are initially measured at fair value. They are subsequently measured at their amortised cost. Annual credits to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument.

For the loans that the Authority has made, this means that the amount presented in the Balance Sheet is the outstanding principal receivable (plus accrued interest) and interest credited to the Comprehensive Income and Expenditure Statement is the amount receivable for the year in the loan agreement.

Financial assets are classified based on a classification and measurement approach that reflects the business model for holding the financial assets and their cashflow characteristics. There are three main classes of financial assets measured at:

- amortised cost
- fair value through profit or loss (FVPL), and
- fair value through other comprehensive income (FVOCI)

The Authority business model is to hold investments to collect contractual cash flows. Financial assets are therefore classified as amortised cost, except for those whose contractual payments are not solely payment of principal and interest (i.e. where the cash flows do not take the form of a basic debt instrument).

Financial Assets Measured at Amortised Cost

Financial assets measured at amortised cost are recognised on the Balance Sheet when the Group becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value. They are subsequently measured at their amortised cost. Annual credits to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. For most of the financial assets held by the Authority, this means that the amount presented in the Balance Sheet is the outstanding principal receivable (plus accrued interest) and interest credited to the Comprehensive Income and Expenditure Statement is the amount receivable in year.

Any gains or losses that arise on the derecognition of an asset are credited or debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

Expected Credit Loss Model

The Group recognises expected credit losses on all of its financial assets held at amortised cost (or where relevant FVOCI), either on a 12 month or lifetime basis. The expected credit loss model also applies to lease receivables and contract assets. Only lifetime losses are recognised for trade receivables (debtors) held by the Group.

Impairment losses are calculated to reflect the expectation that the future cash flows might not take place because the borrower could default on their obligations. Credit risk plays a crucial part in assessing losses. Where risk has increased significantly since an instrument was initially recognised, losses are assessed on a lifetime basis. Where risk has not increased significantly or remains low, losses are assessed on the basis of 12 month expected losses.

Financial Assets Measured at Fair Value through Profit or Loss

Financial assets that are measured at FVPL are recognised on the Balance Sheet when the Group becomes a party to the contractual provisions of a financial instrument and are initially measured and carried at fair value. Fair value gains or losses are recognised as they arrive in the Surplus or Deficit on the Provision of Services.

The fair value measurements of the financial assets are provided by the Group of Treasury advisors.

Any gains or losses that arise on the derecognition of the asset are credited or debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

Government Grants and Contributions

Revenue Support Grant and National Non Domestic Rates grant are received direct from government. Whether paid on account, by instalments or in arrears, government grants and third party contributions and donations are recognised as due to the Authority when there is reasonable assurance that:

- the Authority will comply with the conditions attached to the payments, and
- the grants or contributions will be received.

Amounts recognised as due to the Authority are not credited to the Comprehensive Income and Expenditure Statement until conditions attached to the grant or contribution have been satisfied. Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset acquired using the grant or contribution are required to be consumed by the recipient as specified, or future economic benefits or service potential must be returned to the transferor.

Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet as creditors. When conditions are satisfied, the grant or contribution is credited to the relevant service line (attributable revenue grants and contributions) or Taxation and Non-Specific Grant Income (non-ring-fenced revenue

Where capital grants are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Balance in the Statement of Movement in Reserves. Where the grant has yet to be used to finance capital expenditure, it is posted to the Capital Grants Unapplied reserve. Where it has been applied, it is posted to the Capital Adjustment Account. Amounts in the Capital Grants Unapplied reserve are transferred to the Capital Adjustment Account once they have been applied to fund capital expenditure.

Inventories and Long Term Contracts

Inventories are included in the Consolidated Balance Sheet at cost.

Long term contracts are accounted for on the basis of charging the Surplus or Deficit on the Provision of Services with the value of works and services received under the contract during the financial year. As at 31 March 2021 the Authority had significant Capital contracts outstanding as detailed in Note 11 to the accounts.

Leases

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property, plant or equipment from the lessor to the lessee. All other leases are classified as operating leases.

Where a lease covers both land and buildings, the land and buildings elements are considered separately for classification.

Arrangements that do not have the legal status of a lease but convey a right to use an asset in return for payment are accounted for under this policy where fulfilment of the arrangement is dependent on the use of specific assets.

The Authority as Lessee

Finance Leases

Property, plant and equipment held under finance leases is recognised on the Balance Sheet at the commencement of the lease at its fair value measured at the lease's inception (or the present value of the minimum lease payments, if lower). The asset recognised is matched by a liability for the obligation to pay the lessor. Initial direct costs of the Authority are added to the carrying amount of the asset. Premiums paid on entry into a lease are applied to writing down the lease liability. Contingent rents are charged as expenses in the periods in which they are incurred.

Lease payments are apportioned between:

- a charge for the acquisition of the interest in the property, plant or equipment – applied to write down the lease liability, and
- a finance charge (debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement).

Property, Plant and Equipment recognised under finance leases is accounted for using the policies applied generally to such assets, subject to depreciation being charged over the lease term if this is shorter than the asset's estimated useful life (where ownership of the asset does not transfer to the authority at the end of the lease period).

The Authority is not required to raise council tax to cover depreciation or revaluation and impairment losses arising on leased assets. Instead, a prudent annual contribution is made from revenue funds towards the deemed capital investment in accordance with statutory requirements. Depreciation and revaluation and impairment losses are therefore substituted by a revenue contribution in the General Fund Balance, by way of an adjusting transaction with the Capital Adjustment Account in the Statement of Movement in Reserves for the difference between the two.

Operating Leases

Rentals paid under operating leases are charged to the Comprehensive Income and Expenditure Statement as an expense of the services benefitting from use of the leased property, plant or equipment. Charges are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments (e.g. there is a rent-free period at the commencement of the lease).

Further information in respect of leasing obligations is included in the notes to the core financial statements (Note 27).

Overheads Support Services Costs

In line with the CIPFA Code of Practice, all overheads and support services costs are allocated to the Authority's reportable segment - Fire & Rescue Services.

Property, plant and equipment

Assets that have physical substance and are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and that are expected to be used during more than one financial year are classified as Property, Plant and Equipment.

Recognition

Expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Authority and the cost of the item can be measured reliably. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (i.e. repairs and maintenance) is charged as an expense when it is incurred.

Intangible Assets

There are no intangible assets recognised by the Authority.

Tangible Assets

All expenditure on the acquisition, creation or enhancement of fixed assets is capitalised on an accruals basis. Expenditure below £20,000 on plant and equipment is treated as de-minimis, it is not capitalised and accordingly is charged to the revenue account in the year it is incurred.

Measurement

Assets are initially measured at cost, comprising: the purchase price, any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Assets are then carried in the Balance Sheet using the following measurement bases:

Infrastructure, community assets and assets under construction – depreciated historical cost;

All other assets – fair value, determined as the amount that would be paid for the asset in its existing use (existing use value – EUV).

Under IFRS 13 Fair Value Measurement, non-cash and non-operational current assets are required to be valued at Market Value. The Authority does not hold any of this type of asset.

Assets included in the Balance Sheet at fair value are revalued sufficiently regularly to ensure that their carrying amount is not materially different from their fair value at the year-end. A full revaluation was undertaken as at the 31 March 2021. A full revaluation will be undertaken every five years as a minimum. The Authority's valuer is NPS South West Ltd which is a subsidiary of NPS Consultants Ltd, a controlled company of Norfolk County Council.

Land and buildings costs have been separately identified and will continue to be so for all future revaluations.

Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains.

The Revaluation Reserve contains revaluation gains recognised since 1 April 2007 only, the date of its formal implementation. Gains arising before that date have been consolidated into the Capital Adjustment Account.

Impairment

Assets are assessed at each year-end as to whether there is any indication that an asset may be impaired. Where indications exist and any possible differences are estimated to be material, the recoverable amount of the asset is estimated and, where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall.

Where impairment losses are identified, they are accounted for by:

- where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains)
- where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement.

Where an impairment loss is reversed subsequently, the reversal is credited to the relevant service line(s) in the Comprehensive Income and Expenditure Statement, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

Depreciation

Depreciation is provided for on all Property, Plant and Equipment assets by the systematic allocation of their depreciable amounts over their useful lives using the straight-line method. An exception is made for assets without a determinable finite useful life (i.e. freehold land and certain Community Assets) and assets that are not yet available for use (i.e. assets under construction).

Depreciation is calculated on the following basis:

Buildings including PFI assets – useful economic life of each asset determined as part of the revaluation process.

Fire Appliances – useful economic life assessed to be 12 years except for specialist vehicles (e.g. Aerial Platforms) which have longer useful lives dependent on the specifics of the vehicle

Vehicles, plant and furniture and equipment – useful economic life assessed to range from 5-7 years.

Intangible assets are to be amortised over 7 years.

Where an item of Property, Plant and Equipment asset has major components whose cost is significant in relation to the total cost of the item, the components are depreciated separately (see componentisation note below).

Revaluation gains are also depreciated, with an amount equal to the difference between current value depreciation charged on assets and the depreciation that would have been chargeable based on their historical cost being transferred each year from the Revaluation Reserve to the Capital Adjustment Account.

Componentisation

Where an asset has components which have a significantly different life, depreciation is applied over the life of each component rather than applying the same life for the whole of the asset. Components for fire stations are the land (indefinite life), main structure (60 year life (40 years if prefabricated)), mechanical & electrical (20 year life) and steel training towers (30 year life (40 years if masonry)).

Disposals and Non-current assets held for sale

When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet (whether Property, Plant and Equipment or Assets Held for Sale) is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposals (if any) are credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal). Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

Amounts received for disposals of fixed assets are credited to the Capital Receipts in Advance Account. Receipts are appropriated to the account from the General Fund Balance in the Statement of Movement in Reserves.

The written-off value of disposals is not a charge against council tax, as the cost of fixed assets is fully provided for under separate arrangements for capital financing. Amounts are appropriated to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement.

Heritage Assets

Heritage assets are something which have a historical, artistic, scientific, technological, geophysical or environmental qualities that are held and maintained principally for their contribution to knowledge and culture.

The Authority has identified heritage assets held by the Service however no recognition has been included in the Accounts on the grounds that the value is not material, and that the exercise of obtaining valuations for the vast majority of these assets would involve a disproportionate cost in comparison to the benefits to the users of the Authority's financial statements.

Private Finance Initiative (PFI) and Similar Contracts

PFI and similar contracts are agreements to receive services, where the responsibility for making available the property, plant and equipment needed to provide the services passes to the PFI contractor. Devon & Somerset Fire & Rescue Authority, in partnership with Avon Fire Authority and Gloucestershire County Council has invested in a PFI project to provide a Fire and Rescue Service training centre.

- Lifecycle replacement costs – proportion of the amounts payable is posted to the Balance Sheet as a prepayment and then recognised as additions to Property, Plant and Equipment when the relevant works are eventually carried out.

Provisions

Provisions are made where an event has taken place that gives the Authority a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation. For instance, the Authority may be involved in a court case that could eventually result in the making of a settlement or the payment of compensation.

Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement in the year that the authority becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year – where it becomes less than probable that a transfer of economic benefits will now be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant service.

Firefighter Employers pensions liability

The provision for Pension liabilities is £0.502m which reflect legislative changes which may have the impact of increasing employers pension contributions.

Non Domestic Rates Appeals provision

A number of appeals have been made to billing authorities against the rateable value of Non Domestic Properties. The Fire Authority is required to account for its share of the provision for successful appeals, amounting to £0.510m in 2020-21.

Contingent Liabilities

A contingent liability arises where an event has taken place that gives the authority a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the authority. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

Contingent liabilities are not recognised in the Balance Sheet but disclosed in a note to the accounts.

There are two contingent liabilities for 2020-21 which result from challenges to changes to the firefighters pension schemes of which can be found within Note 31.

Reserves

The Authority sets aside specific amounts as reserves for future policy purposes or to cover contingencies. Reserves are created by appropriating amounts out of the General Fund Balance in the Statement of Movement in Reserves. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service in that year to score against the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement. The reserve is then appropriated back into the General Fund Balance in the Statement of Movement in Reserves so that there is no net charge against council tax for the expenditure.

Certain reserves are kept to manage the accounting processes for non-current assets, financial instruments, retirement and employee benefits and do not represent usable resources for the Authority – these reserves are explained in the relevant policies.

Details of all reserve balances at the year-end are included with note 20 to these accounts.

Revenue Expenditure Funded from Capital under Statute

Expenditure incurred during the year that may be capitalised under statutory provisions but that does not result in the creation of a non-current asset has been charged as expenditure to the relevant service in the Comprehensive Income and Expenditure Statement in the year. Where the Authority has determined to meet the cost of this expenditure from existing capital resources or by borrowing, a transfer in the Movement in Reserves Statement from the General Fund Balance to the Capital Adjustment Account then reverses out the amounts charged so that there is no impact on the level of council tax.

VAT

VAT payable is included as an expense only to the extent that it is not recoverable from Her Majesty's Revenue and Customs. VAT receivable is excluded from income.

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT FOR THE YEAR ENDED 31 March 2021

This statement shows the accounting 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 Statement of Movement in Reserves.

	NOTE	Gross Expenditure 2020/21 £000	Gross Income 2020/21 £000	Net Expenditure/ (Income) 2020/21 £000	Gross Expenditure 2019/20 £000	Gross Income 2019/20 £000	Net Expenditure/ (Income) 2019/20 £000
Fire & Rescue Service		87,774	(16,145)	71,629	92,222	(8,820)	83,402
Cost of Services		87,774	(16,145)	71,629	92,222	(8,820)	83,402
Financing and Investment Income and Expenditure	9	18,130	(204)	17,927	19,895	(398)	19,497
Other Operating Expenditure / (Income)	8	-	(11,269)	(11,269)	-	(10,214)	(10,214)
Taxation and Non Specific Grant Income	10	-	(74,002)	(74,002)	-	(74,700)	(74,700)
(Surplus) or deficit on provision of services				4,285			17,986
(Surplus)/Deficit on Revaluation of Non-Current Assets	11 & 20			(1,984)			(6,380)
Impairment losses on non-current assets charged to the revaluation reserve	11 & 20			-			-
Actuarial (gains) or losses on Pension assets and liabilities	20			149,148			(67,492)
Other comprehensive income and expenditure				147,164			(73,872)
Total Comprehensive Income and Expenditure				151,449			(55,887)

BALANCE SHEET AS AT 31 March 2021

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 is 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. The first category of reserves comprises those that the Authority is not able to use to provide services. This category of reserves includes reserves that 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 shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations'.

	NOTE	31 March 2021 £000	31 March 2020 £000
Non-Current assets			
Property, plant and equipment	11	112,983	114,850
Long-term Investments	12	1,500	-
Trade and other receivables	15	678	728
Total Long-Term assets		115,161	115,578
Current assets			
Inventories	14	479	392
Trade and other receivables	15	15,989	9,919
Short-term Investments	12	19,000	18,500
Cash and cash equivalents	16	17,581	18,568
Assets held for sale	17	-	-
Total current assets		53,049	47,378
Total assets		168,211	162,956
Current liabilities			
Trade and other payables	18	(11,816)	(7,722)
Borrowings	12	(91)	(188)
Provisions	19	(440)	(598)
PFI Liability	12	(98)	(98)
Total current liabilities		(12,445)	(8,606)
Net current assets		40,605	38,772
Total assets less current liabilities		155,766	154,350
Non-current liabilities			
Borrowings	12	(24,851)	(25,445)
Pensions Liability	30	(883,190)	(729,884)
Provisions	19	(738)	(484)
PFI Liability	12	(912)	(1,013)
Total non current liabilities		(909,691)	(756,827)
Total liabilities		(922,136)	(765,433)
Net assets employed		(753,925)	(602,477)
Unusable Reserves			
Revaluation reserve	20	(37,695)	(38,845)
Capital Adjustment Account	20	(49,431)	(49,452)
Pensions Reserve	20	883,190	729,884
Council Tax + Business Rates Adjustment Accounts	20	2,745	(531)
Accumulated Absence Account	20	1,549	961
PFI - Equalisation Fund	20	(678)	(728)
		799,680	641,289
Usable Reserves			
General fund balance	20	(5,283)	(5,317)
Earmarked reserves	20	(40,471)	(33,496)
Capital Grants Unapplied		-	-
		(45,754)	(38,812)
Total Reserves		753,926	602,477

Shayne Scott
Treasurer to the Authority
Date:

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 March 2021

The Cash Flow Statement shows the changes in cash and cash equivalents of the Authority during the reporting 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.

	NOTE	2020/21 £000	2019/20 £000
Cash flows from operating activities			
Net deficit on provision of services		(4,285)	(17,986)
<u>Adjustments to deficit relating to non-cash movements</u>			
Depreciation and Impairment	11	7,917	7,655
Pension Liability	20	4,159	11,874
(Increase)/decrease in inventories	14	(87)	(76)
(Increase)/decrease in debtors	15	(6,020)	(1,190)
Increase/(decrease) in creditors	18	4,094	472
Increase/(decrease) in provisions	19	96	(116)
Other non-cash movement	13.4	(615)	(50)
Net cash inflow/(outflow) from operating activities		5,258	583
<u>Adjustments to deficit relating to items that relate to investing and financing activities</u>			
Transfer from government grant reserve		-	-
Net cash inflow/(outflow) from operating activities		5,258	583
Net cash inflow/(outflow) from investing activities	13.2	(5,451)	7,931
Cash outflow from financing activities	13.3	(694)	(191)
Net increase/(decrease) in cash and cash equivalents	16	(888)	8,323
Cash/cash equivalents (and bank overdrafts) at the beginning of the financial year	16	18,568	10,245
Cash/cash equivalents (and bank overdrafts) at the end of the financial year	16	17,680	18,568

STATEMENT OF MOVEMENT IN RESERVES FOR THE YEAR ENDED 31 March 2021

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 from the statutory amounts required to be charged to the General Fund Balance for Council Tax setting purposes. The 'Increase/Decrease in year' line shows the movement on the statutory General Fund Balance including Earmarked Reserves.

	Note	Total General fund balance £000	Capital Receipts Reserve £000	Capital Grants Unapplied Reserve £000	Total Usable Reserves £000	Total Unusable Reserves £000	Total Reserves £000
Balance carried forward as at 31 March 2020		38,811	-	-	38,811	(641,288)	(602,477)
Movement in reserves during 2020/21							
Cost of Service	CIES	(4,285)	-	-	(4,285)	-	(4,285)
Other Comprehensive Income and Expenditure		-			-	(147,164)	(147,164)
Total Comprehensive Income and Expenditure		(4,285)	-	-	(4,285)	(147,164)	(151,449)
Adjustments between accounting basis and funding basis under regulations							
<u>PFI Adjustment</u>							
<u>Adjustments involving the Capital Adjustment Account</u>							
Reversal of items in the C.I.E.S.							
Depreciation, impairment & revaluation losses	11	7,917	-	-	7,917	(7,917)	-
Net gain or loss on sale of non-current assets	8	138	379	-	517	(517)	-
Insertion of items not in the C.I.E.S.							
Minimum Revenue Provision	20.2	(2,223)	-	-	(2,223)	2,223	-
Capital expenditure funded direct from revenue	20.2	(2,675)	-	-	(2,675)	2,675	-
<u>Adjustments involving the Pensions Reserve</u>							
Reversal of items related to pension benefits debited or credited to the Comprehensive Income and Expenditure Account	20.2	17,549	-	-	17,549	(17,549)	-
Employers pension contributions and direct payments to pensioners	20.2	(13,390)	-	-	(13,390)	13,390	-
<u>Adjustments involving the Collection Fund Adjustment Account</u>							
Amount by which council tax and business rates income credited to the CIES is different from the council tax calculated by statutory regulations	20.2	3,276	-	-	3,276	(3,276)	-
<u>Adjustments involving the Accumulated Absence Account</u>							
Amount by which officer remuneration charged to the CIES on an accruals basis is different from the remuneration charged in accordance with statutory requirements	20.2	588	-	-	588	(588)	-
<u>Adjustments to Capital Resources</u>							
Use of the Capital Receipts Reserve to finance capital expenditure		-	(379)	-	(379)	379	-
Application of capital grants to finance capital		-	-	-	-	-	-
Cumulative Roundings		-	-	-	-	-	-
Total Adjustments between accounting basis and funding basis under regulations		11,228	-	-	11,228	(11,228)	-
Increase/Decrease in year		6,943	-	-	6,943	(158,392)	(151,449)
Balance carried forward as at 31 March 2021		45,753	-	-	45,753	(799,680)	(753,927)

STATEMENT OF MOVEMENT IN RESERVES FOR THE YEAR ENDED 31 March 2020

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 from the statutory amounts required to be charged to the General Fund Balance for Council Tax setting purposes. The 'Increase/Decrease in year' line shows the movement on the statutory General Fund Balance including Earmarked Reserves.

	Note	Total General fund balance £000	Capital Receipts Reserve £000	Capital Grants Unapplied Reserve £000	Total Usable Reserves £000	Total Unusable Reserves £000	Total Reserves £000
Balance carried forward as at 31 March 2019		38,875	-	-	38,875	(697,237)	(658,363)
Movement in reserves during 2019/20							
Cost of Service	CIES	(17,986)			(17,986)		(17,986)
Other Comprehensive Income and Expenditure		-			-	73,872	73,872
Total Comprehensive Income and Expenditure		(17,986)	-	-	(17,986)	73,872	55,887
Adjustments between accounting basis and funding basis under regulations							
<u>PFI Adjustment</u>	20.2	42			42	(42)	-
<u>Adjustments involving the Capital Adjustment Account</u>							-
<u>Reversal of items in the C.I.E.S.</u>							-
Depreciation, impairment & revaluation losses	11	7,655			7,655	(7,655)	-
Reversal of Impairments	11	-			-	-	-
Net gain or loss on sale of non-current assets	8	181	-		181	(181)	-
<u>Insertion of items not in the C.I.E.S.</u>							-
Minimum Revenue Provision	20.2	(2,195)			(2,195)	2,195	-
Capital expenditure funded direct from revenue	20.2	(299)			(299)	299	-
<u>Adjustments involving the Pensions Reserve</u>							-
Reversal of items related to pension benefits debited or credited to the Comprehensive Income and Expenditure Account	20.2	25,421			25,421	(25,421)	-
Employers pension contributions and direct payments to pensioners	20.2	(13,547)			(13,547)	13,547	-
<u>Adjustments involving the Collection Fund Adjustment Account</u>							-
Amount by which council tax and business rates income credited to the CIES is different from the council tax calculated by statutory regulations	20.2	442			442	(442)	-
<u>Adjustments involving the Accumulated Absence Account</u>							-
Amount by which officer remuneration charged to the CIES on an accruals basis is different from the remuneration charged in accordance with statutory requirements	20.2	222			222	(222)	-
<u>Adjustments to Capital Resources</u>							-
Application of capital grants to finance capital				-	-	-	-
Total Adjustments between accounting basis and funding basis under regulations		17,922	-	-	17,922	(17,922)	-
Increase/Decrease in year		(64)	-	-	(63)	55,950	55,887
Balance carried forward as at 31 March 2020		38,811	-	-	38,811	(641,288)	(602,477)

NOTES TO THE CORE FINANCIAL STATEMENTS

1 EXPENDITURE AND FUNDING ANALYSIS

1.1 NOTE TO THE EXPENDITURE AND FUNDING ANALYSIS

The objective of the Expenditure and Funding Analysis is to demonstrate to the council tax and rate 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 the authority in accordance with generally accepted accounting practices. The Expenditure and Funding Analysis also shows how this expenditure is allocated for the decision making purposes between the Authority's directorates. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement (CIES).

2020/21

	Net Expenditure on General Fund reported to Members	Adjustments to arrive at net amount chargeable to General Fund	Net Expenditure Chargeable to the General Fund (Note 1.2)	Adjustments between Funding and Accounting Basis (Note 1.2)	Net Expenditure in the Comprehensive Income and Expenditure Statement
	£000	£000	£000	£000	£000
Fire & Rescue Service	77,277	(14,272)	50,474	21,155	71,629
Net cost of services	77,277	(14,272)	50,474	21,155	71,629
Other income and expenditure	(77,277)	19,858	(57,418)	(9,927)	(67,345)
(Surplus) or Deficit	0	5,587	(6,944)	11,228	4,284

Opening General Fund	38,811
Plus Surplus on General Fund	
balance in year	6,943
Closing General Fund balance at 31 March	45,753

2019/20

	Net Expenditure on General Fund reported to Members	Adjustments to arrive at net amount chargeable to General Fund	Net Expenditure Chargeable to the General Fund (Note 1.2)	Adjustments between Funding and Accounting Basis (Note 1.2)	Net Expenditure in the Comprehensive Income and Expenditure Statement
	£000	£000	£000	£000	£000
Fire & Rescue Service	74,979	(24,816)	52,598	30,804	83,402
Net cost of services	74,979	(24,816)	52,598	30,804	83,402
Other income and expenditure	(75,142)	22,608	(52,534)	(12,882)	(65,416)
(Surplus) or Deficit	(163)	(2,208)	64	17,922	17,986

Opening General Fund	38,875
Plus Surplus on General Fund	
balance in year	(64)
Closing General Fund balance at 31 March	38,811

1.2 NOTE TO THE EXPENDITURE AND FUNDING ANALYSIS

2020/21	Depreciation charged to the General Fund	Adjustment for Capital Purposes	Net Change for the Pensions Adjustment	Other Differences	Total Adjustment Between funding and Accounting Basis
	£000	£000	£000	£000	£000
Fire & Rescue Service	7,917	(4,899)	17,549	588	21,155
Net Cost of Services	7,917	(4,899)	17,549	588	21,155
Other income and expenditure		138	(13,390)	3,326	(9,927)
Total	7,917	(4,761)	4,159	3,914	11,228

2019/20	Depreciation charged to the General Fund	Adjustment for Capital Purposes	Net Change for the Pensions Adjustment	Other Differences	Total Adjustment Between funding and Accounting Basis
	£000	£000	£000	£000	£000
Fire & Rescue Service	7,655	(2,494)	25,421	222	30,804
Net Cost of Services	7,655	(2,494)	25,421	222	30,804
Other income and expenditure		181	(13,547)	484	(12,882)
Total	7,655	(2,313)	11,874	706	17,922

NOTES TO THE CORE FINANCIAL STATEMENTS

1.3 EXPENDITURE AND INCOME ANALYSED BY NATURE

The analysis of income and expenditure by service on the face of the Comprehensive Income and Expenditure Statement is reported as a segment as specified by The CIPFA Code of Local Authority Accounting in the UK. However, decisions about resource allocation are taken by the Authority on the basis of budget reports analysed across expenditure codes. These reports are prepared on a different basis from the accounting policies used in the financial statements. In particular:

- no charges are made in relation to capital expenditure (whereas depreciation, revaluation and impairment losses in excess of the balance on the Revaluation Reserve and amortisations are charged to services in the Comprehensive Income and Expenditure Statement)
- the cost of retirement benefits is based on cash flows (payment of employer's pensions contributions) rather than current service cost of benefits accrued in the year

The table below shows the income and expenditure of the Authority in the form presented for management purposes during the year, reconciled to the cost of services included in the Comprehensive Income and Expenditure Account.

	2020/21			2019/20		
	£000	£000	£000	£000	£000	£000
<u>Amounts as reported to management</u>						
Employees	63,481			62,135		
Premises	4,072			3,851		
Transport	2,843			3,376		
Supplies & Services	6,210			5,872		
Establishment Costs	623			640		
External Support Costs	588			820		
Capital and Lease Financing Costs	5,373			3,701		
<u>Gross Expenditure</u>		83,191			80,394	
<u>Gross Income</u>		(15,954)			(8,724)	
Contributions to or (from) reserves		10,041			3,310	
Net Expenditure		77,277			74,979	
Government Grant and Council Tax Income (budget for the year)		(77,277)			(75,142)	
Net surplus - to be transferred to reserves		(0)			(163)	
Contributions to reserves		(9,985)			(3,473)	
Transfers between Useable Reserves		-			-	
Spending from Earmarked Reserves		3,047			3,699	
Net movement in Earmarked Reserves			(6,938)			63
<u>Amounts in the CIES not reported to management</u>						
Depreciation and impairment	7,916			7,655		
Net charges made for retirement benefits	17,548			25,421		
Surplus of PFI Equalisation Fund	50			42		
Employee Absence Accrual	588			222		
Deficit/(Surplus) on Council Tax and NNDR Collection	3,276			442		
Net (Gain) or Loss on Sale of non-current Assets	137			181		
		29,514			33,964	
<u>Amounts in management information not included in the Cost of Services in the CIES</u>						
Minimum Revenue Provision	(2,223)			(2,195)		
Direct Revenue funding to Capital	(2,675)			(299)		
Employers Contributions to Pensions	(13,390)			(13,547)		
		(18,289)			(16,041)	
Total Adjustment Between funding and Accounting Basis (Surplus) or deficit on provision of services			11,224			17,922
			4,285			17,986

NOTES TO THE CORE FINANCIAL STATEMENTS

2 ACCOUNTING STANDARDS THAT HAVE BEEN ISSUED BUT HAVE NOT BEEN ADOPTED

The Code of Practice on Local Authority Accounting in the United Kingdom 2020/21 (the Code) requires changes in accounting policy to be applied retrospectively unless alternative transitional arrangements are specified.

The CIPFA Code of Practice requires disclosure of information relating to the impact of accounting standards that have been issued but not yet adopted.

The Authority does not anticipate that the following amendments will have a material impact on the information provided the financial statements however, the impact cannot be quantified at this time:

- Leases, classification of Leases (IFRS 16) - Due to Covid 19, the implementation of this Standard has been delayed for a year until 2022/23

3 CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

Whilst there is some uncertainty in the short term regarding levels of government funding for the Fire Sector following a one year settlement at the 2020/21 budget announcement, risks remain regarding the levels of local funding achievable via the Council Tax Precept and Business Rates retention scheme as well as longer term grant funding. However, the Authority has determined that this uncertainty, when combined with COVID-19 risks, are not yet sufficient to provide an indication that the assets of the Authority might be impaired as a result of a need to close facilities and reduce levels of service provision.

Under a joint PFI venture, Gloucestershire County Council, Avon Fire & Rescue Service and Devon & Somerset Fire & Rescue Service receive a significant element of their training from Babcock International Group PLC, a Ltd company contracted to provide the training until 31 March 2028. The training is supplied at the Joint Fire Training Centre, Avonmouth, a facility that the service provider designed, built, financed and now operates under the PFI contract. As such, the Authority is deemed to part control the training services provided under the agreement. The accounting policies for PFI schemes and similar contracts have been applied to the arrangement and the authority's share of the training centre is recognised as Property, Plant and Equipment on the Authority's Balance Sheet. Red One Ltd has not been consolidated due to materiality as agreed by Audit, Performance and Review Committee in March 2021. Therefore, there are no group accounts.

4 ASSUMPTIONS MADE ABOUT THE FUTURE AND OTHER MAJOR 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 2021 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

Item	Uncertainties	Effect if Actual Results Differ from Assumptions
Property, Plant and Equipment	Assets are depreciated over useful lives that are dependent on assumptions about the level of repairs and maintenance that will be incurred in relation to individual assets. The current economic climate makes it uncertain that the Authority will be able to sustain its current spending on repairs and maintenance, bringing into doubt the useful lives assigned to assets. The outbreak of Covid-19 has impacted global financial markets and market activity has been impacted. A material valuation uncertainty was therefore disclosed in the property valuer's report in relation to the valuation of land and buildings.	If the value of the assets is reduced, revaluations will increase or decrease, resulting in a change to the carrying value of the asset.
Property, Plant and Equipment	Assets are revalued on the basis of Depreciated Replacement cost which is dependent on assumptions about the building industry, for which there is a level of uncertainty.	If Direct Replacement Cost differs significantly, revaluations will increase or decrease, resulting in a change to the carrying value of the asset.

<p>Pensions Assets and Liabilities</p>	<p>Assets and Liabilities of the Local Government Pension Scheme (LGPS) have been assessed based on values at the 31st March 2021 by actuarial valuation. For 2020/21, we used data from 11 months valuations. Within the assets held by the Devon LGPS are a number of properties. Given the uncertainty around the impact of Covid 19, it is likely the impact on the world's economy could be felt for possibly many years. It seems likely that it will have an effect on the property values held with the LGPS and hence a material valuation uncertainty was disclosed in the Pension Fund's financial statements in relation to the impact on the valuation of investments in land and buildings. A corresponding material uncertainty is disclosed in the Fire Authority's Financial Statements as the Authority's share of property funds is material.</p> <p>This update has been made in light of the coronavirus pandemic and reflects the latest information available from the CMI. The new CMI_2020 Model introduces a "2020 weight parameter" for the mortality data in 2020 so that the exceptional mortality experienced due to the coronavirus pandemic can be incorporated without having a disproportionate impact on results. Our view is that placing too much weight on the 2020 mortality experience would not be appropriate given the abnormality of the 2020 data, however, the overall outlook for best-estimate future mortality improvements looks less positive as a result of the pandemic. Therefore we have updated to use the CMI_2020 Model with a 2020 weight parameter of 25%.</p> <p>The effect on the Employer's liabilities of updating to the most recent model is reflected in the Change in demographic assumptions figure in note 30.2.</p>	<p>If there was significant movement between 28th February 2021 and 31st March 2021, we would be required to restate the accounts. Assurance has been provided this is not the case in 2020-21. If the value of the property assets is reduced, revaluations will increase or decrease, resulting in a change to the carrying value of the asset.</p>
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NOTES TO THE CORE FINANCIAL STATEMENTS

5 MATERIAL ITEMS OF INCOME AND EXPENDITURE

All major items of Income and Expenditure are disclosed on the face of the Comprehensive Income and Expenditure Statement with no material items required to be separately identified.

6 EVENTS AFTER THE BALANCE SHEET DATE

There are none to report.

7 ADJUSTMENTS BETWEEN ACCOUNTING BASIS AND FUNDING BASIS UNDER REGULATIONS

This Movement In Reserves Statement details the adjustments that are made to the total comprehensive income and expenditure recognised by the Authority in the year in accordance with proper accounting practice to the resources that are specified by statutory provisions as being available to the Authority to meet future capital and revenue expenditure.

8 OTHER OPERATING INCOME AND EXPENDITURE

	2020/21	2019/20
	£000	£000
(Gains)/losses on the disposal of non-current assets	138	181
Communities for Local Government Firefighters Pension Top-Up Grant	(11,407)	(10,395)
	<u>(11,269)</u>	<u>(10,214)</u>

9 FINANCING AND INVESTMENT INCOME AND EXPENDITURE

	2020/21	2019/20
	£000	£000
Interest on Loans	1,278	1,287
Investment income	(204)	(398)
Pensions Interest and administration Cost	16,852	18,608
	<u>17,927</u>	<u>19,497</u>

10 TAXATION AND NON SPECIFIC GRANT INCOMES

	2020/21	2019/20
	£000	£000
Council tax income	(53,980)	(52,977)
Non domestic rates	(13,633)	(15,436)
Non-ring-fenced government grants	(6,389)	(6,286)
	<u>(74,002)</u>	<u>(74,700)</u>

NOTES TO THE CORE FINANCIAL STATEMENTS

11. PROPERTY PLANT AND EQUIPMENT

	Land	Buildings excluding dwellings	Surplus Assets	Assets under construction	Plant and machinery	Transport	Total
2020/21	£000	£000	£000	£000	£000	£000	£000
Cost or valuation at 1 April 2020	18,311	84,353	-	238	3,468	24,209	130,579
Additions - purchased	-	708	-	3,527	14	333	4,582
Additions - exchange	-	-	-	-	-	-	-
Additions government granted	-	-	-	-	-	-	-
Reclassifications	(85)	(737)	822	-	-	-	-
Reclassified as held for sale	-	-	(125)	-	-	-	(125)
Derecognition - disposals	-	(462)	-	-	(104)	(68)	(634)
Derecognition - exchange	-	-	-	-	-	-	-
Reversal of impairments	-	-	-	-	-	-	-
Impairments	-	-	-	-	-	-	-
Revaluation Increase/(decrease):	-	-	-	-	-	-	-
- to Revaluation Reserve	-	(3,431)	(417)	-	-	-	(3,848)
- to Surplus/Deficit on the provision of services	-	(92)	-	-	-	-	(92)
At 31 March 2021	18,226	80,339	280	3,765	3,378	24,474	130,462
Depreciation at 1 April 2020	-	(5)	-	-	(1,810)	(13,913)	(15,728)
Reclassifications	-	28	(28)	-	-	-	-
Reclassified as held for sale	-	-	-	-	-	-	-
Derecognition - disposals	-	74	-	-	104	64	242
Revaluation removals	-	5,804	28	-	-	-	5,832
Impairments	-	-	-	-	-	-	-
Reversal of Impairments	-	-	-	-	-	-	-
Charged during the year	-	(5,906)	-	-	(313)	(1,606)	(7,825)
Depreciation at 31 March 2021	-	(5)	-	-	(2,019)	(15,455)	(17,479)
Net book value							
As at 31 March 2020	18,311	84,348	-	238	1,658	10,296	114,851
As at 31 March 2021	18,226	80,334	280	3,765	1,359	9,019	112,983
Asset financing							
Owned	18,226	79,367	280	3,765	1,359	9,019	112,016
Finance Leased	-	-	-	-	-	-	-
Private finance initiative	-	-	-	-	-	-	-
PFI residual interests	-	967	-	-	-	-	967
Total 31 March 2021	18,226	80,334	280	3,765	1,359	9,019	112,983

SIGNIFICANT COMMITMENTS UNDER CAPITAL CONTRACTS

As at 31 March 2021 the Authority has entered into a number of contracts for the construction or enhancement of property, plant and equipment in 2021/22 and future years budgeted to cost £8.1m. There were similar commitments at 31 March 2020 of £1.8m. Of these contracts there are two of significant value, being £2m committed to Plymstock station replacement and £5.8m to purchase appliances (MRPs and RIVs).

NOTES TO THE CORE FINANCIAL STATEMENTS

11.1 PROPERTY PLANT AND EQUIPMENT VALUATIONS

	Land	Buildings excluding dwellings	Surplus Assets	Assets under construction	Plant and machinery	Transport	Total
	£000	£000	£000	£000	£000	£000	£000
2020/21							
Valued at Historical Cost	-	-	-	3,765	3,378	24,474	31,617
Valued at Current Value in:	-	-	-	-	-	-	-
2020/21	18,226	80,339	280	-	-	-	98,845
2019/20	-	-	-	-	-	-	-
2015/16	-	-	-	-	-	-	-
2014/15	-	-	-	-	-	-	-
2013/14	-	-	-	-	-	-	-
Total	18,226	80,339	280	3,765	3,378	24,474	130,462

Valuation Information:

The above statement shows the impact of the Authority's programme for the revaluation of property, plant and equipment, including assets valued following completion of significant projects. The Authority has moved away from the five year rolling programme of revaluations in order to ensure that all revalued assets falling under the same class are assessed at the same time, per CIPFA guidance.

Valuations of land and buildings are carried out by a qualified surveyor (FRICS) in accordance with the methodologies and basis for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors. The basis for valuation is set out in the Statement of Accounting Policies.

The authority is not aware of any material changes in asset values that have not been updated.

11.2 PROPERTY PLANT AND EQUIPMENT PRIOR YEAR

	Land	Buildings excluding dwellings	Surplus Assets	Assets under construction	Plant and machinery	Transport	Total
	£000	£000	£000	£000	£000	£000	£000
2019/20							
Cost or valuation at 1 April 2019	18,378	82,843	-	-	2,845	23,543	127,609
Additions - purchased	-	748	-	238	623	695	2,304
Additions - exchange	120	644	-	-	-	-	764
Additions government granted	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-
Derecognition - disposals	-	(216)	-	-	-	(29)	(245)
Derecognition - exchange	(120)	(644)	-	-	-	-	(764)
Reversal of Impairments	-	-	-	-	-	-	-
Impairments	-	-	-	-	-	-	-
Revaluation increase/(decrease):	-	-	-	-	-	-	-
- to Revaluation Reserve	(37)	978	-	-	-	-	941
- to Surplus/Deficit on the provision of services	(30)	-	-	-	-	-	(30)
At 31 March 2020	18,311	84,353	-	238	3,468	24,209	130,579
Depreciation at 1 April 2019	-	(4)	-	-	(1,365)	(12,237)	(13,606)
Reclassifications	-	-	-	-	-	-	-
Reclassified as held for sale	-	-	-	-	-	-	-
Derecognition - disposals	-	39	-	-	-	24	63
Revaluation removals	-	5,440	-	-	-	-	5,440
Impairments	-	-	-	-	-	-	-
Reversal of Impairments	-	-	-	-	-	-	-
Charged during the year	-	(5,480)	-	-	(445)	(1,700)	(7,625)
Depreciation at 31 March 2020	-	(5)	-	-	(1,810)	(13,913)	(15,728)
Net book value							
As at 31 March 2019	18,378	82,839	-	-	1,480	11,306	114,003
As at 31 March 2020	18,311	84,348	-	238	1,658	10,296	114,851
Asset financing							
Owned	18,311	83,236	-	238	1,658	10,296	113,739
Finance Leased	-	-	-	-	-	-	-
Private finance initiative	-	-	-	-	-	-	-
PFI residual interests	-	1,112	-	-	-	-	1,112
Total 31 March 2020	18,311	84,348	-	238	1,658	10,296	114,851

NOTES TO THE CORE FINANCIAL STATEMENTS

12 FINANCIAL INSTRUMENTS

12.1 CATEGORIES OF FINANCIAL INSTRUMENTS

This note shows the effect of the reclassification of financial assets and the remeasurements of the carrying amounts then required.

	Current		Long Term	
	2020/21	2019/20	2020/21	2019/20
	£000	£000	£000	£000
Investments				
Loans and Receivables	-	-	-	-
Amortised Costs	19,000	18,500	1,500	-
Fair Value through Profit or Loss	-	-	-	-
Total Investments	19,000	18,500	1,500	-
Cash and Cash Equivalents				
Amortised Costs	14,065	7,841	-	-
Fair Value through Profit or Loss	3,516	10,727	-	-
Total Cash and Cash Equivalents	17,581	18,568	-	-
Debtors (Trade Receivables)				
Amortised Costs	13,894	7,598	678	728
Total Debtors (Trade Receivables)	13,894	7,598	678	728
Borrowings				
Amortised Costs	(90)	(90)	(24,851)	(25,444)
Total Borrowings	(90)	(90)	(24,851)	(25,444)
PFI Liability				
Amortised Costs	(98)	(98)	(912)	(1,013)
Total Finance Lease	(98)	(98)	(912)	(1,013)
Creditors (Trade Payables)				
Amortised Costs	(8,769)	(5,854)	-	-
Total Creditors (Trade Payables)	(8,769)	(5,854)	-	-

12.1.1 BORROWING

All long-term borrowing was from the Public Works Loan Board, an executive agency of HM Treasury. Annual repayments are for interest only and the principal is repayable at the date of loan maturity.

12.1.2 FINANCIAL ASSETS

Financial assets at fair value through Profit and Loss consist of deposits with external fund managers. These are valued by reference to quoted market price.

12.1.3 CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of the bank current account, on call accounts and money market funds all of which are repayable at 24 hours' notice without penalty.

12.2 INCOME, EXPENSES, GAIN AND LOSSES

Surplus or Deficit on the Provision of Services Financing and Investment Income and Expenditure		
	2020/21 £000	2019/20 £000
Net gains/losses on:		
Financial assets measured at Amortised Cost	(2)*	(2)*
Total net gains/losses	(2)*	(2)*

* The £2k represents an expected credit loss based on historical risk of default tables and as the sum falls below materiality levels it has not been charged to the Comprehensive Income & Expenditure Statement.

	2020/21 £000	2019/20 £000
Interest Revenue		
Financial assets measured at Amortised Cost	204	398
Total Interest Revenue	204	398

	2020/21 £000	2019/20 £000
Interest Expense		
Financial liabilities measured at Amortised Cost	(1,278)	(1,287)
Total Interest Expense	(1,278)	(1,287)

12.3 FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES THAT ARE NOT MEASURED AT FAIR VALUE (but for which FAIR VALUE DISCLOSURES ARE REQUIRED)

Financial Liabilities	2020/21 £000	2019/20 £000
PWLB Debt	(35,058)	(33,557)
Short Term Borrowing	(90)	(90)
Short Term Creditors	(8,769)	(5,854)
Short Term PFI & Finance Lease Liability	(98)	(98)
Long Term PFI & Finance Lease Liability	(912)	(1,013)
Total Liabilities	(44,927)	(40,613)

Financial Assets	2020/21 £000	2019/20 £000
Money Market Loans < 1 Year	3,516	10,727
Short Term Investments	33,063	26,833
Long Term Investments	1,512	0
Short Term Debtors	13,894	7,598
Long Term Debtors	678	728
Total Assets	52,664	45,885

All Financial Assets at amortised cost with less than 12 months to maturity at Balance Sheet date are deemed to have the same carrying value and fair value as at 31st March 2021.

12.3.1 FAIR VALUE HIERARCHY FOR FINANCIAL ASSETS AND FINANCIAL LIABILITIES THAT ARE NOT MEASURED AT FAIR VALUE

Recurring Fair Value Measurements using:	Quoted Prices			Total
	in active markets for identical assets (Level 1)	Other significant observable inputs (Level 2)	Significant observable inputs (Level 3)	
Financial Liabilities				
Financial Liabilities held at amortised cost:				
PWLB Debt	-	(24,941)	-	(24,941)
PFI and Finance Lease Liability	-	(98)	-	(98)
Total	-	(25,039)	-	(25,039)
Financial Assets				
Financial Assets held at amortised cost:				
Total	-	38,016	0	38,016

12.4 AMOUNTS ARISING FROM EXPECTED CREDIT LOSSES

Loss Allowance by Asset Class

	12 Month Expected Credit Losses £000	Lifetime Expected Credit Losses - not credit impaired £000	Lifetime Expected Credit Losses - simplified approach £000	Total £000
Opening Balance as at 1 April 2020	(2)	-	-	(2)
Financial Assets held at amortised cost:	-	-	-	-
As at 31 March 2021	(2)	-	-	(2)

Credit Risk Exposure	Credit Risk Rating £	Gross Carrying Amount
12 Month Expected Credit Loss	AAA	-
12 Month Expected Credit Loss	AAA	-
12 Month Expected Credit Loss	A (incl A+)	2

Interest Rate Risk	Total £000
Decrease in Fair Value of Fixed Rate Investments	180
Impact on Other Comprehensive Income and Expenditure	(4,928)
Decrease in fair value of Fixed Rate Borrowings Liabilities (no impact on the Surplus or Deficit on the Provision of Services or Other Comprehensive Income or Expenditure)	(5,107)

These are notional costs and they would not be incurred if the outstanding loans run to their contractual maturity date. The approximate impact of a 1% Decrease in interest rates would be as above but with the movements being reversed.

13 CASH FLOW STATEMENT NOTES

13.1 OPERATING ACTIVITIES

The cash flows for operating activities include the following items;

	2020/21	2019/20
	£000	£000
Interest Received	204	398
Interest Paid	(1,278)	(1,287)
Total	(1,075)	(889)

13.2 INVESTMENT ACTIVITIES

	2020/21	2019/20
	£000	£000
Payments for property, plant and equipment	(4,572)	(2,070)
Sale of property, plant and equipment	(379)	-
Increase in Short-Term Deposits	(500)	10,001
Capital Grant Received	-	-
Net Cash Flows from investing activities	(5,451)	7,931

13.3 FINANCING ACTIVITIES

	2020/21	2019/20
	£000	£000
Loans Repaid	(593)	(93)
Loan Capital Repayments of PFI and finance leases	(101)	(98)
Net Cash Flows from investing activities	(694)	(191)

13.4 OTHER NON CASH MOVEMENT

	2020/21	2019/20
	£000	£000
(Gains)/losses on the disposal of non-current assets	138	181
PWLB Interest due, paid in new year	90	90
Accumulated Absence Account	(588)	(222)
Other Adjustments	(255)	(100)
Net Other non cash movement	(615)	(50)

NOTES TO THE CORE FINANCIAL STATEMENTS

14 INVENTORIES

	31 March 2021 £000	31 March 2020 £000
Uniforms and Protective Clothing	225	194
Vehicle Spares Stocks	118	123
Equipment Stocks	137	75
Total	479	392

15 DEBTORS

15.1 Trade and other receivables

	Current		Non-current	
	31 March 2021 £000	31 March 2020 £000	31 March 2021 £000	31 March 2020 £000
Public Sector Bodies	14,414	8,096	678	728
Other	2,229	2,477	-	-
Provision for the impairment of receivables	(655)	(655)	-	-
Total	15,989	9,919	678	728

15.2 Receivables past their due date but not impaired

	31 March 2021 £000	31 March 2020 £000
By up to three months	288	65
By three to six months	0	42
By more than six months	741	764
Total	1,029	871

15.3 Provision for impairment of receivables

	31 March 2021 £000	31 March 2020 £000
Balance at 1 April	(655)	(655)
(Increase)/decrease in receivables impaired	0	0
Balance at 31 March	(655)	(655)

16 CASH AND CASH EQUIVALENTS

	31 March 2021 £000	31 March 2020 £000
Balance at 1 April	18,568	10,245
Net change in year	(986)	8,322
Balance at 31 March	17,581	18,568
Made up of		
Commercial banks and cash in hand	65	(353)
Current investments (less than 3 Months to maturity)	17,516	18,921
Cash and cash equivalents as in statement of financial position	17,581	18,568
Bank Balance - Commercial banks	-	-
Cash and cash equivalents as cash flow statement	17,581	18,568

NOTES TO THE CORE FINANCIAL STATEMENTS

17 Assets Held for Sale

The Fire Authority agreed to close Budleigh station at its meeting of 10/1/20. During the financial year the decision was taken to sell the property and actively seek a buyer triggering the requirement of the Code to reclassify it to Assets Held for Sale. The property was sold on the 2/10/21 so the carrying amount has been written out to the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal.

	Current		Non-current	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
	£000	£000	£000	£000
Balance outstanding at start of year	-	-	-	-
Assets newly classified as held for sale:				
Property, plant & equipment	125,000	-	-	-
Revaluation losses	(8,879)	-	-	-
Assets sold	(116,122)	-	-	-
Balance outstanding at year-end	-	-	-	-

18 CREDITORS

	Current		Non-current	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
	£000	£000	£000	£000
Current Liabilities				
Public Sector Bodies	(6,321)	(3,831)	-	-
Other entities and individuals	(3,946)	(3,028)	-	-
Accum absence	(1,549)	(961)	-	-
Defined Benefit Pension Schemes	-	-	(883,190)	(729,884)
Total	(11,816)	(7,820)	(883,190)	(729,884)

19 PROVISIONS

	Current		Non-current	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
	£000	£000	£000	£000
Firefighter Employer Pension Contribution	(440)	(598)	(61)	(61)
NDR Appeals Provision	-	-	(677)	(423)
Total	(440)	(598)	(739)	(484)

	Firefighter Employer Pension Contribution £000	PFI Equalisation £000	NDR Appeals £000	Total £000
At 1 April 2019	759	-	440	1,199
Arising during the year (restated)	(73)	-	-	(73)
Used during the year	(27)	-	-	(27)
Reversed unused	-	-	(16)	(16)
Unwinding of discount	-	-	-	-
At 31 March 2020	659	-	423	1,082
At 1 April 2020	659	-	423	1,082
Arising during the year	(232)	-	-	(232)
Used during the year	57	-	-	57
Reversed unused	18	-	254	272
At 31 March 2021	502	-	677	1,179
Expected timing of cash flows:				
Between 1 April 2021 & 31 March 2022	440	-	-	440
Thereafter	61	-	677	739

NOTES TO THE CORE FINANCIAL STATEMENTS

20 USABLE AND UNUSABLE RESERVES

20.1 USABLE RESERVES

Movements in the Authority's usable reserves are summarised in the Movement in Reserves Statement.

Earmarked Reserves

One of the categories of usable reserves is earmarked reserves. Details of the amounts set aside (transfers in) from the General Fund to provide financing for future expenditure is given in the table below.

The table below also shows the amounts posted back (transfers out) from earmarked reserves to meet the specific expenditure which is included within the CIES in 2020-21.

2020/21

Earmarked reserve	Balance 1 April	Transfers In	Transfers Out	Balance 31 March
	£000	£000	£000	£000
Grants unapplied from previous years	384	4,397	(254)	4,526
Invest to Improve	4,504	200	(808)	3,896
Budget Smoothing Reserve	1,818	-	-	1,818
Direct Funding to Capital	22,308	1,759	(797)	23,270
Projects, risks, & budget carry forwards				
PFI Equalisation	150	-	-	150
Emergency Services Mobile Communications Programme	877	550	(80)	1,347
Mobile Data Terminals	279	-	(13)	266
PPE & Uniform Refresh	488	-	(488)	-
Pension Liability reserve	1,423	-	(192)	1,231
Budget Carry Forwards	898	2,881	(321)	3,458
Environmental Strategy	308	-	-	308
Upgrade Wi-Fi Internet Connection	50	-	(50)	-
Respiratory Protection Masks - Personal Fit	1	0	(1)	-
VEMA Outriggers	10	-	(10)	-
MTA Action Plan	-	200	-	200
Total Earmarked Reserves	33,496	9,987	(3,014)	40,470
General Fund (non-Earmarked) Balance	5,316	-	(33)	5,282
Total General Fund	38,812	9,987	(3,047)	45,752

2019/20

Earmarked reserve	Balance 1 April	Transfers In	Transfers Out	Balance 31 March
	£000	£000	£000	£000
Grants unapplied from previous years	1,145	(631)	(130)	383
Invest to Improve	5,937	13	(1,446)	4,503
Budget Smoothing Reserve	1,818	-	-	1,818
Direct Funding to Capital	19,960	2,348	-	22,308
Projects, risks, & budget carry forwards				
PFI Equalisation	295	-	(145)	150
Emergency Services Mobile Communications Programme	932	-	(56)	877
Breathing Apparatus Replacement	1,449	18	(1,466)	-
Mobile Data Terminals Replacement	381	-	(102)	279
PPE & Uniform Refresh	488	-	-	488
Pension Liability reserve	461	962	-	1,423
National Procurement Project	90	-	(90)	-
Budget Carry Forwards	363	618	(83)	898
Commercial Services	0	308	-	308
Upgrade Wi-Fi Internet Connection	75	-	(26)	50
Respiratory Protection Masks - Personal Fit	70	-	(69)	1
VEMA Outriggers	95	-	(85)	10
Total Earmarked Reserves	33,561	3,635	(3,699)	33,495
General Fund (non-Earmarked) Balance	5,316	-	-	5,316
Total General Fund	38,877	3,635	(3,699)	38,811

NOTES TO THE CORE FINANCIAL STATEMENTS

20.2 UNUSABLE RESERVES

	31 March 2021 £000	31 March 2020 £000
Revaluation Reserve	(37,695)	(38,845)
Capital Adjustment Account	(49,431)	(49,452)
Pensions Reserve	883,190	729,884
Collection Fund Adjustment Account	140	(604)
NNDR Adjustment Account	2,605	73
Accumulated Absences Account	1,549	961
PFI Equalisation Fund	(678)	(728)
Total	799,680	641,289

Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. The Account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement (with reconciling postings from the Revaluation Reserve to convert fair value figures to a historical cost basis). The Account is credited with the amounts set aside by the Authority as finance for the costs of acquisition, construction and enhancement.

	2020/21 £000	2019/20 £000
Balance at 1 April	(49,452)	(52,307)
<i>Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure</i>		
Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	517	181
Amounts of non-current assets written off on exchange as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	-	764
Revaluation losses on property, plant and equipment	92	30
Charges for depreciation and impairment of non-current assets	7,825	7,625
	8,434	8,600
Minimum Revenue Provision	(2,223)	(2,195)
Capital Expenditure charged against the Revenue Account	(2,675)	(299)
Capital Receipts Reserve	(379)	-
Capital grants & contributions credited to the Comprehensive Income & Expenditure Statement that have been applied to capital financing	-	-
Exchange of asset	-	(764)
Adjusting amounts written out of the Revaluation Reserve	(3,135)	(2,488)
Depreciation written down in-year	-	-
Balance at 31 March	(49,431)	(49,452)

Revaluation Reserve

The Revaluation Reserve contains the gains made by the Authority arising from increases in the value of its Property, Plant and Equipment. The balance is reduced when assets with accumulated gains are:

- revalued downwards or impaired and the gains are lost
- used in the provision of services and the gains are consumed through depreciation, or
- disposed of and the gains are realised.

	2020/21 £000	2019/20 £000
Balance at 1 April	(38,845)	(34,954)
Upward Revaluation of assets	(2,804)	(7,077)
Disposal/derecognition	267	100
Downward revaluations	820	697
Difference between fair value depreciation and historical cost depreciation	2,868	2,389
Balance at 31 March	(37,695)	(38,845)

NOTES TO THE CORE FINANCIAL STATEMENTS

20.2 UNUSABLE RESERVES (Continued)

Pensions Reserve

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post employment benefits and for funding benefits in accordance with statutory provisions. The Authority accounts for post employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the Authority makes employer's contributions to pension funds or eventually pays any pensions for which it is directly responsible. The debit balance on the Pensions Reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources the Authority has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

	2020/21 £000	2019/20 £000
Balance at 1 April	729,884	785,502
Remeasurements of the net defined liability/ (asset)	149,148	(67,492)
Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on Provision of services	17,549	25,421
Employer's pensions contributions and direct payments to pensioners payable in the year	(13,390)	(13,547)
Balance at 31 March	883,190	729,884

Collection Fund Adjustment Account

The Collection Fund Adjustment Account manages the differences arising from the recognition of council tax income in the Comprehensive Income and Expenditure Statement as it falls due from council tax payers compared with the statutory arrangements for paying across amounts to the General Fund from the Collection Fund.

	2020/21 £000	2019/20 £000
Balance at 1 April	(604)	(865)
Amount by which council tax income credited to the Comprehensive Income and Expenditure Statement is different from council tax income calculated for the year in accordance with statutory requirements	744	261
Balance at 31 March	140	(604)

National Non Domestic Rates (NNDR) Adjustment Account

The NNDR Adjustment Account manages the differences arising from the recognition of NNDR income in the Comprehensive Income and Expenditure Statement as it falls due from commercial premises compared with the statutory arrangements for paying across amounts to the General Fund from the Collection fund.

	2020/21 £000	2019/20 £000
Balance at 1 April	73	(108)
Amount by which NNDR credited to the Comprehensive Income and Expenditure Statement is different from NNDR income calculated for the year in accordance with statutory requirements	2,532	181
Balance at 31 March	2,605	73

Accumulated Absences Account

The Accumulated Absences Account absorbs the differences that would otherwise arise on the General Fund Balance from accruing for compensated absences earned but not taken in the year, e.g. annual leave entitlement carried forward at 31 March. Statutory arrangements require that the impact on the General Fund Balance is neutralised by transfers to or from the Account.

	2020/21 £000	2019/20 £000
Balance at 1 April	961	739
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	588	222
Balance at 31 March	1,549	961

PFI - Equalisation Fund

An equalisation fund is administered by Gloucestershire County Council on behalf of the project partners. The fund balance attributable to the authority at the end of each financial year is recognized within the balance sheet. As at 31st March 2021 a surplus of £0.678m (£0.728m as at 31 March 2020) was attributable to Devon and Somerset FRA and this has been included as a PFI debtor against Gloucestershire County Council.

	2020/21 £000	2019/20 £000
Balance at 1 April	(728)	(770)
PFI Movement for the year	50	42
Balance at 31 March	(678)	(728)

NOTES TO THE CORE FINANCIAL STATEMENTS

21 MEMBERS ALLOWANCES

It is a requirement that after the end of the year to which a scheme relates, an Authority shall make arrangements for the publication of the total sum paid by it in the year under the scheme to each recipient in respect of basic allowance and special responsibility allowance. Details of such payments in 2020/21 are shown in the following table which shows all serving members during 2019/20 and 2020/21.

The Authority paid the following amounts for members of the Authority during the year.

	Basic and Special Responsibility Allowance	Travel and Subsistence	2020/21	2019/20
	£	£	£	£
Michael Best	2,786	-	2,786	2,733
Frank Biederman	2,786	-	2,786	3,120
Ann Bown	2,786	218	3,004	3,723
Lynda Bowyer	-	-	-	444
Julian Brazil	1,925	-	1,925	-
Pam Buchan	2,786	-	2,786	2,814
Peter Burridge-Clayton	2,786	-	2,786	3,196
Simon Coles	2,786	-	2,786	4,237
Polly Colthorpe	2,786	-	2,786	2,733
Margaret Corvid	2,213	-	2,213	-
Ian Doggett	1,811	65	1,876	2,544
Jonathan Drean	6,886	-	6,886	6,996
Andrew Eastman	2,786	-	2,786	3,047
Victor Ellery	-	-	-	447
Robert Hannaford	6,886	-	6,886	6,344
Mark Healey	6,886	-	6,886	7,917
Neil Hendy	-	-	-	503
Gordon Hook	-	-	-	331
John Mathews	-	-	-	447
Terry Napper	2,786	-	2,786	3,223
Ronald Peart	2,786	-	2,786	3,014
Graham Prowse	2,786	-	2,786	2,733
Ray Radford	2,786	91	2,877	2,932
Satnam Rai	500	-	500	142
Sara Randall Johnson	16,716	-	16,716	16,952
Leigh Redman	6,886	-	6,886	8,278
Andrew Saywell	9,091	-	9,091	10,160
Chaz Singh	-	-	-	983
David Thomas	9,091	-	9,091	9,580
Jeffrey Trail	2,786	-	2,786	3,307
Ian Tuffin	447	-	447	1,526
Linda Vijeh	2,786	-	2,786	3,122
David Watson	-	-	-	200
Nick Way	869	-	869	2,516
George Wheeler	9,701	-	9,701	11,054
Jeremy Yabsley	2,786	-	2,786	2,506
Totals	121,698	374	122,072	133,807

22 OFFICERS REMUNERATION

The remuneration paid to the Authority's senior employees is as follows analysed in bands of £5,000 in excess of £50,000:

The increase in numbers earning £50,000-£54,999 since last year is due to cost of living pay rise at 2% increasing the total earnings of some uniform staff and a regrade of the station manager pay bands. The change is not reflective of an increase in the number of senior staff.

22.1 Number of Employees earning in excess of £50,000

	2020/21	2019/20
£50,000 - £54,999	64	58
£55,000 - £59,999	31	26
£60,000 - £64,999	26	23
£65,000 - £69,999	10	7
£70,000 - £74,999	1	-
£75,000 - £79,999	2	4
£80,000 - £84,999	3	1
£85,000 - £89,999	-	-
£90,000 - £94,999	1	1
£95,000 - £99,999	-	1
£100,000 - £104,999	1	1
£105,000 - £109,999	1	-
£110,000 - £114,999	1	-
£115,000 - £119,999	-	2
£120,000 - £124,999	1	-
£125,000 - £129,999	-	-
£130,000 - £134,999	1	1
£135,000 - £139,999	-	1
£140,000 - £144,999	-	-
£145,000 - £149,999	-	-
£150,000 - £154,999	-	-
£155,000 - £159,999	-	-
£160,000 - £164,999	1	-

NOTES TO THE CORE FINANCIAL STATEMENTS

22.2 Senior Officers Remuneration 2020-21 over £50k

There were leavers and new starters in senior management which has amended the number of individuals shown on the list below when compared to 2019-20.

Post Title	Salary (Including Fees and Allowances)	Benefits in Kind	Compensation for loss of office	Total Remuneration excluding pension contrbns	Pension Contrbns	Total Remuneration including pension contrbns 2020/21
	£	£	£	£	£	£
Chief Fire Officer - Lee Howell	160,449	-	-	160,449	46,209	206,658
Deputy Chief Fire Officer (a)	132,409	-	-	132,409	33,192	165,601
Director of Service Delivery	120,334	-	-	120,334	37,482	157,816
Director of Service Improvement (b)	111,535	-	-	111,535	30,632	142,167
Area Manager - Service Delivery Resilience (c)	90,243	-	-	90,243	23,108	113,351
Area Manager – Service Delivery Risk (d)	68,323	-	-	68,323	18,110	86,433
Area Manager – Service Delivery Response (e)	80,237	-	-	80,237	19,456	99,693
Area Manager – Service Improvement (f)	77,927	-	-	77,927	17,989	95,916
Area Manager - Corporate Planning & Strat Analysis (g)	80,237	-	-	80,237	26,359	106,596
Area Manager - Head of Organisational Development (k)	20,923	-	-	20,923	7,385	28,308
Director of Governance & Digital Services	106,514	-	-	106,514	17,999	124,513
Director of Finance and Resourcing	101,132	-	-	101,132	17,652	118,784
Head of Human Resources (h)	67,622	-	37,030	104,652	8,636	113,288
Head of Finance	66,914	-	-	66,914	11,702	78,616
Head of Estates	64,454	-	-	64,454	11,244	75,698
Head of Corporate Communications	65,395	-	-	65,395	11,419	76,814
Head of Procurement and Fleet	79,478	-	-	79,478	13,639	93,117
Head of ICT	68,360	-	-	68,360	11,971	80,331
Programme Manager	69,058	-	-	69,058	11,187	80,245
Head Of Organisational Assurance (i)	30,210	-	-	30,210	5,255	35,465
Head of Organisational Development (j)	59,283	-	-	59,283	10,371	69,654
	1,721,037	-	37,030	1,758,067	390,997	2,149,064
(a)In post from 28/07/2020 (b)In post from 01/08/2020 (c)ACFO fm 01/05/2020 to 31/07/2020 (d)In post from 01/11/2020						
(e)In post from 05/09/2020 - on secondment from 01/04/2020 to 04/09/2020 (f)In post from 21/10/2020 (g)In post from 21/10/2020						
(h)Left post 31/12/2020 (i)Started in post 05/10/2020 (j)Started in post 29/06/2020 (k)Left post 29/06/2020						

Senior Officers Remuneration 2019/20 over £50k

Post Title	Salary (Including Fees and Allowances)	Benefits in Kind	Compensation for loss of office	Total Remuneration excluding pension contrbns	Pension Contrbns	Total Remuneration including pension contrbns 2019/20
	£	£	£	£	£	£
Chief Fire Officer - Lee Howell	157,302	-	-	157,302	45,192	202,494
Deputy Chief Fire Officer	130,691	-	-	130,691	48,587	179,278
Assistant Chief Fire Officer - Service Improvement	117,974	-	-	117,974	40,141	158,115
Assistant Chief Fire Officer - Service Delivery	117,974	-	-	117,974	33,893	151,867
Assistant Chief Fire Officer - Service Delivery (a)	93,045	-	-	93,045	22,617	115,662
Area Manager – Service Delivery - Functions	78,240	-	-	78,240	22,838	101,078
Area Manager – Service Delivery - Delivery (b)	43,928	-	-	43,928	12,655	56,583
Area Manager – Service Delivery - Capabilities	78,527	-	-	78,527	22,655	101,182
Area Manager - Head of Transformational Change	83,303	-	-	83,303	29,393	112,696
Area Manager - Service Improvement	76,025	-	-	76,025	18,981	95,006
Director of Corporate Services	97,869	-	-	97,869	17,957	115,826
Director of Finance and Resourcing (c)	103,673	-	-	103,673	19,046	122,719
HR Manager	66,879	-	-	66,879	12,100	78,979
Head of Finance	63,523	-	-	63,523	11,666	75,189
Head of Estates (d)	59,299	-	-	59,299	10,884	70,183
Head of Corporate Communications	61,608	-	-	61,608	11,297	72,905
Head of Procurement and Fleet (e)	69,392	-	-	69,392	11,861	81,253
Head of ICT	63,639	-	-	63,639	11,689	75,328
	1,562,891	-	-	1,562,891	403,452	1,966,343
(a) AM Service Delivery for 9 months of the year and then ACFO for 3 months. (b) Left 6/9/2019 (c)Seconded to NFCC fm 16/03/20						
(d) In post from 01/05/19 (e)Director of Resourcing interim from 16/03/20						

22.3 Exit Packages agreed

This note identifies the cost of termination benefits for those Employees who the Authority has decided to terminate employment before their normal retirement date.

Exit Package Cost Band (including special payments)	No of Compulsory Redundancies		No of other departures agreed		Total No of exit packages by cost band (b + c)		Total cost of exit packages in each band	
	2020/21	2019/20	2020/21	2019/20	2020/21	2019/20	2020/21	2019/20
£0 - £20,000	-	-	3	3	3	3	14,827	£22,771
£20,001 - £40,000	-	-	1	0	1	0	22,839	£0
£40,001 - £60,000	-	-	1	1	1	1	54,350	£40,202
Total	-	-	5	4	5	4	92,015	£62,972

NOTES TO THE CORE FINANCIAL STATEMENTS

23 EXTERNAL AUDITOR FEES

The Authority has incurred the following costs in relation to the audit of the Statement of Accounts, certification of grant claims and statutory inspections and to non-audit services provided by the Authority's external auditors.

	2020/21 £000	2019/20 £000
Fees payable to Grant Thornton with regard to external audit services carried out by the appointed auditor for the year	41	31
Total	41	31

24 GRANT INCOME

The Authority credited the following grants, contributions and donations to the Comprehensive Income and Expenditure Statement (CIES) in 2020/21

	2020/21 £000	2019/20 £000
Grants		
New Dimensions Grant	(945)	(945)
Firelink Grant	(970)	-
Hinkley Point Grant	(75)	(74)
Rural Services Delivery Grant	(424)	(424)
Covid 19 Grant	(1,622)	(281)
Business Rates Relief	(1,695)	(1,335)
Fire Pension Grant	(4,022)	(3,904)
Section 31 Grants (Minor)	(17)	(17)
Levy Account Surplus	-	(53)
Building Protection Grant	(476)	
ESMCP Grant	(550)	
Business Rates Grant	(2,846)	
Council Tax Grant	(490)	
Sub Total Grants	(14,132)	(7,033)
		-
Insurance cost recovery	(13)	(72)
Legal fees	(5)	1
Procurement income from Frameworks	(12)	(30)
Rental income	(81)	(61)
Secondment income	(343)	(353)
Vehicle sales and maintenance	(23)	(42)
Other income and donations	(196)	(361)
Co-responder Income	(50)	(35)
Ambulance Covid Support	(490)	
PFI Fair value	(447)	(447)
Training Income	(326)	(342)
Primary Authority	(24)	(44)
Sub Total Other Income	(2,012)	(1,787)
Total within cost of services in the CIES	(16,145)	(8,819)

NOTES TO THE CORE FINANCIAL STATEMENTS

25 RELATED PARTY TRANSACTIONS

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, provides the majority of its funding in the form of grants and prescribes the terms of many of the transactions that the Authority has with other parties (eg council tax bills). Grants received from government departments are set out in Note 24.

Members Members of the Authority have direct control over the Service's financial and operating policies. The total of members' allowances paid in 2020/21 is shown in Note 21. In relation to members, the Authority's constitution requires members to declare their interests in related parties in a register of interests. In addition, members are asked to declare separately any transactions with the Authority. **In relation to 2020/21 no material transactions were disclosed.**

	2020/21 £000	2019/20 £000
Red One Ltd[^]		
Receipts from Red One Ltd of training income and reimbursements	(236)	(245)
FRIC*		
Payments for Insurance	876	832

[^]Red One Ltd.

In 2013 the Authority established Red One Ltd., which is a wholly owned subsidiary limited by shares, to enable trading activity to take place. The company focuses on selling training and specialist staffing solutions to public and private sector clients both in the UK and overseas. Any costs borne by the Authority in relation to this activity are directly reimbursed and an annual dividend is paid over to the Authority from retained profits. The Authority and management have made a judgement that the activities of Red One Ltd. do not have a material impact upon the accounts of the Authority and as a result the accounts have not been consolidated as a group.

As at 31st March 2021 the Authority had a closing balance of £795k in trade receivables due from Red One, made up of £559k from previous financial years and the £236k above from 2020/21

***Risk Protection**

Until 31 October 2015 Insurances for the Authority were arranged as part of a consortium of nine fire and rescue authorities. These fire and rescue authorities, including Devon & Somerset, are now members of the Fire and Rescue Indemnity Company Limited. The company commenced trading in November 2015. The Authority's risk protection arrangements are provided through the pooled funds of the company. The Authority made a contribution of £876k to the company for the year-end 31 October 2020 of which £507k relates to the 2021/22 financial year.

NOTES TO THE CORE FINANCIAL STATEMENTS

26 CAPITAL EXPENDITURE AND CAPITAL FINANCING

The total amount of capital expenditure incurred in the year is shown in the table below together with the resources that have been used to finance it. Where capital expenditure is to be financed in future years by charges to revenue as assets are used by the Authority, the expenditure results in an increase in the Capital Financing Requirement (CFR), a measure of the capital expenditure incurred historically by the Authority that has yet to be financed. The CFR is analysed in the second part of this note.

	2020/21 £000	2019/20 £000
Opening Capital Financing Requirement	26,555	26,746
<u>Capital investment</u>		
Operational assets	4,582	2,303
<u>Sources of Finance</u>		
Government grants and contributions	-	-
Capital receipt	(379)	-
<u>Sums set aside from revenue</u>		
Minimum Revenue Provision	(2,223)	(2,195)
Direct revenue funding	(2,675)	(299)
Closing Capital Financing Requirement	25,860	26,555
Explanation of movements in year	2020/21 £000	2020/21 £000
Increase/(Decrease) in underlying need to borrow	(594)	(93)
(Decrease) in PFI/lease liabilities	(101)	(98)
Increase/(decrease) in Capital Financing Requirement	(695)	(191)

27 LEASES

27.1 OPERATING LEASES AS LESSEE

Total rentals paid during the year amounted to £0.712m. It is estimated that the outstanding liability for future years, in relation to existing lease agreements is £0.782m. But under IFRS16 the majority of this future cost will be via financing costs and minimum revenue provision.

	2020/21 £000	2019/20 £000
<u>Payments recognised as an expense in year</u>	712	751
<u>Future Minimum Lease Payments payable:</u>		
Not later than one year	473	580
Between one and five years	309	688
Total	782	1,268

NOTES TO THE CORE FINANCIAL STATEMENTS

28 PRIVATE FINANCE INITIATIVES AND SIMILAR CONTRACTS

In a joint PFI venture, Gloucestershire County Council, Avon Fire & Rescue Service and Devon & Somerset Fire & Rescue Service receive an element of their fire training from Babcock International Group PLC, a company contracted to provide the training until 31 March 2028. The training is supplied at the Joint Fire Training Centre, Avonmouth, a facility that the service provider designed, built, financed and now operates (DBFO) under the PFI contract.

The IFRS Code accounting regulations require the asset to be included in the balance sheet relating to our 25% share of the contract. The liabilities to pay future rentals are also required to be included.

The Authority makes an agreed payment each year which is increased each year by inflation and can be reduced if the contractor fails to meet availability and performance standards in any year but which is otherwise fixed. Payments remaining to be made under the PFI contract at 31 March 2021 (excluding any estimation of inflation and availability/ performance deductions) are as follows:

	Payment for Services £000	Reimbursement of Capital Expenditure £000	Interest £000	2020/21 £000	2019/20 £000
Paid in 2020/21	576	101	99	775	757
Outstanding undischarged contract obligations:					
Payable within one year	603	103	90	795	776
Payable within two to five years	2,571	558	254	3,383	3,301
Payable within six to ten years *	1,423	349	47	1,820	2,697
	<u>4,597</u>	<u>1,010</u>	<u>391</u>	<u>5,998</u>	<u>6,774</u>

* There are seven years remaining.

Although the payments made to the contractor are described as unitary payments, they have been calculated to compensate the contractor for the fair value of the services they provide, the capital expenditure incurred and interest payable whilst the capital expenditure remains to be reimbursed. The liability outstanding to pay the liability to the contractor for capital expenditure incurred is as follows:

	2020/21 £000	2019/20 £000
Balance outstanding at 1 April	1,111	1,209
Payments in year	(101)	(98)
Capital Expenditure incurred in the year		
Other movements		
Balance outstanding at 31 March	<u>1,010</u>	<u>1,111</u>

29 IMPAIRMENT LOSSES & REVERSALS

The Code requires disclosure by class of assets of the amounts for impairment losses and impairment reversals charged to the Surplus or Deficit on the Provision of Services and to Other Comprehensive Income and Expenditure. These disclosures are consolidated in Note 11 which reconciles the movement over the year in the Property, Plant and Equipment balances.

	2020/21 £000	2019/20 £000
Impairment of Land	-	-
Impairment of Buildings	-	-
Net Amount Charged to the CIES	<u>-</u>	<u>-</u>

NOTES TO THE CORE FINANCIAL STATEMENTS

30. PENSIONS

30.1 Pension Costs

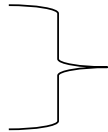
In accordance with the requirements of IAS19 the Devon & Somerset Fire & Rescue Authority records in its balance sheet its share of assets and liabilities related to pension schemes and matches the net amount with an equivalent pension reserve. The Authority participates in three schemes, two of which are Fire Service Pension Schemes for Fire Officers which are unfunded, and the Local Government Pension Scheme which is administered by Devon County Council.

The Local Government Pension Scheme is a funded defined benefit final salary scheme meaning that the Authority and employees pay contributions into a fund, calculated at a level intended to balance the pension liabilities with investment assets. In addition, there is a second unfunded local government pension scheme liability which was previously reported under the LGPS but is now called out separately. This unfunded scheme is where the Authority has, as an employer, agreed to enhance the retirement pensions of staff, for which there are no additional employee contributions received.

There are four Fire pension schemes for fire officers, all of which are unfunded defined benefit final salary schemes, meaning there are no investment assets built up to meet the pension liabilities as they fall due. The schemes are administered by the Fire Authority and known as the fire fund. The schemes are balanced to zero by the receipt of top up grant received from the Home Office. The first scheme is the 1992 Firefighters Pension Scheme (FPS), the second being the 2006 New firefighters pension scheme and the third being the 2006 Modified Pension scheme (reported within the 2006 scheme). From April 2015 the Fire Fighters Pension Scheme 2015 came into being, with previous schemes being closed to new members. The Authority has one further pension liability which is in respect of injury awards issued under the Firefighters Compensation Regulations.

Contribution percentages vary depending upon each scheme.

For all schemes the employee contribution is based upon their gross salary, with that percentage varying if their salary changes.

Scheme	Employer Percentage Rate 2020/21	Total Contributions expected to be made by the authority in the year to 31st March 2022	
			£000
Local Government Pension Scheme	17.0%		2,066
1992 Firefighters Pension Scheme	37.3%		
2006 New firefighters Pension Scheme	27.4%		
2006 Modified firefighters Pension Scheme	37.3%		
2015 Firefighters Pension Scheme	28.8%		4,316

The cost of retirement benefits are recognised in the comprehensive income and expenditure statement (CIES) when they are earned by employees rather than when the benefits are eventually paid as pensions. However the charge which has to be made against council tax is based on the cash payable in the year, so the real cost (service cost) of retirement benefits is reversed out of the General Fund by way of the Movement in Reserves Statement (MIRS).

There have been no material adjustments relating to pensions relating to the transition to IFRS.

The following transactions have been made in the CIES & MIRS during the year.

NOTES TO THE CORE FINANCIAL STATEMENTS

Note 30.2 Pension Schemes

	LG Pension Scheme 2020/21 £000	LG Pension Scheme 2019/20 £000	LG Unfunded 2020/21 £000	LG Unfunded 2019/20 £000	Fire schemes 2020/21 £000	Fire schemes 2019/20 £000	ORIGINAL Fire schemes 2019/20 £000	Total 2020/21 £000	Total 2019/20 £000
Comprehensive Income & Expenditure Statement									
<i>Service Cost Comprising:</i>									
Current Service Cost	4,019	3,966	-	-	9,863	12,249	12,249	13,882	16,215
Past Service Costs	-	993	-	-	(1,778)	-	-	(1,778)	993
<i>Financing and Investment Income and Expenditure:</i>									
Net Interest Expense	806	886	6	7	16,000	17,675	17,675	16,812	18,568
Administration Expenses	40	40	-	-	-	-	-	40	40
Home Office Pension top up grant					(11,407)	(10,395)	(10,395)	(11,407)	(10,395)
Total Post-employment benefits charged to the Surplus or Deficit on the Provision of Services	4,865	5,885	6	7	12,678	19,529	19,529	17,549	25,421
<i>Remeasurement of the net defined benefit liability comprising:</i>									
Expected return on plan assets (excluding the amount included in net interest expense)	(12,224)	5,930						(12,224)	5,930
Actuarial gains and losses arising on changes in demographic assumptions									
Actuarial gains and losses arising on changes in financial assumptions									
Other									
Total Post-employment benefits charged to the CIES	(12,224)	5,930	-	-	-	-	-	(12,224)	5,930
Movement in Reserves Statement									
Reversal of net charges made to the Surplus or Deficit on the Provision of Services for post - employment benefits in accordance with the code	(4,865)	(5,885)	(6)	(7)	(12,678)	(19,529)	(19,529)	(17,549)	(25,421)
<i>Actual amount charged against the General Fund Balance for pensions in the year</i>									
Employers contributions payable to scheme	2,541	2,107	-	-	8,481	8,753	8,753	11,022	10,860
Employers contributions payable to scheme (secondee not charged to general fund)	1	-	-	-	30	63	63	31	63
Ill health charges	-	-	-	-	88	474	474	88	474
Retirement benefits payable to pensioners - Authority	-	-	19	19	2,230	2,131	2,131	2,249	2,150
Retirement benefits payable to pensioners - Fund	1,360	1,682	-	-	23,887	23,579	23,579	25,247	25,261
Total Retirement benefits payable to pensioners	1,361	1,682	19	19	26,117	25,710	25,710	27,496	27,411

NOTES TO THE CORE FINANCIAL STATEMENTS

Reconciliation of the present value of the scheme liabilities	LG Pension Scheme 2020/21 £000	LG Pension Scheme 2019/20 £000	LG Unfunded 2020/21 £000	LG Unfunded 2019/20 £000	Fire schemes 2020/21 £000	Fire schemes 2019/20 £000	ORIGINAL Fire schemes 2019/20 £000	Total 2020/21 £000	Total 2019/20 £000
1st April	87,475	93,212	324	345	693,914	747,336	747,336	781,712	840,893
Current Service Cost	4,019	3,966	-	-	9,863	12,249	12,249	13,882	16,215
Interest Cost	2,051	2,229	6	7	16,000	17,675	17,675	18,057	19,911
Contributions by scheme participants	775	725	-	-	3,880	3,893	3,893	4,655	4,618
<i>Remeasurement (gains) and losses:</i>									
Actuarial gains and losses arising on changes in demographic assumptions	(958)	(1,722)	3	2	(20,887)	1,116	1,116	(21,842)	(604)
Actuarial gains and losses arising on changes in financial assumptions	31,491	(11,665)	-	(11)	152,804	(62,645)	(62,645)	184,295	(74,321)
Experience gains and losses	(1,001)	1,418	-	-	(80)	-	-	(1,081)	1,418
Past service Costs	-	993	-	-	(1,778)	-	-	(1,778)	993
Benefits Paid	(1,360)	(1,682)	(19)	(19)	(26,117)	(25,710)	(25,710)	(27,496)	(27,411)
31st March	122,492	87,475	314	324	827,599	693,914	693,914	950,405	781,712

Pensions Assets and Liabilities Recognised in the Balance Sheet	2020/21 £000	2019/20 £000
Present value of liabilities		
LGPS	(122,492)	(87,475)
LGPS- unfunded	(314)	(324)
Firefighters Pension schemes	(789,372)	(658,203)
Firefighters Compensation Regulations	(38,227)	(35,711)
Fair value of assets in the LGPS	67,215	51,829
	(883,190)	(729,884)
Surplus/(deficit) in the scheme:		
LGPS	(55,277)	(35,646)
LGPS- unfunded	(314)	(324)
Firefighters Pension schemes	(789,372)	(658,203)
Firefighters Compensation Regulations	(38,227)	(35,711)
Net Liability arising from defined benefit obligation	(883,190)	(729,884)

ORIGINAL 2019/20 £000
(93,212)
(345)
(708,269)
(39,067)
51,829
(789,064)
(35,646)
(324)
(658,203)
(35,711)
(729,884)

Liabilities have been assessed on an actuarial basis using the projected unit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels etc. All schemes have been assessed by Barnett Waddingham, an independent firm of actuaries, estimates for the LGPS Devon Fund being based on the latest full valuation of the scheme undertaken in 2019 and the Devon & Somerset FPS valuation in 2017.

The value of pension assets is estimated based upon information available at the Balance Sheet date, but these valuations may be earlier than the Balance Sheet date. The actual valuations at the Balance Sheet date, which may not be available until some time later, may give a different value of pension assets, but this difference is not considered to be material.

The Fire Fund has no assets to cover its liabilities. The Local Government Pension Scheme's assets consist of the following categories, by proportion of the total assets held:-

NOTES TO THE CORE FINANCIAL STATEMENTS
Note 30.3 Pension Assets & Basis For Valuation

Proportion of assets held - LGPS	£000	31 March 2021	£000	31 March 2020
		%		%
Gilts	2,366	4%	2,211	4%
UK Equities	7,344	11%	6,897	13%
Overseas Equities	34,965	52%	22,289	43%
Property	5,497	8%	4,882	9%
Infrastructure	2,291	3%	2,233	4%
Target Return Portfolio	6,445	10%	6,805	13%
Cash	483	1%	604	1%
Other Bonds	3,021	4%	2,716	5%
Alternative Assets	4,803	7%	3,192	6%
Total Fair value of LGPS assets	67,215	100%	51,829	100%

Based on estimated bid values.

Movement between the opening and closing balances of the fair value of assets:	Year to 31 March 2021	Year to 31 March 2020
	£000	£000
Opening fair value	51,829	55,391
Interest Income	1,245	1,343
Return on plan assets (excluding the amount included in net interest expense)	12,224	(5,930)
Other Actuarial Gains/ (Losses)	-	(85)
Administration Expenses	(40)	(40)
Contributions by employer	2,561	2,126
Contributions by scheme participants	775	725
Estimated benefits paid	(1,379)	(1,701)
Fair value of scheme assets at end of period	67,215	51,829

Basis for establishing assets and liabilities	LG Pension Scheme	LG Pension Scheme	LG Unfunded	LG Unfunded	Fire Schemes	Fire Schemes
	2020/21	2019/20	2020/21	2019/20	2020/21	2019/20
	£000	£000	£000	£0	£000	£000
Mortality assumptions						
Longevity at 65 for current pensioners						
Men	22.60	22.90	22.60	22.90	20.50	21.00
Women	23.90	24.10	23.90	24.10	22.70	23.10
Longevity at 65 for future pensioners						
Men	24.00	24.30	24.00	24.30	21.70	22.70
Women	25.40	25.50	25.40	25.50	24.20	24.90
Rate of inflation RPI	3.20%	2.65%	3.20%	2.65%	3.20%	2.70%
Rate of inflation CPI	2.85%	1.85%	2.85%	1.85%	2.80%	1.90%
Rate of increase in salaries	3.85%	2.85%			3.80%	3.40%
Rate of increase in pensions	2.85%	1.85%	2.85%	1.85%	2.80%	1.90%
Rate for discounting scheme liabilities	2.00%	2.35%	2.00%	2.35%	2.00%	2.35%
Take-up of option to convert annual pension into retirement lump sum	50% of commutable pension				50% of commutable pension	

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above. The sensitivity analysis below has been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period and assumes that the assumption analysed changes while all the other changes remain constant.

Sensitivity Analysis 2020/21	LG Pension Scheme	Fire Schemes
	PV*	PV*
	£000	£000
Adjustment to the Discount Rate		
+0.1%	120,065	654,884
0.0%	122,806	666,633
-0.1%	125,614	678,605
Adjustment to Long Term Salary Increase		
+0.1%	123,149	667,568
0.0%	122,806	666,633
-0.1%	122,467	665,701
Adjustment to Pension Increases and Deferred Revaluation		
+0.1%	125,245	677,564
0.0%	122,806	666,633
-0.1%	120,424	655,896
Adjustment to Mortality Age Rating Assumption		
+ 1 year	128,039	700,202
None	122,806	666,633
- 1 year	117,791	634,715

Within the assets held by the Devon LGPS are a number of properties. Given the unknown impact of Covid 19, it is likely the impact on the world's economy could be felt for many months and possibly years. It seems likely that it will have an effect on the property values held with the LGPS and hence a material valuation uncertainty was disclosed in the Pension Fund's financial statements in relation to the impact on the valuation of investments in land and buildings. A corresponding material uncertainty is disclosed in the Fire Authority's Financial Statements as the Authority's share of property funds is material

* Present Value of Total Obligation

NOTES TO THE CORE FINANCIAL STATEMENTS

31 CONTINGENT LIABILITIES

There are two contingent liabilities for 2020-21 which arise from a pensions tribunal case and a claim for hurt of feelings resulting from the changes to the pension scheme. The O'Brien case found that there has been discrimination against part-time judges in the calculation of pension entitlement. The issue was whether periods of part-time employment prior to the coming into effect of Part Time Workers Directive should be taken into account in calculating the amount of pension to be paid upon retirement - this was found to be discriminatory. A potential remedy will impact upon the Authority due to the high proportion of On Call (Part-time) staff and ex-employees. A reliable estimate cannot be calculated as, at this stage, it is unclear how many of the pension scheme members will choose to buy-back pension rights and for what duration. As there is no remedy in place yet it has not been determined who will fund the Employers contribution on back-dated pension costs, and therefore this is a contingent liability.

The hurt of feeling claim resulted in a number of firefighters who registered an Employment Tribunal claim in 2015 regarding changes to the firefighters pension schemes. A potential remedy will impact on the Authority due to the high number of claimants - 143 in total. It is anticipated these could be settled using the 'Vento' principles. As there is no remedy in place and the amount that could be paid is unclear it is classed as a contingent liability.

32 NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

KEY RISKS

The Authority's activities expose it to a variety of financial risks:

Credit risk – the possibility that other parties might fail to pay amounts due to the Authority.

Liquidity risk – the possibility that the Authority might not have funds available to meet its commitments to make payments.

Market risk – the possibility that financial loss might arise for the Authority as a result of changes in such measures as interest rates and stock market movements.

The Authority's overall financial risk management procedures focus on the unpredictability of financial markets and seek to minimise those risks. The procedures for risk management are set out through a legal framework in the **Local Government Act** and the associated regulations. These require the Authority to comply with the CIPFA Prudential code and The CIPFA Treasury Management in the Public Services Code of Practice. The Authority's Treasury Management explains the risks to the Authority and sets procedures to be followed in order to keep such risks to a minimum.

Credit Risk

Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to the Authority's customers. Deposits are not made with banks and financial institutions unless they comply with the requirements of the Authority's Treasury Management Policy mentioned above.

The following summarises the Authority's potential maximum exposure to credit risk, based on experience of default over the last five years.

	Amount as at 31 March 2021 £000	Historical Experience of Default £000	Historical Experience adjusted for market conditions as at 31 March 2021 £000	Estimated maximum exposure to default and uncollectability £000
Deposits with bank & financial institutions	36,581	-	-	-
Public Sector Bodies	14,414	-	-	-
Other	2,229	-	-	-
Total	53,225	-	-	-

All deposits with the bank and financial institutions are due within a year. The Authority generally allows 28 days for debts to be settled before debt recovery processes are implemented. As at the 31 March 2021, the value of debt which exceeded this period was £1,029K, broken down as follows:

	2020/21 £000	2019/20 £000
Two to Three Months	288	65
Over Three Months	741	806
Total	1,029	871

An allowance for potential bad debts of £655k has been made at the year-end.

NOTES TO THE CORE FINANCIAL STATEMENTS

Liquidity Risk

The funding of the Authority comes from a variety of sources, the major ones being central government (RSG & NNDR), other local authorities (council tax) and the Public Works Loan Board (PWLb). Therefore there is no significant risk that it will be unable to raise finance to meet its liabilities. Instead, the risk is that the Authority will be bound to replenish a significant proportion of its borrowings at a time of unfavourable interest rates. Accordingly, in line with its Treasury Management Policy, care is taken as to when loans are taken from PWLB or require repayment.

The maturity analysis of financial liabilities is as follows:-

	2020/21 £000	2019/20 £000
Less than one year – including trade and other creditors	10,451	7,543
Between one and two years – PWLB loan repayments	493	93
Between two and five years – PWLB loan repayments	1,045	1,445
More than five years – PWLB loan repayments	23,219	23,313
Total	35,208	32,394

Market Risk

Interest Rate risk

The Authority is exposed to interest movements on its borrowings and investments. All borrowings and investments are on fixed rates. If, for example, there was an increase in interest rates it would have the following effects:

- Borrowings at fixed rates – the fair value of the liabilities borrowings will fall.
- Investments at fixed rates – the fair value of the assets will fall.

Borrowings are not carried on the balance sheet at fair value, so nominal gains and losses on fixed rate borrowings would not impact upon the Income & Expenditure account. The Authority has an active strategy for assessing interest rate exposure that feeds into the setting of the annual budget and which is used to inform the budget monitoring process during the year.

Price Risk

The Authority does not invest in equity shares and is therefore not exposed to losses arising from movements in the prices of shares.

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.

THE PENSION FUND

The Authority participates in four fire pension schemes those being the 1992 Firefighters Pension Scheme, 2006 New Firefighters Pension Scheme (NFPS), 2006 modified and 2015 Fire Pension Scheme. Since its inception the 2006 NFPS has been extended to allow recognition of service back to 2000. Anyone electing to buy back this service and/or continue to contribute technically belongs to the 2006 Modified scheme. For the purposes of this years accounts all fire scheme entries are shown under the one heading.

Schemes are classed as “unfunded” in that they have no investment assets, with retirement benefits now being met in year from a newly created Pension Fund. Out of the fund come pension costs and commutation payments with the “income” coming from employees and employers superannuation contributions and a “top-up” grant from central government (Home Office), to balance the fund to nil.

The fire pension fund is currently dissimilar to a normal pension fund in that it has no trustees, bank account or investment assets. The fund is managed on a separate ledger to that for normal activities of the Authority. Items of income and expenditure are recognised on the date of the cash transaction.

Firefighter Pensions Fund	2020/21 £000	2019/20 £000
Contributions receivable from:		
Fire authority:-		
a) contributions in relation to pensionable pay	(8,513)	(8,683)
b) early ill health retirements & other income	(88)	(474)
c) Firefighters contributions	(3,880)	(3,919)
	(12,481)	(13,076)
Transfers In	(296)	(289)
Benefits payable		
d) pensions	19,171	18,540
e) commutations and lump sum benefits	4,462	5,220
f) lump sum death benefits	116	1
g) transfers out	435	-
h) refunds of contributions	-	-
Net amount payable for the year	11,407	10,395
Top up grant payable by the government	(11,407)	(10,395)
	-	-
Net Assets Statement	2020/21 £000	2020/21 £000
Current assets		
Devon & Somerset Fire Authority - debtor	4,635	(3,953)
Current liabilities		
Top up grant payable from HomeOffice - creditor	(4,635)	3,953
Total	-	-

Note 1 - As DSFRS has paid or will pay all pensions and commutation payments from its own bank account it is due reimbursement for costs incurred.

Note 2 - It should be noted that the amounts included within the firefighters pension fund are only for the period of 2020/21 and do not take into account liabilities to pay pensions or benefits after that period.

Note 3 - £6.772m had been received from Home Office by 31st March 2021, being 70% of notified top up grant available. As there was a funding shortfall £4.635m is due from the Home Office in order to balance the total costs to total income within the fund.

GLOSSARY OF TERMS

Accounting Policies

Rules and practices adopted by the Authority that dictate how transactions and events are shown and costed.

Accruals

Income and expenditure are recognised as they are earned or incurred, not as money is received or paid.

Actuary

An independent professional who advises on the position of the pension fund.

Actuarial Valuation

The Actuary reviews the assets and liabilities of the pension fund every three years.

Assets

Items that are owned by the Authority or money that is owed to it.

Balance Sheet

Statement of recorded assets, liabilities, reserves and other balances at the end of the accounting period.

Capital Expenditure

Expenditure on the acquisition of fixed assets or expenditure which adds to and not merely maintains the value of existing fixed assets.

Capital Financing Costs

Costs associated with the financing of fixed assets, representing interest and principal repayments on loans and contributions from revenue reserves towards capital payments.

Capital Receipts

Proceeds from the sale of assets, which may be used to finance new capital expenditure or set aside for the repayment of external loans.

Cash equivalents

Short term, highly liquid investments which have little scope for changes in value.

Cash Flow Statement

The statement which summarises the Authority's inflows and outflows of cash during the year.

Chartered Institute of Public Finance and Accountancy (CIPFA)

CIPFA is the main professional body for accountants working in the public service.

Collection Fund Adjustment Account

A reserve on the balance sheet used to hold accounting differences attributable to the collection of council tax.

Comprehensive Income and Expenditure Statement

This is a core statement reporting the net cost of the Authority and demonstrates how this cost has been financed from grants and tax payers.

The "Code"

The Code of Practice on Local Authority Accounting in the United Kingdom 2019/20. This prescribes the form and content of the Statement of Accounts, and is published by a joint committee of CIPFA and LASAAC. It is based on approved accounting standards and reflects specific statutory accounting requirements. Compliance with the Code is necessary in order that the Authority's Accounts give a "true and fair" view of its financial position and performance.

Contingent Liability

A potential liability at the balance sheet date, which is still uncertain when the accounts are submitted for approval. The liability will be included in the balance sheet if it can be estimated reasonably accurately. Otherwise the liability will be disclosed as a note to the accounts.

Creditors

Amounts owed by the Authority for goods and services received on or before 31 March.

Current Assets

Assets that are expected to be used in the short term (less than one year), such as cash and inventories.

Debtors

Amounts owed to the Authority for goods and services provided on or before 31 March.

Defined Benefit Scheme

A pension or other retirement benefit scheme other than a defined contribution scheme. Usually the scheme rules define the benefits independently of the contributions payable, are not directly related to the investments of the scheme. The scheme may be funded or unfunded.

Depreciation

The measure of the wearing out, consumption or other reduction in the economic life of a fixed asset, whether arising from use, passing of time or obsolescence through technical or other changes.

Earmarked Reserves

Amounts set aside for a specific purpose, a particular service or a type of expenditure. Technically, they are part of the General Fund, but they are set out as a separate part of usable reserves.

GLOSSARY OF TERMS

Financial Instruments

Contracts which give rise to a financial asset or liability, such as loans and investments, trade payable (creditors) and receivables (debtors) and financial guarantees.

Heritage asset

An asset that is held primarily for its contribution to knowledge or culture.

International Financial Reporting Standards (IFRS)

The basis for reporting local authority accounts which came into effect on the 1st April 2010, replacing the standards on which the Statement of Recommended Practice (SORP) was based.

Inventories

The new name for stocks.

Leasing

There are two main types of leasing arrangements:

Finance leases which transfer all the risks and rewards of ownership of a fixed asset to the lessee and such assets are included within the fixed assets in the balance sheet.

Operating leases where the risks and rewards of ownership of the asset remain with the leasing company and the annual rental is charged directly to the revenue account.

Liabilities

Amounts owed by the Authority to lenders or suppliers.

Long-term borrowing

Loans raised to finance capital spending which have still to be repaid.

Minimum Revenue Provision

The minimum amount the Authority must charge to its revenue account to provide for the repayment of debt.

Movement in Reserves Statement

A Statement showing the movement in the year on the usable and unusable reserves held by the Authority.

National Non-Domestic Rates (NNDR)

A flat rate in the pound set by Government, sometimes known as "Business Rates", levied on businesses and paid into a National Pool. The Authority receives a share from the National Pool as part of its annual funding - the redistributed amount or 'NNDR Grant'.

Property, Plant and Equipment

The term for tangible fixed assets - i.e. Assets with physical substance that are held for use in the production or supply of goods and services or for administrative purposes, and are expected to be used during more than one accounting period.

Private Finance Initiative (PFI)

A credit arrangement which enables private sector financing of public sector facilities or services.

Provisions

Amounts set aside for any liability that is likely to be incurred but where the exact amount and the date on which it will arise are uncertain.

Projected Unit Method

An accrued benefit valuation method in which the Scheme liabilities make allowance for projected earnings. An accrued benefits valuation method is a method in which the scheme liabilities at the valuation date relate to:

- a) The benefits for pensioners and deferred pensioners (i.e. Individuals who have ceased to be active members but are entitled at a later date) and their dependants allowing where appropriate for future increases, and
- b) The accrued benefits for members in service on the valuation date.

The accrued benefits are the benefits for service up to a given point in time, whether vested rights or not. Guidance on the projected unit method is given in the Guidance Note GN26 issued by the Faculty and Institute of Actuaries.

PWLB

The Public Works Loan Board - the principal source of long-term capital for local authorities.

Reserves

Sums of money set aside to meet general rather than specific future liabilities. The sums set aside are charged to general funds and not to Reserve Accounts.

Revaluation

The fair value of assets recorded in the Balance Sheet at current value should be formally reviewed by a professional valuer at intervals of no more than five years, and the revised value should be included in the Balance Sheet.

Revaluation Reserve

A record of the accumulated gains on the fair value of property, plant and equipment arising from inflation or other factors, to the extent that these gains have not been consumed by subsequent reductions in value. The balance on this reserve is carried forward as part of the Unusable Reserves in the Balance Sheet.

Scheme Liabilities

The liabilities of a defined benefit 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 the valuation date.

Treasury Management

The management of cash flows, banking, lending and borrowing; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.

CERTIFICATION OF ISSUE

The unaudited accounts were issued on the 30th July 2020, the accounts were approved by the Devon & Somerset Fire & Rescue Authority on the 29 September 2021

Shayne Scott

Treasurer to the Authority

Sara Randall-Johnson

**Chair of Devon & Somerset Fire & Rescue
Authority**

29th September 2021

REPORT REFERENCE NO.	DSFRA/21/22
MEETING	DEVON & SOMERSET FIRE & RESCUE AUTHORITY
DATE OF MEETING	29 SEPTEMBER 2021
SUBJECT OF REPORT	2020-21 ANNUAL STATEMENT OF ASSURANCE (FINAL)
LEAD OFFICER	Director of Governance & Digital Services
RECOMMENDATIONS	<i>That the final Annual Statement of Assurance appended to this report required to accompany the 2020-21 final accounts be approved and published on the Authority's website.</i>
EXECUTIVE SUMMARY	<p>The Accounts and Audit Regulations 2015 (as amended) and the Fire & Rescue Service National Framework require the Authority to prepare and publish an Annual Statement of Assurance on financial, governance and operational matters demonstrating how the Authority has had regard to both its Integrated Risk Management Plan and the expectations in the Fire & Rescue Service National Framework.</p> <p>The Annual Statement of Assurance is primarily backward looking but also features an action plan to address, in the forthcoming financial year, any significant governance issues identified as part of the review process.</p> <p>This year, additional consideration has been given to the impact of Covid-19 on the the Devon & Somerset Fire & Rescue Service ("the Service"). Whilst Covid-19 has undoubtedly presented many challenges, the Annual Statement of Assurance reflects the ways in which the Service has adapted and responded to those challenges.</p> <p>The Annual Statement of Assurance for 2020-21 has been submitted, along with the draft 2020-21 Statement of Accounts, to the Authority's external auditors for review.</p> <p>This review did not identify any significant issues with the Annual Statement of Assurance. The following points were set out for consideration and comment and are followed by the Authority's response to each:</p> <ol style="list-style-type: none"> 1. Page 22 – refers to a value for money conclusion which strictly speaking under the new code is no longer provided by external audit, rather it is more a value for money commentary. Response: Amended "value for money conclusion" to "value for money commentary".

	<p>2. Paragraph 3.17 – refers to reviewing arrangements to strengthen the target setting process – should this appear in the action plan?</p> <p>Response: It is considered that this is included within the planning and performance management framework action on page 26.</p> <p>3. The code requires an opinion on the level of assurance that the authority’s governance arrangements can provide? External audit cannot see where this is explicitly included?</p> <p>Response: Opinion added to paragraph 14 on page 17.</p> <p>4. The Internal Audit draft opinion sets out a number of areas where limited assurance was provided – should the results of the staff survey be included in the action plan?</p> <p>Response: The staff survey is covered by the final point in the action plan linked to People: Implement the “Safe To...” intervention throughout the Service so that people feel included and feel safe to speak up, to learn, to contribute and to challenge.</p>
RESOURCE IMPLICATIONS	Nil.
EQUALITY RISKS AND BENEFITS ANALYSIS	The contents of this report are considered compatible with existing equalities and human rights legislation.
APPENDICES	A. 2020-21 Annual Statement of Assurance FINAL
BACKGROUND PAPERS	Report APRC/21/4 (2020-21 Draft Annual Statement of Assurance) to the [then] Audit & Performance Review Committee meeting on 5 March 2021 and the Minutes of that meeting.

MIKE PEARSON
Director of Governance & Digital Services



DEVON &
SOMERSET
FIRE & RESCUE SERVICE

Devon & Somerset Fire & Rescue Authority

2020-21 Annual Statement of Assurance

Devon and Somerset
Fire & Rescue Authority

29/09/2021

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1 Introduction

- 1.1 The Devon and Somerset Fire and Rescue Authority (“the Authority”) recognises that good governance supports the setting of clear objectives, effective management of risk to delivery of these objectives, delivery of defined performance standards, accountability in the use of public money, continued public engagement and helps to deliver the Authority’s vision and defined outcomes for the community that it serves.
- 1.2 The Authority is responsible for:
- Ensuring that there is a sound system of governance in place.
 - Ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for.
 - Meeting its 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.
 - Preparing an annual governance statement in support of its Statement of Accounts in line with the Accounts and Audit (England) Regulations 2015. This is an expression of the measures taken to ensure appropriate business practice, high standards of conduct and sound governance.
 - Publishing an annual Statement of Assurance as required by The Fire and Rescue National Framework for England (May 2018). The statement should outline the way in which the Authority and its Fire and Rescue Service has had regard to the Framework, the Integrated Risk Management Plan and to any strategic plan (e.g. the Fire and Rescue Plan) prepared by the Authority for that period. Each Authority must also provide assurance to their community and to government on financial, governance and operational matters.
- 1.3 The Authority has agreed that the most appropriate way to meet both the National Framework and the Accounts and Audit (England) Regulations 2015 requirements is through the creation of one assurance report entitled ‘Annual Statement of Assurance’. The Annual Statement of Assurance details the approach for how the Authority has developed and applied its governance framework in accordance with its statutory responsibilities.

2. Operational

2.1 The Authority functions within a clearly defined statutory and policy framework. The key documents setting this out are:

- Fire and Rescue Services Act 2004
- Civil Contingencies Act 2004
- Regulatory Reform (Fire Safety) Order 2005
- Fire and Rescue Services (Emergencies) (England) Order 2007
- Localism Act 2011
- Accounts and Audit Regulations 2015
- Fire and Rescue National Framework for England 2018

2.2 In addition, other key statutes include:

- Local Government Act 1972
- Local Government Finance Act 1988
- Local Government and Housing Act 1989
- Local Government Finance Act 1992
- Local Government Act 2003

2.3 Within this statutory framework, the Authority has three main responsibilities: to determine a strategic policy agenda for its area; set a budget to fund delivery of the policy agenda; and to undertake scrutiny to ensure that intended outcomes are being achieved efficiently, effectively and in accordance with statutory requirements. The Authority creates the organisational capacity to 'operationalise' these responsibilities through the Devon and Somerset Fire and Rescue Service (the Service), which is led by the Chief Fire Officer.

Planning, Performance and Continuous Improvement

2.4 The Authority's strategic plans are detailed in three key corporate documents: the [Integrated Risk Management Plan](#), the [Fire & Rescue Plan](#) and the [Safer Together Programme](#).

2.5 The Integrated Risk Management Plan requires the Authority to determine and analyse the risks present within the communities that it serves and is a statement to the public about how its Prevention, Protection and Response activities will address these risks. The plan is subject to regular review, with the present document covering the period 2018-22. Work has commenced on developing the next iteration.

2.6 The Fire & Rescue Plan 2018-22 details the Service's strategic intent for improvement, and contains the Vision, Purpose and Values by which its staff are encouraged to operate. The plan focuses on six priorities: service delivery; people; value for money and use of resources; governance; collaboration; and digital transformation.

- 2.7 In 2019, the Safer Together Programme was borne out of the change and improvement activities identified as necessary for the delivery of the Integrated Risk Management Plan and the Fire & Rescue Plan. The programme sets out the prioritised and sequenced work required to achieve the optimal balance between efficiency and effectiveness of the service provided to our communities. The programme is governed by a programme board, chaired by a member of the Service Executive Board, with the constituent projects each having their own project boards and jointly governed by the Business Design Authority. The Business Design Authority is concerned with ensuring that all of the business outputs of the projects remain aligned to the Service's future state and strategic objectives. It also allows the wider Service Leadership Team (Heads of Departments) to identify any dependencies with work that may be taking place in their area which is not in the programme to ensure that as a Service, we are building the right capability. It allows the Service Leadership Team to apply scrutiny to the deliverables of the programme. The programme and project boards and the Business Design Authority have continued to operate virtually throughout 2020-21.
- 2.8 The supporting work to deliver these strategic plans is cascaded via plans made by directorates, departments, groups and capabilities. As well as aligning to the priorities set by the Authority, these plans reflect the pillars of inspection by Her Majesty's Inspectorate of Constabulary & Fire & Rescue Services (the Inspectorate), and describe how, at operational levels, the strategic plans will be delivered. The Directorate Statements and Department/Service Plans are reviewed at least quarterly by their respective management teams.
- 2.9 A review of the Service's planning framework and capability has commenced and has identified areas of improvement that will support better continuity of objectives from the strategic to the operational level. The planning templates are being replaced by a software product that will support improved accountability and ownership of activities and engender a positive culture whereby every team will be able to see how its work contributes to achieving the Authority's objectives.
- 2.10 The Service continuously strives to improve. It aims to do this in a number of ways, through horizon scanning for emerging risks and opportunities, to constantly reviewing processes and policies to ensure that it is delivering in an efficient and effective manner and delivering value for money to its communities.

Process for Operational Assurance

- 2.11 In accordance with the Authority's commitment to public and staff safety, the Operational Assurance Team ensures that all learning submitted nationally is positively utilised to review current ways of working, implement improvements where necessary, and to raise awareness across the Service. National and regional learning is fed in and out of the Service via a number of different pathways, which include:
- National Operational Learning.
 - Joint Organisational Learning.
 - Coroner's Regulation 28 - Prevention of Future Death reports.
 - Health and Safety Executive recommendations.

- Local Resilience Forum debriefing focus group.
- South West Regional Operational Assurance Group.

2.12 The Operational Assurance Team is a key stakeholder in a number of these groups which enables the Service to play a vital role in ensuring that all learning received drives positive organisational change in a timely manner. The Team also strives to promote a culture where all internal learning and best practice, identified from a variety of activities linked to operational response, is shared and communicated in a way that supports self-development and organisational improvement, including regular updates on internal social media, a dedicated intranet repository for employees to use, and via posters and printed media for stations.

2.13 A process has been developed to enable the effective management of identified learning and outcomes, which is achieved through:

- Operational monitoring and feedback.
- Debriefing incidents and training exercises.
- National and regional learning.
- Audit and engagement with all key stakeholders within the Service.

2.14 Debriefs provide the opportunity for operational personnel to identify good practice and any lessons learned for further improving the delivery of service. An operational debrief strategy and policy is in place within the Service, and is currently subject to review to ensure consistency with new national guidance.

2.15 The Operational Assurance Team has adapted its working practices throughout the current pandemic to ensure a minimal impact on the Service's ability to capture and manage organisational learning and best practice.

Training and Development - Academy

2.16 The Service, through its Training Academy, has enabled the delivery of quality assured training to its staff to improve safety and overall effectiveness, which is underwritten by the ISO 9001 (2015) Quality Management Framework. The Executive Board monitor performance in this area through a Service Delivery dashboard which specifically outlines the number of staff and type of skills that are 'in date' for assurance purposes. In addition, where new training requirements are introduced (e.g. Marauding Terrorist Attacks), the Academy can introduce e-learning and other training quickly across the whole organisation.

2.17 Training is an essential activity, helping to keep staff and the public safe from harm. Following the initial Covid-19 lockdown in March 2020, all training was temporarily suspended for a short period. The Training Academy then commenced a planned and phased resumption of training, focusing initially on high risk activities such as Breathing Apparatus, Incident Command and Driving.

- 2.18 The Service has put strict safety measures in place, supported by risk assessments, to make sure that all training venues are Covid-19 secure. This enabled other elements of training to be gradually re-introduced. As the country has moved in and out of lockdown the Training Academy has strived to continue to provide as much training as possible, maintaining the overall focus on staff safety and welfare.
- 2.19 The Service continues to invest in new vehicles to assist in the delivery of training, such as an additional mobile Incident Command Training Vehicle which has received excellent feedback. The e-learning system continues to grow, enabling student access to theoretical elements of training from a range of access points, for example tablets and laptops. This enables a greater focus on practical based training on drill night sessions.

Commitment to Health & Safety

- 2.20 The Authority recognises and accepts its responsibility for the health, safety and welfare of its employees and others who may be affected by its activities. To achieve this, the Service works to meet all relevant requirements of the Health & Safety at Work Act 1974 (together with all other statutory provisions associated with it) and support staff in meeting their obligations under the Act and subordinate legislation. The Chief Fire Officer currently chairs the Strategic Safety Committee.
- 2.21 Health, Safety and Wellbeing has been identified as a key theme within the Service's People Strategy. Progress towards achieving the underpinning aims of this strategy is monitored via the People Strategy monitoring group.
- 2.22 Elements of the People Strategy have been accelerated in order to respond to the Covid-19 pandemic, for example, remote and more agile working for employees, home working provisions and promotion of the welfare provisions available to all employees.
- 2.23 Detailed health, safety and welfare arrangements are set out in Service policies developed to take account of relevant legislation and guidance, including the Health and Safety Executive's HS(G)65 methodology. The policies provide employees with relevant and comprehensive information on the risks they face and the preventative and protective measures required to control them. The policies also identify the roles and responsibilities of those employees who have a duty to ensure that measures are implemented. Additional safe systems of work, risk assessments and guidance for employees have been developed to support employees during the Service response to the Covid-19 pandemic.
- 2.24 Systems for monitoring the effectiveness of health and safety management procedures are in place; this includes proactive and reactive monitoring. The processes include air sampling on station of diesel engine exhaust emissions, provision of accident and near miss incident data to the Strategic Safety Committee for review, annual completion of premises Health, Safety and Welfare Assessment Report Forms, Covid-19 Secure audits and a means to fully audit the organisation's Health and Safety management systems.

- 2.25 Procedures are in place to report all safety events, allocate an investigator and where required make recommendations for corrective action to be completed. Functional and process issues were encountered with the software solution for reporting safety events, which impacted on the recording and management of safety event investigations as well as the ability to monitor accidents through trend analysis. This has been raised on the Corporate Risk Register and work is progressing with the development of a replacement Safety Event Management System to enable this process to work more effectively.
- 2.26 Effective management of, and learning from, safety events also relies upon the right cultural conditions to support this. The Service's People Strategy sets out the intention to identify the cultural conditions needed to meet the Service's aspirations, to work together to grow the ideal work environment and also sets out the intent to be a learning organisation and to have an engaged health and safety culture. Through research, observation, feedback from the Inspectorate, staff survey and cultural audit around psychological safety, it has been identified that the key cultural condition that the Service needs to embed is psychological safety; people need to feel included and feel safe to speak up, to learn, to contribute and to challenge.
- 2.27 The approach that the Service is now taking, based on theories of psychological safety and, in terms of Just Culture, drawing on experience from Civil and Military Aviation, is to support positive leadership behaviours and employee relationships to improve the health safety and wellbeing of everyone. This addresses both behaviours around fairness and respect and creating an engaged safety culture, ultimately supporting high performance. This intervention is called 'Safe To' and means Safe To:
- learn – sharing and learning from our experiences, successes and mistakes.
 - contribute – sharing our ideas to make things better.
 - challenge – where things aren't right with working practices, behaviours and values.
- 2.28 This work may reduce work related poor mental health impacts and is designed to create an inclusive supportive culture where there is simply no place for bullying and harassment. This initiative is being supported with processes to ensure the top level commitment is supported with organisational procedures and support.

Fleet, Equipment and Water Supplies

- 2.29 A Fleet and Equipment Workstream forms part of the Safer Together Programme. The governance and reporting to deliver the two main investment projects in relation to this strategy are; Fleet Capital Programme and the Asset Management Project. To date both are on track for completion.
- 2.30 The Service adheres to the National Fire Chiefs Council Best Practice Manual for the maintenance of Fire Service Vehicles.
- 2.31 In 2020 the service upgraded its fleet management system as part of the asset management project.

- 2.32 Under the Fire and Rescue Services Act the Authority has a duty to secure water. Adopting the National Guidance Document for provision of water for fire-fighting purposes (2017), the Service operates a risk based approach for the 70,000+ hydrant management and maintenance requirements.

Collaborative and Partnership Working

- 2.33 The Service is committed to forming or joining partnerships that assist it in achieving its organisational objectives and contribute to its core purpose “to Protect and Save”.
- 2.34 The Service continues to strengthen its partnership working with other fire and rescue services, blue light services, local authorities, community groups and other organisations by working to common objectives at the local, regional and national level. The improvement of prevention and protection work is a major priority and the Service also contributes to wider community objectives identified in Local Area Agreements where appropriate.
- 2.35 The Service established the South West Emergency Service Collaboration Forum and the Chair of the Fire Authority is the appointed Chair of this regional forum. The Chief Fire Officer is the regional coordinator and is supported with a vice chair from Devon and Cornwall Police at Assistant Chief Constable level.
- 2.36 Collaborative working continued to grow through the South West Emergency Services Collaboration, to achieve a number of agreements. The working group is continuing to liaise and work together on new pieces of work, and has changed from a group that worked together to reach agreement on changing practice in individual organisations into a good practice sharing forum. For example, the Service will share its experience of the trial on community responders (the dual role of a firefighter and special constable) and police access to fire stations.
- 2.37 A Tripartite agreement was formed in response to the Covid-19 pandemic, between the National Fire Chiefs Council, the Fire Brigades Union and fire service national employers, which outlined additional responsibilities that fire and rescue services could assist with to further help support their communities and partner agencies.
- 2.38 In line with the Tripartite agreement, the Service provided employees to support ambulance personnel, as well as to provide support to Nightingale hospital transfers and to complete face-fit testing of PPE for other services and for care home staff. Risk assessments were completed for any other requests for assistance that have arisen.
- 2.39 The Service also provided driver familiarisation training packages and driving assessments for ambulances to Service employees and to those from other fire and rescue services.
- 2.40 The Service has extended the trial of Community Responders by a further year (until January 2022) and is seeking to extend the hours that this team is available to provide more community support.

- 2.41 The Police and Fire Community Support Officer roles which were previously trialled, have been maintained in North Devon. Agreement was gained in 2020-21 to recruit two additional employees into this role, which can be provided in alternative areas of Devon.
- 2.42 Throughout the Covid-19 pandemic, the Service provided support to the Local Resilience Forums, which included establishing a Strategic Community Support cell and a volunteer co-ordination cell for the Devon, Cornwall, and Isles of Scilly Local Resilience Forum. The Chief Fire Officer also represents Chief Fire Officer colleagues in the region on a weekly Regional Strategic Coordinating Group which includes health, local authority, military and emergency service partners to coordinate activity related to the Covid-19 pandemic. Partnership working was commended by the Inspectorate and their letter as to findings can be seen on the Inspectorate's website.
- 2.43 In terms of Fire/Fire collaboration, the five South West Chief Fire Officers meet bi weekly to discuss opportunities and share learning. A key outcome of this work is the regional commitment to the South West Ambulance Service for Firefighters to drive ambulances and the Service is the regional Fire lead for this work. These discussions have also seen key risk information and desktop reviews with presentations shared between Chief Fire Officers and cascaded within respective services.

Co-Responding

- 2.44 The Authority has a formal partnership agreement in place with the South Western Ambulance Service to provide a co-responder medical response (an initial medical provision to stabilise casualties in life-threatening emergencies prior to the arrival of the ambulance service). Any indemnity of health service activity has been covered by the Coronavirus Act 2020 during this reporting year.

Civil Contingencies

- 2.45 The Emergency Planning Team is responsible for ensuring that the Service meets the Authority's obligations as laid out in the Civil Contingencies Act 2004 and the Fire Services Act 2004.
- 2.46 Effective arrangements are in place to collaborate with partners through Local Resilience Forums, the National Inter-Agency Liaison Officers network and Safety Advisory Groups which support multi-agency planning activity and the Critical National Infrastructure in line with Joint Emergency Services Interoperability Principles.
- 2.47 The Service has created a specialist team of volunteers to respond to Marauding Terrorist Attacks. Following changes in the National Planning Assumptions, the Service has supplemented this capability with a further 16 specialist responders based at Plympton, funded via a Home Office grant.
- 2.48 This Marauding Terrorist Attacks capability has been established in order to support specialist emergency service response alongside Police and Ambulance responders in response to a Marauding Terrorist Attack incident within the Authority area or, under National Mutual Aid, to any other location within the UK as requested. The overall aim is to save life, and the two main strands of fire and rescue support during this type of incident are for casualty care and fire hazard management.

- 2.49 The capability is made up of two key groups; National Interagency Liaison Officers and Specialist Response Team Operatives. Both of these groups undergo specialist training for responding to the Marauding Terrorist Attack threat, but fulfil different specific functions within a response. In addition, all operational staff have recently completed an e-learning module to support awareness and to improve preparedness of all staff who may be faced with such an event.

National Resilience

- 2.50 The National Resilience Capabilities are comprised of a number of specialist capabilities which are funded by the English Government via lead Government Department the Home Office and hosted within English fire and rescue services.
- 2.51 The National Resilience Capabilities hosted by the service are Urban Search & Rescue, High Volume Pumping, Chemical, Biological, Radiological and Nuclear (explosion) Mass Decontamination and Command & Control (Enhanced Logistics Support).
- 2.52 The Capabilities are managed and assured on behalf of the Home Office by the National Resilience Assurance Team, supported under a Lead Authority arrangement by Merseyside Fire & Rescue Service.

Over the Border Mutual Aid Arrangements

- 2.53 Sections 13 and 16 of the Fire and Rescue Services Act 2004 allow mutual assistance arrangements to be agreed with neighbouring Services to improve resilience and capacity in border areas. The Authority has in place contractual agreements with neighbouring fire and rescue authorities for response to incidents requiring their support.
- 2.54 In addition to sections 13 and 16 there is a partnership agreement between the Authority and Dorset & Wiltshire and Hampshire fire and rescue authorities to provide a common, networked mobilising system with the principal aim of ensuring that the response mobilised to an incident is always the nearest and most appropriate resource/s based upon travel time and attributes (i.e. having the necessary skills or equipment) to deal with the incident.
- 2.55 Further work is underway to ensure cross border training and awareness is undertaken, supported with exercises where appropriate.

Networked Fire Services Partnership

- 2.56 The Networked Fire Services Partnership is a significant collaboration between three fire and rescue services (Hampshire, Devon & Somerset and Dorset & Wiltshire) initially set up to deliver a networked fire control solution, which was achieved in April 2016. An Information Governance Partnership Group meets regularly to review the required governance procedures that are required under legislation and monitor current and emerging risks to the information the system holds. A risk remediation plan is in place to ensure that security risks are managed effectively, supplemented by an annual IT health check for assurance. This supports the Authority's compliance with the Airwave Code of Connection and the upcoming Emergency Services Network, which is due to replace the Airwave service.
- 2.57 Subsequently the Networked Fire Services Partnership has committed to scoping further collaboration opportunities that will support all three services in achieving increased effectiveness and efficiency as well as sharing and developing good practice with regards to staffing issues.

Business Continuity and Resilience

- 2.58 The Service has a Strategic Business Continuity Policy which sets out the corporate business continuity management structure and goals for business continuity assessment, training and exercising. The Service also has a business continuity framework that details how the organisation will respond to specific disruptions.
- 2.59 The Service has 36 tactical business continuity plans in place to ensure that it is prepared for a range of threats and challenges. Business Continuity Management processes are also undertaken so that the Service can continue the delivery of services following a disruptive incident.
- 2.60 The Business Continuity Manager is responsible for providing specialist advice and guidance on business continuity issues, including the co-ordination, development, implementation and review of business continuity plans, processes and procedures.
- 2.61 The Service has a statutory responsibility to conduct business continuity as mandated in The Civil Contingencies Act 2004. The Service embraces the principles of 'Plan, Do, Check, and Act' and aligns with aspects of the ISO: 22301 (Societal Security – Business Continuity management systems and requirements).
- 2.62 On 23 March 2020 the Service activated strategic and tactical business continuity plans in accordance with the national Covid-19 lockdown arrangements and the organisation moved into a 'response' posture. The following measures were implemented:
- All employees were mandated to 'work from home' where possible.
 - Daily tactical telephone conferences were held to ensure that managers were regularly updated. Actions and decisions were recorded and distributed.
 - The Service Extended Leadership Team met regularly to ensure that appropriate Strategy was set.
 - Regular corporate communications messages were distributed to employees.

- Avon & Somerset Local Resilience Forum and Devon & Cornwall and the Isles of Scilly Local Resilience Forum held daily multi-agency teleconferences. The Service was a key stakeholder and was represented at strategic and tactical levels.
- The Business Continuity Manager engaged with both Local Resilience Forums and the National Fire Chiefs Council in order to share best practice and monitor the local and national situation.
- Strategic and tactical business continuity plans were regularly updated to ensure that actions and decisions were recorded.

2.63 In September 2020 a tactical exercise was conducted in order to rehearse the potential response to a localised lockdown. An appropriate exercise debrief was conducted and an exercise report was distributed.

2.64 In October 2020 strategic and tactical debriefs were conducted to identify potential areas for improvement throughout the response phase. Appropriate reports were written and distributed.

2.65 During November 2020 the Service was subject to an inspection by the Inspectorate. The audit focused specifically on the organisational response to the Covid-19 pandemic. The Inspectorate's findings were published in January 2021 and concluded that "In line with good governance, the Service had a pandemic flu plan and business continuity plans in place, which were in date. These plans were activated. The plans were detailed enough to enable the service to make an effective initial response, but understandably, they didn't anticipate and mitigate all the risks presented by COVID".

2.66 On 18 December 2020 the Service held a strategic business continuity exercise in order to identify potential gaps in planning while dealing with concurrent events, for example Covid-19 and a no deal Brexit.

2.67 A Covid-19 Integrated Risk Management Plan was introduced which has driven a number of changes to the work that would usually be undertaken, the most significant of which were:

- Home safety technicians redeployed to provide telephone fire safety advice to approximately 2,000 people that had existing bookings. Full visits will take place for those clients upon return to business as usual.
- Home safety technicians working with local councils to visit those that are shielding due to age and / or long-term health effects.
- Insight driven communications have targeted members of the public to alert to the dangers around emerging risks and changing behaviours. This included risks around barbecues, garden bonfires, road risk, water safety and advice for businesses.
- Businesses with Site Specific Risk Information were contacted to confirm that all information held is up-to-date.
- A technical fire safety helpdesk was established to support businesses during working hours.

- The introduction of National Fire Chiefs Council desktop fire safety audits.
- Bespoke technical fire safety support provided to key sectors, such as healthcare and care home providers.
- The introduction of risk-based compliance checks of communal areas of high rise residential buildings.
- Provision of guidance to businesses throughout the phases of lockdown, such as 'closing your business', 're-opening your business' and frequently asked questions. The Service is in the process of producing further communications to support those businesses balancing Covid-19 secure requirements with fire safety.
- Planning of up to date training for Service employees on care homes, factories and high-rise buildings.
- Protection team mask fitting and training and access to Personal Protective Equipment for 'dangerous conditions' inspections.
- Consultation and support provided to the design and build of the Nightingale Hospital in Exeter.

2.68 The Covid-19 business continuity event has provided the Service with the unique opportunity to review and ensure that all department and strategic plans pull in the same direction.

Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services (the Inspectorate)

- 2.69 The Inspectorate undertook its first annual assessment of fire and rescue services in 2018-19. The assessment examined services' effectiveness, efficiency and how well they looked after their employees. The Inspectorate was satisfied with certain aspects of the performance of the Service but there were several areas where improvement was needed. In particular, a Cause for Concern was raised regarding the fitness testing of firefighters. The Service implemented an action plan in response.
- 2.70 The Service has a Physical Fitness Policy and three dedicated Fitness Advisors in post to support firefighters to attain and maintain the fitness standards that are required for their role. The Service has also introduced Fitness Advocates who are existing operational employees that provide an additional fitness role to the Service and are qualified to a minimum of a Level 2 Gym Instructor.
- 2.71 Service fitness culture and results improved by 13.78% during 2020-21, despite significant adjustments due to Covid-19. The Inspectorate is currently planning a re-inspection to assess the Service's improvements in this area.
- 2.72 The Service commissioned an external review of how it manages its people. A number of internal changes have been made and the Service is working to identify a longer term plan for implementing the People Strategy.

- 2.73 In 2020, the Inspectorate conducted inspections of England's fire & rescue services, assessing and reporting on their response to the Covid-19 pandemic. This inspection reported overwhelmingly positive findings for the Service, with the recommendations that the Service explores how to implement innovative ways of working for the longer term and that the use of whole time firefighters for other roles could be explored whilst also protecting them against Covid risks. Actions to address these recommendations are currently being explored.

3. Governance

Code of Corporate Governance

- 3.1 The Authority has approved and adopted a Code of Corporate Governance, consistent with the principles of the CIPFA (Chartered Institute of Public Finance and Accountancy) / SOLACE (Society of Local Authority Chief Executives) framework "Delivering Good Governance in Local Government". A copy of the Code is on the Authority's [website](#) or can be obtained from the Clerk to the Authority. This Statement explains how the Authority has complied with the Code.

Review of Effectiveness

- 3.2 The Authority has responsibility for conducting, at least annually, a review of the effectiveness of its governance arrangements including the system of internal control. The review of the effectiveness is informed by the work of senior managers within the Service who have responsibility for the development and maintenance of the governance environment and also by comments made by the external auditors and other review agencies and inspectorates.
- 3.3 The 2020-21 review has identified the following key elements to the Authority's governance arrangements.
- (1) The Authority was constituted under the Devon and Somerset Fire and Rescue Authority (Combination Scheme) Order 2006. The Authority has strategic responsibility for discharging fire and rescue authority functions for the combined area with the day-to-day responsibility resting with the Chief Fire Officer and other officers within the Executive Board.
 - (2) During the 2020-21 financial year, the Authority comprised 26 Members appointed by the constituent authorities (Devon County Council, Somerset County Council, Plymouth City Council and Torbay Council). In addition, an "independent person" is appointed in accordance with the requirements of the Localism Act 2011 and in June 2019 the Authority agreed to the appointment of a second independent person in line with recommendations made by the Committee on Standards in Public Life following its review of local government ethical standards.
 - (3) During the 2020-21 financial year, the Authority operated with the following permanent committees:
 - Resources Committee (7 Members)
 - Human Resources Management & Development Committee (7 Members);

- Audit & Performance Review Committee (7 Members);
 - Community Safety & Corporate Planning Committee (6 Members);
 - Appraisals and Disciplinary Committee (4 Members); and
 - Standards Committee (7 Members).
- (4) Terms of reference for each of these committees were approved by the Authority. The committee structure (including terms of reference) is subject to annual review but may also be amended in-year as circumstances dictate.
- (5) The Audit & Performance Review Committee operates in accordance with the CIPFA best practice guidance on audit committees. It provides an additional level of review and scrutiny of the Authority's internal and external audit arrangements (including consideration and monitoring of any reports and associated action plans), corporate governance and risk arrangements and financial statements (Annual Statement of Accounts). The Committee has responsibility for the operation of the Authority's strategy for the prevention and detection of fraud and corruption and monitors performance of the Service.
- (6) The constitutional governance arrangements are contained in the following documents:
- Members Roles and Responsibilities
 - Standing orders
 - Financial Regulations
 - Treasury Management Policy
 - Contract Standing Orders
 - Scheme of Delegations
 - Members Code of Conduct
 - Protocol for Member / Officer Relations
 - Policy on Gifts and Hospitality
 - Scheme of Members Allowances
 - Corporate Governance Code
 - Confidential Reporting Policy (Whistleblowing" Code)
 - Strategy on the prevention and Detection of Fraud and Corruption
 - Code of Recommended Practice on Local Authority Publicity

- (7) These documents, with the exception of the Code of Recommended Practice on Local Authority publicity (which is a national document issued by the Government under Section 4 of the Local Government Act 1986), are subject to review at least annually and are updated as and when necessary to reflect legislative change, organisational change or best practice, as relevant, to ensure that they remain up-to-date and fit for purpose. The documents are available on the Authority's [website](#).
- (8) The Authority's Treasurer is responsible for ensuring that effective financial stewardship is in place across the Service in conducting the business of the Authority. The Authority's financial management arrangements conform to the governance requirements of the "CIPFA Statement on the Role of the Chief Financial Officer in Local Government".
- (9) The statutory functions of the Treasurer and the Monitoring Officer provide a source of assurance that the Authority's systems of governance and internal control are effective and being complied with.
- (10) The effective management of risk is critical for the Service to ensure that it maintains services and continues to progress effectively towards achieving its strategic objectives. The risk management framework provides a structured way to deal with uncertainty which can help everyone in the Service to manage their area effectively. The Service risk management framework has been reviewed and updated and now includes the risk escalation and de-escalation process that ensures that risks are considered at appropriate levels within the Service.
- (11) The Service risk registers are updated and reviewed periodically. This process in turn informs the Corporate Risk Register. The Service only escalates risks to the Corporate Risk Register if they cannot be managed or mitigated at the department or directorate level. The Authority's Corporate Risk Register is reviewed by Service management on a monthly basis (dependent on the level of risk) to ensure that risks to the Authority's strategic objectives and corporate plans are appropriately identified and managed. Horizon scanning has now been introduced into Service management review of the Corporate Risk Register to support deep dive risk identification and assessment. Corporate Risks are presented to the Audit & Performance Review Committee every six months.
- (12) The Authority maintains comprehensive insurance cover to support its management of organisational risk. The Authority is a member of the Fire and Rescue Indemnity Company (FRIC), the mutual protection provider that has 12 fire and rescue authority members and has completed its fifth year of operations culminating in surplus being achieved every year since it was formed, with a current total of in excess of £1m. This is a significant result for FRIC and shows what can be achieved when fire authorities collaborate in an innovative and mutually beneficial manner. The surplus generated would otherwise have been lost to the public sector, but instead it can be retained to support further improvements and drive better risk management and, ultimately, deliver lower costs for FRIC's members. For example resources allocated to the motor claims reduction project delivered FRIC claim contact cards that are carried in every vehicle. This has resulted in a reduction in motor claims numbers and costs.

- (13) The 2020-21 Internal Audit Plan resource was approved by the Audit & Performance Review Committee on the 4 March 2020. The plan set out the combined resource required for internal assurance activity to be completed by the Service's Audit & Review Manager and the Authority's shared service internal audit arrangements with Devon Audit Partnership. The latter conforms to the governance requirements of the CIPFA Statement on the Role of the Head of Internal Audit in public service organisations.
- (14) Due to the Covid-19 pandemic, the plan was not fully delivered, with internal audit resource reassigned to an assurance role as part of the business continuity arrangements. The plan was subsequently re-prioritised and internal audits completed on higher priority subjects. Based on the completed audit work and knowledge from previous years, it is the view of Internal Audit that the systems in operation within the Service demonstrate a reasonable level of internal control.
- (15) The Authority also participates in the biennial National Fraud Initiative scheme. A new data matching exercise was completed in 2020-21, with results being due for release to participants to review.
- (16) The Service has a Strategic Health & Safety Committee which meets quarterly to monitor health, safety and welfare of employees as per section 2(7) of the Health and Safety at Work Act 1974. All representative bodies (trades unions) recognised by the Authority, i.e. the Fire Brigades Union, the Fire and Rescue Services Association, the Fire Officers Association and UNISON are invited to sit on this Committee.
- (17) The Human Resources Management and Development Committee receives a report on the Health, Safety and Wellbeing of the Service which is positively received. The report helps the Committee to monitor and question performance in these areas on behalf of the Authority.
- (18) The Organisational Safety and Assurance Manager attends the National Fire Chiefs Council (NFCC) Health & Safety meetings and chairs the regional NFCC Health & Safety meetings. The Health and Safety Manager has assumed the responsibility for this from January 2021.
- (19) A governance framework has been prepared for change management, which defines roles and responsibilities and outlines the methodology that will be applied as the Service adopts a centralised Portfolio office approach to all requests for strategic change.

- (20) The Service monitors compliance with the Personal Information Management System to provide assurance that handling of personal information is compliant with General Data Protection Regulation. This is an industry / British standard known as PIMS (ISO27701) which is effectively a personal information framework for managing and monitoring compliance. Wider monitoring of the Personal Information Management System was reduced this year as a result of invoking business continuity plans. Performance of critical compliance areas including responding to Subject Access Requests and Freedom of Information requests, remains in place with a high level of compliance achieved. Information Risk Assessments have matured as a result of being in a response phase with the introduction of Technical Security Assessments which have enhanced how the Service manages its information risk and demonstrates its risk appetite. The Information Assurance Team is undergoing a transformational restructure to add further value by becoming an Information Governance function. This will include ownership of records management and achieve a consistent standard for managing information throughout the organisation.
- (21) Contract Standing Orders are subject to annual review and in-year changes as and when required. Guidance materials on procurement and contract management are available on the Authority's [website](#) and internal systems. Priorities for this year have been supply of Personal Protective Equipment during the Covid-19 response, ongoing supply arrangements and delivery of Service projects. The Service continues to be part of the National Fire Chiefs Council Commercial Transformation Programme and is the national lead for the Fleet Category as well as working on opportunities with our Networked Fire Service Partnership.
- (22) The Procurement Team reviews third party expenditure and manages contracts above £20,000 in value. This is to ensure compliance with legislation and best practice, to ensure that the Authority can demonstrate value for money and deliver savings and efficiencies. The Team is actively engaged in wider collaborative national and local procurement initiatives. The Service's Head of Fleet and Procurement is part of the Local Government Association National Advisory Group for Procurement representing the fire and rescue service nationally. During 2020-21 the Procurement Team has been responsible for managing centralised communications and providing briefing papers on the NFCC's Emergency Response Vehicles framework and Respiratory Protective Equipment framework and suppliers operating positions on behalf of the fire sector during the Covid-19 Response. The Procurement Team liaised closely with key suppliers and fire and rescue services nationally to expedite the delivery of critical products ensuring that those fire and rescue services that needed them most were prioritised. The Team also worked with Suppliers to identify alternative 'approved' products where suppliers could not provide their own due to Covid related supply chain issues.

- (23) Red One Ltd. was established in 2012 to allow the Authority to deliver commercial activities within the legislative framework that applies. The Authority has taken legal advice to ensure compliance with legislative requirements and to ensure effective governance arrangements, which were enhanced in January 2018 by the appointment of independent non-executive directors. Governance arrangements were further enhanced in July 2018 by the adoption of revised Articles of Association, which strengthened the composition of the Board to include a mix of: Authority Member non-executive directors; independent non-executive directors; Service officer non-executive directors and company appointed executive directors.
- (24) Service commitments to equality, diversity and inclusion are set out in the Fire & Rescue Plan and People Strategy, which address issues relevant to equality, diversity and inclusion in the workplace at each stage of the employee lifecycle, including attraction, recruitment, retention, development and progression. These documents also set out how the Service will meet the needs of different communities and vulnerable people in order to reduce risk and align with the changes needed to support the Integrated Risk Management Plan and the Inspectorate's inspection outcomes. The Employers Network for Equality & Inclusion benchmarked the Service against Talent, Inclusion, Diversity & Equality and awarded the Service a Silver Award in July 2020. The Human Resources, Management & Development Committee monitors progress of actions relating to the People Strategy, and particularly matters related to diversity and inclusion, every three months.
- (25) The Service has a process in place to ensure that potential equality impacts are identified and mitigated when preparing or reviewing policies and procedures. The process is called Equality Risks and Benefits Analysis and it helps the Service to deliver better services and working practices as well as ensuring compliance with the Public Sector Equality Duty. In 2019 the Service introduced a broader assessment of impact i.e. the People Impact Assessment into which the Equality Risks and Benefits Analysis is incorporated. Implementation of the People Impact Assessment includes wider impacts on people including data protection, health & safety and safeguarding. This process has been used extensively during the pandemic to support the Service's decisions in response and recovery. Mandatory equalities training has been reviewed and was rolled out in early 2020. The Service has now started work on increasing psychological safety including addressing identified levels of unwanted behaviour.

3.4 The 2020-21 review by the Authority has concluded that there are good systems, procedures and checks in place to manage the Authority's governance arrangements.

Response to Covid-19

- 3.5 On 4 April 2020, the Government introduced Regulations under the Coronavirus Act 2020 providing for formal Authority meetings to be held "virtually" i.e. with remote access (including telephone and video conference) for Authority Members, the press and the public. The Regulations, which remained in force until 7 May 2021, also provided that an Annual Meeting need not be held until 2021.

3.6 As a result, the Authority:

- Agreed not to hold an Annual Meeting in 2020. Any appointments that would normally be made at an Annual Meeting, remained in place until the next Annual Meeting (in 2021);
- Introduced a platform to enable its meetings to be held virtually, with proceedings livestreamed to the press and public (in compliance with the Regulations);
- Introduced a Remote Meetings Protocol and amended Standing Orders to reflect the provisions of the Regulations and the Protocol. These documents can be found on the Authority's [website](#);
- Approved a calendar of meetings for 2020-21 proportionate to meeting business need while maintaining public transparency and the democratic process. Details of meetings for 2020-21, together with agendas (once published) for the meetings, can be found on the Authority's [website](#); and
- In the absence of timely, formal meetings, used the Urgency provisions of its Standing Orders to make certain decisions for example approval of the Remote Meetings Protocol and amended Standing Orders; budget outturn; and disposal of Budleigh Salterton Fire Station. The detail of all decisions taken using the Urgency provisions can be found on the Authority's [Website](#).

3.7 A temporary Gold, Silver and Bronze level command structure was implemented within the Service, to improve speed of decision-making, in response to the pandemic. The Bronze level consisted of Cells with clearly defined roles and responsibilities, captured in a Business Continuity Response governance document. A dedicated Triage team was established to handle queries and direct actions to the most appropriate cells. Action tracking software was developed and implemented to enable visibility of outstanding and completed actions, and to assist with resource allocation.

3.8 The Silver team held regular meetings with all cell leads, at an agreed, variable frequency, as required. Throughout 2020-21 this frequency varied between daily and twice-weekly. The Gold team met on a weekly basis, with Gold representation also available at Silver meetings.

3.9 A Recovery Planning team was established, which met regularly throughout 2020-21. Its work was aligned with other members of National Fire Chiefs Council Business Continuity planning groups, and with other members of the Local Resilience Forums. The role of this team was to ensure that appropriate measures were put in place to enable the authority to return to more standard ways of working without risking the safety of employees or the public.

How we measure and monitor our performance

- 3.10 The Service has a performance framework in place to ensure that it is able to effectively measure and review performance in a way that is meaningful and practical. A suite of strategic performance indicators is reported to the Audit and Performance Review Committee and to the Service's Executive Board, whilst a real-time dashboard is provided to support operational Service Delivery activity. Work has commenced in 2020-21 to redesign the performance framework, and to procure a system to support this. Data integrity remains a challenge for 2021-22.
- 3.11 The Service has invested in its analytical capability in order to provide more sophisticated measurement and understanding of the performance of its activities. These provisions will develop into the availability of self-serve performance information for Service employees and communities via the relaunch of the website. By presenting timely and relevant information to all employees, the Service is growing a performance-focused culture of continuous improvement and evaluation.

Performance Measures

- 3.12 As part of the ongoing improvement to performance reporting, work is focussed on the provision of information appropriate to the different levels of the organisation.
- 3.13 The Service's strategic aims and objectives are set by the Authority, with the Directorates and Departments supporting and delivering the performance to achieve these. As such, the Authority and the Service Executive Board are provided with high-level indicators and reporting by exception, to provide governance and oversight of service provision and performance. These reports are presented to governance meetings, including the Audit & Performance Review Committee on a monthly or quarterly basis as appropriate.
- 3.14 Community-facing employees and their managers require performance information specific to their roles and areas, presented in such a way as to clearly demonstrate how their operational activity supports and delivers the corporate objectives. Information at this level is much more dynamic and is presented in an easily accessible way, on a shorter timescale to facilitate timely management and intervention.
- 3.15 These supporting measures also apply to non-operational roles so that functions such as training, fleet and IT and measures such as fitness, budget and compliance, are all reported on in order to maximise effectiveness and efficiency in achieving good performance.

Performance Targets

- 3.16 As with performance measures, appropriate targets should be set at all levels of the Service, from the strategic key performance indicators to the targets set for individuals within appraisals. Individuals' objectives are agreed with their line managers and are aligned to departmental plans, which in turn support the Authority's objectives.

- 3.17 Targets should be reviewed annually or where appropriate and are set on the basis of historic benchmarks, identified trends, comparison with other fire and rescue services and future aspirations. The Service is currently reviewing the current arrangements in place with a view to strengthening the 2021/22 target setting process.

Performance Reporting

- 3.18 Regular reporting against plans and performance measures help to ensure a sustained focus on those things that matter most, resulting in delivery of the Service's priorities and improvement agenda.
- 3.19 Reports of key measures will be produced and will include interpretation, analysis and any actions to be taken. The audience for these reports are the Authority, the Audit, Performance and Review Committee, the Service Executive Board, the Service Leadership Team, Group Commands and support departments.
- 3.20 Reports focus on exceptions, i.e. those measures that are exceeding target and those not on target. This encourages celebration of success and sharing of good practice along with discussion on actions needed to rectify under performance.
- 3.21 The Service has invested in significantly upgrading its performance management technology, to better facilitate the management of, and links between, corporate planning, performance and improvement. The platform, once fully implemented, will integrate with analytical and visualisation tools, such that information will be presented to employees in a way that is relevant to them, and provide greatly enhanced visibility of performance, accountability and objectives.
- 3.22 This platform also promotes the identification and capture of best practice and areas for improvement. By carrying out this evaluation, the Service learns from its own actions, which, combined with national guidance and peer learning, feeds back into how the Service defines its strategic direction and planning.

4 Financial Assurance

Statement of Accounts

- 4.1 It is a statutory requirement under the *Accounts and Audit (England) Regulations 2015* for authorities to publish the financial results of their activities for the year. The 'Statement of Accounts', shows the annual costs of providing the service and is determined by a Code of Practice published by CIPFA, which aims to give a "true and fair" view of the financial position and transactions of the Authority.
- 4.2 The Treasurer is responsible for the approval of the Statement of Accounts prior to publication. To meet the requirements of the Regulations, the draft Statement of Accounts is published by the end of May with the final audited Statement of Accounts published once the audit process has been completed. The Redmond Review has recommended that the publication date be the end of September.

External Audit Arrangements

- 4.3 On an annual basis, the Statement of Accounts is subject to external audit. Following a national procurement exercise, Grant Thornton was appointed as the external auditors for the South West region.
- 4.4 Grant Thornton is therefore responsible for the completion of the following assurance activities:
- Audit of the 2020-21 financial statements
 - Proposed opinion on the Authority's accounts
 - Proposed Value for Money commentary
- 4.5 No significant issues have arisen to date from the External Audit work completed in 2020-21.

Public Contracts Regulations 2015 (“the Regulations”)

- 4.6 The Regulations set out a legal framework for contracting public authorities to follow in securing a contract for works, supplies and services where the contract value exceeds set thresholds unless the contract qualifies for a specific exclusion as defined in the Regulations. The Regulations are not static but subject to change, driven by evolving European and UK case law. The Regulations reflect and reinforce the value for money focus of the Government's procurement policy. Based on the Treaty principles of transparency, non-discrimination, equal treatment and proportionality even where the procurement process is not subject to the Regulations the Treaty based principles apply.
- 4.7 The Head of Fleet and Procurement and Corporate Procurement Manager is responsible for review of all third party expenditure and ensuring that the Service processes conform to UK Regulations.

Data Transparency

- 4.8 The Authority complies with the Government's 'Local Government Transparency Code 2015' for releasing public data. The following arrangements are in place:
- A Freedom of Information Publication Scheme
 - Publication of the annual statement of accounts
 - Publication of all expenditure over £500
 - Publication of all Government Procurement Card transactions
 - Publication of Procurement Information
 - Publication of land ownership
 - Publication of Trade Union facility time
 - Publication of a Pay Policy Statement including all senior employee salaries and pay multiple comparators
 - Publication of fraud investigations

- Publication of Members' allowances and expenses
- Publication of External Audit reports
- Publication of all committee reports (other than those where a statutory exemption for publication applies).

Financial Planning

- 4.9 Currently, the amount of Central Government funding is reviewed annually. A number of scenarios are included within the Medium Term Financial Plan demonstrating the possible funding position for the next 5 years. This assists Authority Members in understanding the potential risks regarding funding. The [Medium Term Financial Plan](#) is published alongside the underpinning: [Reserves Strategy](#); [Capital Strategy](#); and the [Safer Together Programme](#).

Covid-19 impact

- 4.10 The key financial issues relating to the Covid-19 pandemic were reported to the Resources Committee on the 2 July 2020 (available on the Authority [website](#)). The cessation of some activity, in particular delays to the capital programme, will have the effect of improving cash flows for the Authority during 2020-21. The Authority has a healthy cash position, with sufficient reserves to ensure protection from any delayed payments in 2020-21. The majority of cash reserves are held in short-term investments which are accessible should the need arise. In addition, fire authorities have been supported by the Government, which has paid several grants early to ease any cash flow pressures. Cash flow issues are not anticipated to impact the Authority over the medium term financial period.
- 4.11 On the 2 July 2020 the Government announced further measures to support local authorities with budgetary pressures arising from loss of income from Council Tax and Business Rates, spreading any losses over a three year period. The Authority, in collaboration with the fire sector, will be seeking to measure and understand the longer-term impact of losses and request government support against any detriment.
- 4.12 Whilst it is not possible to predict the ultimate extent and duration of the pandemic, or its wider impact on the economy, stakeholders will look to authorities to use best endeavours to explain the specific known impacts on their organisation to date, as well as the anticipated future impacts under different scenarios. The specific areas affected by uncertainty are discussed below in more detail, however we would expect that many authorities will have to reconsider their strategies and outlook going forward given the significant impacts of Covid-19. Further, measures to contain the pandemic have likely put pressure on governance processes and on elected members in discharging their responsibilities.

5 Future Improvements

5.1 The Covid-19 pandemic has impacted the Service's ability to be able to progress in some areas in line with the timescales that were originally anticipated. The following areas for improvement therefore carry forward and remain our key areas of focus throughout 2021-22:

- Service policy management.
- Information management to allow employees to easily locate accurate and up to date information when required.
- Aligning resources to risk and prioritising prevention and protection activity.
- Improving diversity across the Service including operational management and senior roles.
- Ensuring that the Service's planning processes integrate performance, projects and risk so that all activity is aligned to the strategic objectives, vision and purpose.
- Improving the integrity of data in order to support the effective implementation of the performance framework and the system to support this.

5.2 The following new areas for improvement have been identified:

- Strategic Policy determination (set by the Fire Authority) with scrutiny applied to those areas where matters are delegated to the Chief Fire Officer.
- Further improving our Efficiency, Effectiveness and People arrangements.

5.3 Continuing appraisal of the governance and internal control mechanisms during the accounting period has identified the following internal control issues which the Service will continue to address in the next year:

- Functional and process issues were encountered with the software solution for reporting safety events, which impacted on the recording and management of safety event investigations as well as the ability to monitor accidents through trend analysis. This has been raised on the Corporate Risk Register and, despite originally being hampered by the impact of Covid-19, work is progressing with the development of a replacement system.
- The Service's processes and systems for the management of assets require improvement. This will continue with implementation of Phase 2 of the asset management implementation project in 2021-22.

6. Conclusion

6.1 The Authority is satisfied that the issues identified above are appropriate and that steps are already in place to address the improvement areas identified in this review. The Audit & Performance Review Committee will receive updates on the implementation and operation of these improvement activities annually, through the updated action plan attached in Appendix A to this report.

6.2 Additionally, the Authority is satisfied that the systems and processes that are in place across the organisation fulfil the requirements of the Fire and Rescue National Framework for England.

CHIEF FIRE OFFICER

**CHAIR, DEVON & SOMERSET FIRE & RESCUE
AUTHORITY**

APPENDIX A TO 2020-21 ANNUAL STATEMENT OF ASSURANCE – ACTION PLAN

Identified Issue	Action Needed	Lead Officer
Service Policy Management Improvements are required to ensure that the Service has an effective policy framework, effective document lifecycle management and compliance with the latest accessibility standards.	As part of the Microsoft 365 rollout: <ul style="list-style-type: none"> • Deliver new policy template repository with automated document management information reporting on the policy lifecycle. • Enable automatic publication of policies to the website to decrease the Freedom of Information response burden. • Implement an improved mechanism to store documents to enable easier location by employees. 	Head of ICT
Information management The approach to information management is driven at department level rather than taking an enterprise approach to how information is managed across the Service. This leads to difficulty for employees easily finding accurate and up to date information when required. This also impedes the ability to lead to smarter working practices.	As part of the Microsoft 365 project, an enterprise wide approach to information management will be developed which will form the basis of the new Intranet.	Head of ICT
Aligning resources to risk and prioritising prevention and protection activity. We need to ensure that we allocate our resources for response, prevention and protection in a way that best reflects the risks to our communities, prioritising our prevention and protection work to prevent fires and other emergencies from occurring, but being able to respond when emergencies do happen.	<ul style="list-style-type: none"> • Ensure that the decisions of the Fire and Rescue Authority with regards to the new Service Delivery Operating Model have been implemented. • Review the Community Safety Plan to ensure that the most vulnerable communities are being prioritised through our prevention work. • Review the Risk Based Inspection Programme to ensure that high risk buildings are being inspected and are compliant with legislation. • Review the Service Delivery strategic plan to ensure that resources are deployed to support efficiency and effectiveness of all response, prevention and protection activity. 	Area Manager Service Delivery - Community Risk
Improving diversity across the Service including operational management and senior roles. There is a need to further develop contracts and career paths to support inclusivity ensuring that the Service has a workforce that reflects the communities that it serves.	Implement positive action such as direct entry (an NFCC project) supported by the 'Our Time' sponsorship programme.	Head of HR
Planning, Performance and Continuous Improvement	The planning and performance management framework that is currently under development needs to be finalised and rolled out.	Area Manager Service Improvement -

Identified Issue	Action Needed	Lead Officer
In order to ensure that all activity is aligned to the strategic objectives, vision and purpose, the Service's planning processes need to integrate with performance, projects and risk.	This has been reworked to address the identified issue and we are in the process of purchasing a new system through the procurement framework. The new system is cloud based so will require connection rather than installation and will support the integrated approach, linking planning, performance, projects and risk as well as giving a much clearer view of performance against key objectives.	Risk & Planning (IRMP)
Data integrity Work has commenced to redesign the performance framework and to procure a system to support this. In order to ensure successful implementation, work is required to improve the integrity of data and to ensure proportionate and robust controls on data in order to: promote valid data at the point of capture; maintain up to date, accurate records; enable the exploitation of external data sources, particularly in relation to location and premises data; and ensure consistency in reporting information.	<ul style="list-style-type: none"> • Map the data requirements for the Service and where these are held. • Agree data owners. • Develop automated reporting. 	Area Manager Service Improvement - Risk & Planning (IRMP)
Safety Event Management Functional and process issues were encountered with the software solution for reporting safety events, which impacted on the recording and management of safety event investigations as well as the ability to monitor accidents through trend analysis.	Develop and implement an improved solution for the recording and management of safety event investigations	Head of Organisational Assurance
Integrated Service Asset Register (Fleet and Operational Equipment) An integrated fleet and operational service asset register needs to be developed and embedded to ensure that all assets are effectively recorded and managed to provide consistent data to inform replacement plans and ensure operational assets are fit for purpose.	<ul style="list-style-type: none"> • Undertake Operational Equipment review – complete. • Develop an equipment register to capture all legislative and manufacturer requirements for the different categories of equipment and their corresponding risk assessments - complete. • Implement Phase 2 of the asset management implementation project. 	Head of Fleet & Procurement
Strategic Policy determination Lack of a clearly defined strategic policy agenda.	Fire & Rescue Authority to set strategic policy agenda with professional advice and support from Service Officers.	Chief Fire Officer
Further improving our Efficiency, Effectiveness and People arrangements. We need to deliver our statutory duties, add value through improved community outcomes and create a workplace where all employees are able to perform at their best.	<ul style="list-style-type: none"> • Effectiveness and Efficiency: Improve the performance management framework to ensure that all activities are aligned to corporate priorities to reduce duplication of effort and to performance manage the Service. • People: Further to the external review of Human Resources and Organisational Development, identify key priorities and implement an improvement plan. 	Chief Fire Officer

Identified Issue	Action Needed	Lead Officer
	<ul style="list-style-type: none"> • People: Implement the Safe To intervention throughout the Service so that people feel included and feel safe to speak up, to learn, to contribute and to challenge 	

REPORT REFERENCE NO.	DSFRA/21/23
MEETING	DEVON & SOMERSET FIRE & RESCUE AUTHORITY
DATE OF MEETING	29 SEPTEMBER 2021
SUBJECT OF REPORT	AMENDMENT TO FINANCIAL REGULATIONS
LEAD OFFICER	Director of Governance & Digital Services
RECOMMENDATIONS	<i>That the Authority approves an amendment to its Financial Regulations providing for delegated authority to the Chief Fire Officer to award grants of up to £0.100m (and the Resources Committee up to £0.500m), in conjunction with local housing providers, for matched funding to facilitate the fitting of domestic sprinklers and/or other fire suppression systems.</i>
EXECUTIVE SUMMARY	<p>Domestic sprinklers are reasonably inexpensive if fitted at the time of build (circa. £2.5k each). They have a proven record of reducing fatalities, injuries and damage in fires. The match funding of domestic sprinklers in conjunction with local housing providers in accordance with the Chief Fire Officer's existing delegated authority was considered by the Community Safety Committee at its meeting on 26 July 2021.</p> <p>In order to ensure an agile approach to the match funding of grants (in a partnership approach with local housing providers) for domestic sprinklers and/or other fire suppression systems, the Committee agreed that the Authority be recommended to approve an amendment to the Chief Fire Officer's delegated power to enable the authorisation of grants specifically for this purpose of up to £0.100m.</p>
RESOURCE IMPLICATIONS	The award of any grants made for the purposes set out in this paper would be met from within budgetary provision available at that time.
EQUALITY RISKS AND BENEFITS ANALYSIS	To be completed on a case by case basis.
APPENDICES	None
BACKGROUND PAPERS	Report to the Community Safety Committee (CSC/21/2) - 26 July 2021

1. INTRODUCTION

- 1.1. It is recognised that, in very high risk situations where an individual is unable to exit a property due to mobility and if the risk of fire is so severe and cannot be mitigated against, then the installation of domestic sprinklers may be an option to prevent a fatality should a fire break out.
- 1.2. The fitting of sprinklers has a proven track record of preventing fire fatalities and reducing damage to property as well as increasing firefighter safety.
- 1.3. In the UK, there has never been a fire death in a building with a fully maintained sprinkler system. Fires are extinguished or controlled in 99% of sprinkler protected properties. Average property loss is reduced by 70%. (National Fire Sprinkler Report, 2017).

2. OPPORTUNITY FOR PARTNERSHIP WORKING TO REDUCE RISK

- 2.1. The Service has an opportunity to work in partnership with housing providers. Where it is recognised that an occupant reaches the criteria of being at very high risk and unable to exit a property, there is an opportunity in a small number of cases to retro-fit sprinklers to protect an individual if all other options for mitigation have been exhausted.
- 2.2. In this situation the Service would look to match-fund the fitting of domestic sprinklers. Conversations with housing providers such as Plymouth Community Homes and Cornerstone Housing have been positive and indicate that there is an appetite to a match funding approach in a small number of cases.
- 2.3. The advantage to match-fund on a new build is the cost of fitting at time of build is significantly lower than retro-fitting sprinklers (circa. £2.5k). The cost of retro-fitting sprinklers is unique dependent upon many factors and would have to be reviewed on a case by case basis and considered using a cost benefit approach.
- 2.4. The Community Safety Committee considered this matter at its meeting on 26 July 2021 (Minute CSC/2* refers) and agreed wholeheartedly that this approach should be supported. Additionally, the Committee recognised the benefit of exploring other fire suppression systems in conjunction with local housing providers through grants on a match funded basis.

3. AMENDMENT TO FINANCIAL REGULATIONS

- 3.1. In order to ensure an agile approach to the making of such grants, the Community Safety Committee agreed to recommend an amendment to the Authority's Financial Regulations to provide for delegated authority to the Chief Fire Officer to award grants of up to £0.100m, in conjunction with local housing providers, for matched funding to facilitate the fitting of domestic sprinklers and/or other fire suppression systems.

- 3.2. The suggested amendment to Financial Regulations following a discussion between the Chief Fire Officer, Treasurer and Director of Governance & Digital Services is as follows:

“the Chief Fire Officer (in consultation with the Treasurer) be delegated power to approve grants specifically for the fitting of domestic sprinklers and/or other fire suppression systems in conjunction with local housing providers of up to £0.100m (and the Resources Committee up to £0.500m)”;

- 3.3. Such grants could be used to support both new build and retro fitting projects.

4. BENEFITS

- 4.1. There are clear benefits both financially and on life safety grounds for fitting domestic sprinklers and other fire suppression systems. Any projects supported by the Service will provide valuable case studies for best practice within the housing sector and wider fire prevention and protection.
- 4.2. The proposal fits clearly within the National Framework and also the Authority's Community Safety Strategic Policy Objectives, specifically:
- 2(a) - Provide response resources at times and in locations relevant to identified risks of fires and other emergencies; and
 - 2(c) - Explore and develop opportunities to work with other agencies where the Service can add value to community outcomes (referred to elsewhere on this agenda).
- 4.3. This approach would remove the need to delay any future projects pending a meeting of the Resources Committee to approve such grants for match funding that might exceed the existing delegation of the Chief Fire Officer of up to £0.100m.

5. CONCLUSIONS

- 5.1. This approach is consistent with the National Framework and the Authority's Strategic Objectives for Community Safety. This will allow the Service to demonstrate a commitment to innovation and forward thinking in its approach to reducing fatalities, injuries and incidents. It will also allow the Service to explore bespoke solutions for a small number of very high risk individuals in partnership with housing providers across Devon and Somerset in an agile approach to reduce fire fatalities.

MIKE PEARSON

Director of Governance & Digital Services

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REPORT REFERENCE NO.	DSFRA/21/24
MEETING	DEVON & SOMERSET FIRE & RESCUE AUTHORITY
DATE OF MEETING	21 SEPTEMBER 2021
SUBJECT OF REPORT	RESOURCES COMMITTEE TERMS OF REFERENCE AND COMMITTEE APPOINTMENTS
LEAD OFFICER	Director of Governance & Digital Services
RECOMMENDATIONS	<p><i>(a). that the proposed revisions to the Terms of Reference of the Resources Committee as set out in this report be approved;</i></p> <p><i>(b). That the Authority determines appointments to the vacancies on the Resources Committee and any consequential vacancies, the term of office to be until the Authority annual meeting in 2022.</i></p>
EXECUTIVE SUMMARY	
RESOURCE IMPLICATIONS	Nil.
EQUALITY RISKS AND BENEFITS ANALYSIS	Not applicable
APPENDICES	Nil.
BACKGROUND PAPERS	Report DSFRA/21/13 (Schedule of Appointments to Committees and Outside Bodies) to the Authority annual meeting on 29 June 2021 (and the Minutes of that meeting).

1. **RESOURCES COMMITTEE TERMS OF REFERENCE – ENVIRONMENTAL STRATEGY**

- 1.1. At its meeting on 23 October 2020, the Authority approved an Environmental Strategy for the Service (Minute DSFRA/53 refers. The Authority also resolved:
- “that the Audit & Performance Review Committee, in consultation with the Authority’s Climate Change and Sustainability Champions, be asked to develop appropriate targets and/or Key Performance Indicators (KPIs) to facilitate monitoring by the Committee of progress in implementing the Service Environmental Strategy.”
- 1.2. At its annual meeting on 29 June 2021, however, the Authority approved a revised Committee structure with terms of reference more focussed in discharging a scrutiny role and holding officers to account for delivering against approved Service priorities and objectives. The revised terms of reference provide for individual committees to undertake performance monitoring in areas most aligned to the remit of the committee in question, rather than a single committee having oversight of all Service performance as used to be the case with the previous Audit & Performance Review Committee.
- 1.3. Responsibility for monitoring performance against the Environmental Strategy is currently unallocated. Amongst other things, the strategy will address the environmental impact of the resources the Service is using and how these are being used. Consequently, it is felt that responsibility for monitoring performance against the approved Environmental Strategy should rest with the Resources Committee.
- 1.4. Accordingly, the following additions to the Terms of Reference of the Resources Committee are proposed:
- Advisory only***
Acting as a Working Party, to consider with relevant officers the development of the Environmental Strategy and associated potential performance measures for forthcoming years for approval by the Authority;
- Matters with Delegated Powers to Act***
To scrutinise and monitor the effectiveness of the Service in meeting the Authority-approved Environmental Strategy objectives.
- 1.5. The Authority is recommended to approve these revisions.

2. **APPOINTMENTS TO COMMITTEES**

- 2.1. In accordance with the Authority decision at its annual meeting on 29 June 2021, Councillors Radford and Shayer have been appointed as Authority Member non-executive directors on the Board of Red One Ltd. (“the Company”).
- 2.2. Although not part of the Authority’s written constitution, a convention has nonetheless operated (to prevent potential conflicts of interest) that Authority Member non-executive directors on the Board of the Company should not be serving Members on the Resources Committee which, amongst other things, has responsibility for monitoring the financial performance of the Company.

- 2.3. In light of this, the appointment of Councillors Radford and Shayer as Authority Member non-executive directors the Authority is now invited to consider changing the appointments to the Resources Committee together with any consequential changes to other committee places in the event of place swapping with other Members. Any such changes to be until the Authority's annual meeting in 2022. In accordance with provisions of Standing Order 30(2), ideally any changes to committee appointments should be from the same political party to preserve political balance.

MIKE PEARSON

Director of Governance & Digital Services

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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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