



DEVON & SOMERSET FIRE & RESCUE AUTHORITY

**S.J. Sharman
CLERK TO THE AUTHORITY**

**To: The Chair and Members of the Audit &
Governance Committee**

(see below)

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AUDIT & GOVERNANCE COMMITTEE
(Devon & Somerset Fire & Rescue Authority)

Monday, 20th January, 2025

A meeting of the Audit & Governance Committee will be held on the above date, **commencing at 2.00 pm in Committee Room B, Somerset House, Devon & Somerset Fire & Rescue Service Headquarters, Exeter** to consider the following matters.

S.J. Sharman
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 (Pages 1 - 4)

of the previous meeting held on 29th November 2024 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 Devon & Somerset Fire & Rescue Authority Financial Statements 2023-24:

a Statement of Accounts 2023-24 (Pages 5 - 74)

Report of the Treasurer (AGC/25/1) attached.

b Audit Findings for Devon & Somerset Fire & Rescue Authority for the Year Ended 31 March 2024 (Pages 75 - 102)

The Audit Findings for the Devon & Somerset Fire & Rescue Authority is a document prepared by Bishop Fleming, the Authority's External Auditor (as attached for information). The document sets out the external audit findings and opinion and is accompanied by the Authority's Financial Statements for the year ended 31 March 2024 (as below).

c 2023-24 Letter of Representation (Pages 103 - 106)

Accompanying the External Audit Findings is the Letter of Representation which is attached **FOR APPROVAL**.

5 Annual Audit Report 2023-24 (Pages 107 - 122)

The Authority's external auditor, Bishop Fleming, has submitted its Annual Audit Report for the 2023-24 financial year (as attached for information).

6 Annual Statement of Assurance 2023-24 (Pages 123 - 160)

Report of the Assistant Director, Corporate Services, (AGC/25/2) attached.

7 Corporate Risk Register (Pages 161 - 174)

Report of the Assistant Director, Corporate Services, (AGC/25/3) attached.

8 Personal Protective Equipment (PPE) Audit and Contaminants Update (Pages 175 - 180)

A report of the Assistant Director, Corporate Services, (AGC/25/4) providing the Committee with an update on progress towards completion of the identified actions from internal audit report Personal Protective Equipment (PPE) 2021/22 as attached.

MEMBERS ARE REQUESTED TO SIGN THE ATTENDANCE REGISTER

Membership:-

Councillors Roome (Chair), Prowse, Biederman, Clayton, Fellows, Kendall, Kerley (Vice Chair), Sellis, and Sproston

Independent, Co-opted, Members:-

Messrs. Perks and Turkington

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>

AUDIT & GOVERNANCE COMMITTEE (Devon & Somerset Fire & Rescue Authority)

29 November 2024

Present:

Councillors Kerley (Vice Chair – in the Chair), Biederman, Coles (vice Roome), Fellows, Kendall and Prowse

Co-opted, Independent Members:

Messrs. Perks and Turkington

Apologies:

Councillors Clayton and Sproston

* **AGC/24/13** **Minutes**

RESOLVED that the Minutes of the meeting held on 30 September 2024 be signed as a correct record.

* **AGC/24/14** **External Audit 2023-24 update**

Nathan Coughlin, Audit Partner at Bishop Fleming, was in attendance for this item.

The Committee received for information a report of the Authority's external auditor, Bishop Fleming, setting out work undertaken so far against the 2023-24 audit and the judgements made. The work was being carried out in accordance with the National Audit Office's Code of Practice and International Standards on Auditing.

The Committee's receipt of 2023-24 audit documents, to include a Final Statement of Accounts and Statement of Assurance, had been delayed due to a recommended material adjustment in the accounts, at 4%, against the value of the Service's land and buildings. The audit had progressed well since and Bishop Fleming was on track to render the final accounts at the Audit and Governance Committee meeting of 20th January 2025, ahead of the 28th February 2025 deadline. After seeking assurance, it was confirmed to the Committee that there were no negative consequences from this delay.

Upon enquiry, the Committee was appraised of the following audit updates:

- The Management Override had not raised anything significant;
- The audited accounts of the Authority's trading company, Red One Ltd., had been received and Bishop Fleming was comfortable with the position; and

- Against the Pensions Liability, Bishop Fleming was comfortable with the assumptions used by the Actuary. There was a small difference in accounts which would be taken forward as an adjusted difference.

* **AGC/24/15** **Internal Audit 2024-25 Progress Report**

Joanne McCormick, Deputy Head of Devon Assurance Partnership, was in attendance for this item.

The Committee received for information a report of the Head of Devon Assurance Partnership (DAP) (AGC/24/20) that provided an update on the progress made against the approved Internal Audit Plan for 2024-25, and the items of work left to do. The DAP anticipated confirming its overall audit opinion to the Committee at its July 2025 meeting.

Based on the audit work undertaken so far, and previous experience of the Service, the DAP was working towards a final audit opinion of Reasonable level of assurance. The report highlighted that three of the planned fourteen audits had been completed with opinion outcomes ranging from reasonable assurance to limited assurance. The direction of travel against all three of those risk areas was “A” given that the reports were in draft and actions plans were in the process of agreement. The DAP had no concerns at this time.

Noting an anticipated overall opinion of reasonable assurance, the Committee enquired what steps the Service might next take to achieve an audit opinion of substantial assurance. It was recognised that reasonable assurance was a positive outcome and that the Service had a proven upwards trajectory in the opinions it had achieved over recent years. Substantial assurance would be challenging to achieve for three reasons:

- The Service’s current finance systems required upgrading. A replacement system had been identified with the Service on track to complete a switch over during Quarter 3 of 2025;
- The Cyber Security risk landscape was continually evolving and would likely always be a risk to any organisation; and
- Ongoing Pensions challenges presented a continued risk into the foreseeable future.

Referencing page 15 of the report and the Service’s commitment to undertake development of a professional standards approach aligned to the Fire Standards, the Committee enquired whether this undertaking was complete. The Committee was advised that evidencing the shift from a point of compliance with the Fire Standards to a point of assurance marked a significant piece of work. It was, however, confirmed to the Committee that the Service was moving in the right direction.

An enquiry was made about how the Service reviewed efficiencies within the Prevention and Protection risk area and the Committee understood that the related Key Performance Indicators were monitored by the Community Safety Committee.

* **AGC/24/16** **Internal Audit Follow Up Report**

The Committee received for information a report of the Assistant Director, Corporate Services (AGC/24/21) which provided updates on the actions taken to address the findings of those internal audits with an opinion of “limited assurance” together with explanations where actions had been extended by more than 12 months.

The following was highlighted for the Committee:

- The Applications of Learning audit report had been approved for closure;
- The number of overdue actions had decreased by 92% since the last Committee meeting;
- 36 of the 84 high and medium priority risk actions were on target to complete with publication of key policies during December and January; and
- Where action time frames had been extended, this was attributed to resource and capacity challenges within the Service which the Service Leadership Team kept under regular review.

Referencing the reported seven priority risk areas due to be completed at the end of November 2024, with the publication of the Recruitment Policy, the Committee enquired if this was on track. Officers confirmed that the policy consultation period had passed and the final review and publication was expected imminently.

Identifying the Service’s increasing use of data solutions, the Committee sought assurance that systems and processes were in place to mitigate IT failures. The Committee was advised that data solutions were simplified wherever possible and training was in place to upskill colleagues in their use.

Concern was expressed about the overdue actions resulting from the audit of Personal Protective Equipment (PPE) 2021/22. The Committee was apprised that training was in place to ensure PPE was worn appropriately by staff. Some staff had not completed the training in the requisite time frame due to competing statutory training requirements and other workload priorities. The Committee was assured that the existing PPE was compliant with regulations and funding had been allocated within the Medium-Term Financial Plan.

Mr Perks queried the reasons for the reported delays against the Contamination Project. The Committee understood that this was a national issue relating to older stations not meeting modern regulations. The Service had identified actions to ensure compliance was achieved.

The Service undertook to provide the Committee with an interim update against Action PPE 2021/22 and to submit a formal progress report at its next meeting on 20th January 2025. The Service also undertook to include greater detail in future Committee reports about the reasons and mitigations for overdue actions.

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

The Meeting started at 10.00 am and finished at 11.04 am

REPORT REFERENCE NO.	AGC/25/1
MEETING	AUDIT & GOVERNANCE COMMITTEE
DATE OF MEETING	20 JANUARY 2025
SUBJECT OF REPORT	STATEMENT OF ACCOUNTS 2023-24
LEAD OFFICER	Treasurer
RECOMMENDATIONS	<i>That the final Statement of Accounts for 2023-24 be approved for publication.</i>
EXECUTIVE SUMMARY	<p>This report provides the Committee with an audited version of the Statement of Accounts for 2023-24 with an opportunity to review the content prior to publication per the Accounts and Audit Regulations 2015.</p> <p>The Ministry of Housing, Communities and Local Government (MHCLG) has put in place revised regulations that extend the statutory audit deadlines for 2023-24. The publication date for audited bodies was 31 May 2024 for 2023-24. Whilst the Service published the draft accounts within the deadline, the backstop date for the audit to complete is 28 February 2025 for the financial year 2023-24.</p> <p>The audited accounts are attached to this report at Appendix A and incorporate amendments to the draft Statement of Accounts as agreed with the auditors. The Audit Findings Report associated with the Statement of Accounts for 2023-24 is also included within the agenda for this meeting for consideration.</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 2023-24
LIST OF BACKGROUND PAPERS	Accounts and Audit Regulations 2015 (as amended 2024)

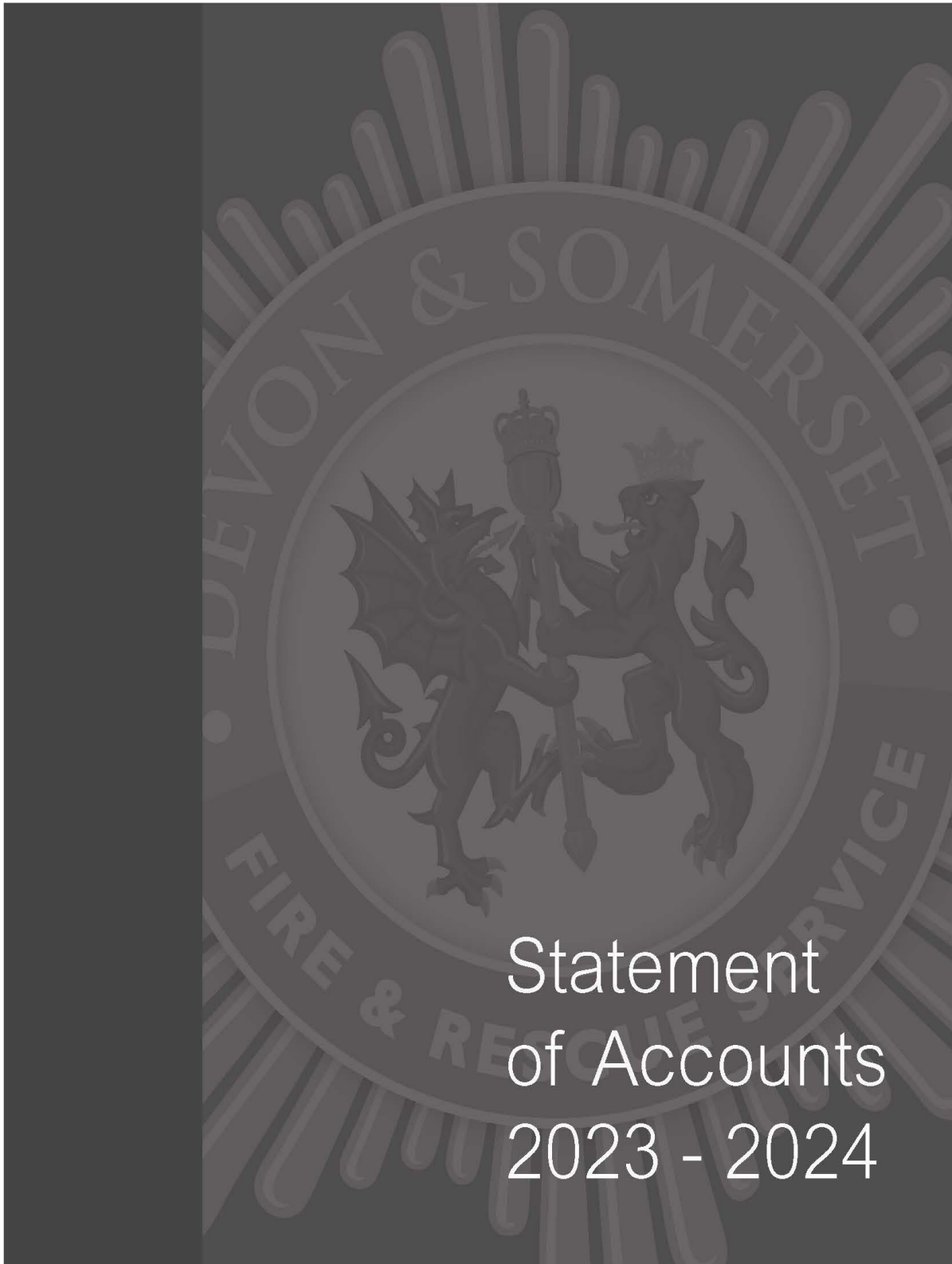
1. INTRODUCTION AND BACKGROUND

- 1.1 The Accounts and Audit Regulations 2015 (“The Regulations”), which apply to the Authority, introduced a new timetable for preparation, audit and publication of both the draft and final Financial Statements. The Financial Statements comprise the Statement of Accounts, including the Narrative Statement, and the Annual Statement of Assurance. Whilst the Regulations came into force in 2015 the revisions to the timescales for publication applied from the 2021-22 financial year onwards and therefore, to the Accounts for the year ending 31 March 2024.
- 1.2 The Regulations require the final financial statements to be signed off by the Authority and this is delegated to the Audit & Governance Committee. The 2015 Regulations also introduced a requirement that the draft Financial Statements be available for inspection on the Authority website and this practice commenced for the 2015-16 financial year.
- 1.3 The final audit is now complete, the Audit Findings Report is included within the agenda for consideration.
- 1.4 The draft financial statements were made available to the auditors on 31st May 2024. I would like to take the opportunity to thank all those involved in preparing the Financial Statements for their hard work and commitment to continuously improving processes whilst meeting this timescale for publication and audit of the accounts.

ANDREW FURBEAR
Head of Finance (Treasurer)



DEVON & SOMERSET FIRE & RESCUE AUTHORITY



Statement of Accounts 2023 - 2024

Devon and Somerset Fire and Rescue Authority

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Devon & Somerset Fire & Rescue Authority - STATEMENT OF ACCOUNTS 2023/24

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 2024. 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 major 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.

Group Accounts - This is the third time we have produced a set of group accounts in conjunction with our trading company Red One Limited. This consists of a Consolidated Comprehensive Income & Expenditure Statement, Consolidated Balance Sheet, Consolidated Cashflow Statement and Consolidated Movement in Reserves Statement. These statements bring together the two entities and remove any intra group transactions. More can be found from pages 19 to 27 in the accounts.

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

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.

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.).

Financial Performance for the year

Inflation has impacted the Authority during 2023-24 including energy (gas and electricity), vehicle fuel and wage inflation which was far greater than originally budgeted for. The Authority anticipated a 2% pay award across the board during 2023-24. In the end, the grey book staff (firefighters and control room staff) accepted an increase of 5%, the green book staff (professional and technical staff) accepted a flat rate increase of £1,925 each or 3.88% for senior grades. There has been no support received to fund these increases so reductions in planned expenditure were made to help meet the majority of these cost pressures.

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 £22.5m have been delivered since 2010. The Service has published a Target Operating Model and is reviewing the shift patterns for wholetime colleagues coupled with the payment made to on-call firefighters, the Specialist Rescue Teams and attendance at unwanted fire signals (false alarms). which will generate savings from 2024-25.

Revenue spending in 2023/24 before transfer to reserves of £4.968m was £80.445m, compared to an agreed budget of £85.413m. Table 1 provides a summary of revenue spending in 2023/24 compared with agreed budget headings.

TABLE 1 – SUMMARY OF REVENUE SPENDING 2023-24

	Budget	Spending	Variance
	£m	£m	£m
Employee Costs	79.8	75.9	(3.9)
Premises Related Costs	4.9	4.8	(0.2)
Transport Related Costs	3.8	3.1	(0.8)
Supplies and Services	7.7	7.3	(0.3)
Establishment Expenses	0.8	0.8	(0.0)
Payments to Other Authorities	1.1	0.9	(0.2)
Capital Financing	3.2	3.2	(0.0)
Gross Spending	101.3	95.9	(5.4)
Income	(12.9)	(15.3)	(2.3)
Transfer to (from) Reserves	(2.9)	4.8	7.7
Net Spending	85.4	85.4	(0.0)
Funded By:			
Council Tax Precept	(61.9)		
Business Rates Redistribution	(5.4)		
Central Government Funding	(18.2)		
Total Funding	(85.4)		

An underspend of £4.968m, equivalent to 3.9% of the total revenue budget, has occurred due to larger than budgeted returns on investment and from holding open vacancies due to the potential to changes to the shift patterns for wholetime firefighters. We have also experienced a quieter year, activity wise (fewer wildfires over the summer when compared to 2022) which has resulted in less costs associated with the On-Call activity.

Contributions to Earmarked Reserve

The Fire Authority approved that the net underspend of £4.968m be transferred to; £0.100m into a Reserve in relation to the Building Safety Regulator - this relates to a grant received in advance. £0.040m to be moved into a Reserve to fund the cost of the Fire Cover Review that will be undertaken during 2024. £0.348m to increase the General Fund Balance in-line with Cipfa guidelines, that it should match 5% of the Revenue Budget. £1.125m to be set-a-side to fund investment in the Control Room Futures project. £2.36m to be moved into the Capital Reserve to reduce the requirement to borrow and finally, £1.0m to be moved into the Change & Improvement Reserve to fund future projects. Further detail on all Earmarked Reserve balances is included in Note 20 to the financial statements.

Capital Expenditure and Financing 2023/24

The financial statements include capital spending of £5.9m in 2023-24 of which £0.8m has been spent either on the rebuild of fire stations or improvements to them and £5.1m 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 2023/24. Of the total spending of £5.9m an amount of £1.3m was funded from existing borrowing.

Authority Borrowing

External borrowing from the Public Works Loan Board (PWLB) as at 31 March 2024 was £23.8m. 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 £26.3m, 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 2024 the Authority pension liability has been calculated to be £605.7m (£604.2m in 2022-23). 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 (support 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 Pension 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 Pension Scheme require that the Authority only set aside provision for retirement benefits in the year in which the commitment arises.

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 for the

Assets/Liabilities of the Authority

The balance sheet of the Authority as at 31 March 2023 shows a net liability of £473.9m (£469.0m as at 31 March 2023). This includes the pension liability of £605.7m (£604.2m as at 31 March 2023) 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 Community 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 2023-24 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 Services.

Non-financial indicators	2022/23	2023/24	Variance	
			Number	(% diff.)
Number of fire-related deaths in dwelling fires	6	2	-4	-66.70%
Number of injuries requiring hospital treatment due to dwelling fires	82	54	-28	-34.10%
Number of primary dwelling fires	879	840	-39	-4.4%
Number of fire-related deaths in non-domestic premises fires	0	1	1	NA
Number of injuries requiring hospital treatment due to non-domestic premises fires	12	12	0	0.0%
Number of primary non-domestic fires	438	433	-5	-1.1%
Number of fire-related deaths in vehicle and outdoor fires	0	2	2	NA
Number of injuries requiring hospital treatment due to vehicle and outdoor fires	5	2	-3	-60.0%
Number of primary vehicle and outdoor fires	795	739	-56	NA
Percentage of dwelling fires attended within 10 minutes of emergency call	69.00%	67.70%	-1.3%	NA
Percentage of road traffic collisions attended within 15 minutes of emergency call	72.10%	72.80%	0.7%	NA

Overview of Service Performance in 2023-24

Prevention

- The Service has delivered over 18,000 targeted Home Safety checks. This has been delivered through a combination of specialist staff with our dedicated Home Safety Technicians delivering 9,785 Home Safety checks and operational Fire Fighters delivering 8,576 Home Safety checks.
- Ongoing work and review of our Partnerships (currently over 300) ensure that referrals received are for those most at risk within our community.
- The Road Safety team have delivered 126 events including Learn to Live presentations in schools and colleges throughout Devon and Somerset, Biker Down presentations and Streetwise, and have engaged with c25,000 participants.
- In addition to supporting the National Fire Chiefs Council's national prevention campaigns, the Service delivered campaigns focused on the cost of living, outdoor safety including wildfires and most recently our 'treasured people' campaign which focussed on reducing false alarms.
- The Service is committed to its legal duties and responsibilities with ensuring that safeguarding is in place. The Safeguarding Manager has implemented mandatory Service-wide 'Tier One Universal' Safeguarding Training to provide a basic understand of safeguarding and employee's responsibilities associated, of which 95% of staff have completed.
- We continue to review our fatal fire and significant incidents to enable us to identify trends or emerging risks that contribute towards fire deaths and injury.
- Collaboration is ongoing with our Protection and Operational Risk Information teams to understand each other's areas of the business, share best practice and inform decision making.

Protection

Our current Fire Safety Protection activities are based on our Risk Based Inspection Plan & High-Risk Building Identification (RBIP) 2021-24.

The target set for 2023 – 2024 for Fire Safety Audits (FSA) was 700. We have successfully completed and exceeded that at 856 audits. 156 Audits over target.

The target set for 2023 – 2024 for Fire Safety Checks (FSC) was 3,000. We have successfully completed 2,622 checks. Our operational crews that have been trained on our Protection Foundation Course, complete Fire Safety Checks as a part of their daily work and feed into the Protection Team any fire safety issues identified on their visits.

Over the next few weeks, we are writing our RBIP for 2024 - 2027 with the Area Manager and Group setting the targets for the next three years.

We are continuing to respond to formal Building Regulations and Licensing Consultations and from our recent performance report, we are hitting these with 100% response within the target time.

National Alignment to Competence framework

DSFRS Protection Department is aligning to the Competence Framework for Fire Safety Regulators (version 2 published 28th June 2023) as part of the Fire Protection Standard. Ensuring our roles and requirements for fire safety regulators, competence and development is in line with the framework. We are progressing and aim to be fully aligned by the end of this year.

Legislation changes update to Protection

Training covering the recent legislation changes was delivered to our teams on the 17th of January and to our Executive Board on 6th February covering the following updates and changes:

Fire Safety Act 2021

Fire Safety England Regulations 2022

Building Safety Act 2022

These legislation changes will feed into our future RBIP and inspection activities across the service.

Out of Hours (OOH)

We also continue to run a fire safety helpdesk manned Monday to Friday office hours, and to supplement that we have an out of hours provisions for fire safety issues 24/7, maintained by qualified and competent fire safety officers, this can run independently of the operational flexi duty officer rota, ensuring we have 24/7 fire safety cover

Group Accounts

This is the third set of Accounts produced by the Authority which includes Group Accounts incorporating the trading arm of the Authority, Red One Ltd. Red One Ltd was formed in 2010 and provides fire and safety training for both fire services and commercial clients as well as providing stand-by rescue teams and event safety. Until 2021-22, the turnover of Red One Ltd has been deemed immaterial (consistently in the region of £1.3m per year) to warrant producing Group Accounts. However, a large commercial contract was secured by Red One during 2020-21 which has resulted in turnover exceeding £5.4m for 2023-24. Due to the turnover of the company being considered material, Group Accounts have been produced.

Climate change

In October 2020, the Fire Authority declared a climate emergency and endorsed the Devon and Somerset Fire and Rescue Service environmental strategy and action plan.

The carbon footprint includes three scopes

- 1) Direct emissions from fuel use for our fleet of 500+ vehicles, gas boilers and leaks from any air conditioning units.
- 2) Indirect emissions from use of electricity at our 84 sites and charging of electric fleet vehicles.
- 3) Other indirect emissions associated with our purchases, business travel, waste disposal and water consumption.

The data for reporting on our scope three emissions evolves and is expanded annually.

For 2023-24, the Service are currently reporting 2,509.5 tCO₂e greenhouse gas emissions for the year - for 2022-23 it was 2,766.7 tCO₂e a decrease of 257.2tCO₂e but also includes an expanded scope 3 reporting.

The reported emissions currently exclude the purchase of goods and services for both financial years. Data for months 1-11 currently add an additional 2,598.7tCO₂e however, month-12 requires calculation. Inclusion of purchase of goods and service data would indicate an increasing carbon footprint of 5,108.2 tCO₂e.

The Service has a green goal to be carbon net zero by 2030 and carbon negative by 2050, with a 50% reduction in 2030 considered as a successful achievement towards our 2050 goal.

In support of our environmental aims the service has delivered the following towards our environmental plan:

- Identifying and including data for a broader scope 3 emissions
- Annual review of the Environmental Aspects and Legislative registers
- Annual review of the action plan aligned to ISO14001 standard
- Review of the NFCC environmental and sustainability tool kit.
- Introduction of the first four electric vehicle charging sites and new electric vehicles
- Successful application for the Low Carbon Skills Fund grant funding and a further application pending
- Development of the Services first heat decarbonisation plan for 13 high-energy use sites
- Successful application of the Public Sector Decarbonisation Scheme grant funding to decarbonise two sites
- Environmental survey undertaken on our purchasing practices and behaviours
- Introducing HGVs and LGVs (Heavy and Light Goods Vehicles) fleet to latest Euro6 standards
- Progressing introduction of a grant funding officer to support implementation of schemes

Conclusion on performance for the year

The Authority has been in a good position to use its resources to effectively respond to the increased costs for utilities, fuel and payroll and continue to meet the needs of the community it serves. The longer-term indicates there will be some financial pressures that will need intervention but, the Authority has a fantastic record of achieving savings in the past. The Target Operating Model and Fire Cover Review will ensure the officers are focused on ensuring costs are reduced where necessary but a continued focus on organisational and financial risk management will enable effective performance going forward.

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 2023-24.

Andrew Furbear
Treasurer to the Authority

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 2024.

Andrew Furbear
Treasurer to the Authority
Date: 20-01-2025

STATEMENT OF ACCOUNTING POLICIES

General principles

The Statement of Accounts summarises the Service transactions for the 2023-24 financial year and its position at the year-end of 31 March 2024. 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 2023-24, 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.

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 from sale of goods 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 2024. Receivables are accrued on income to cover goods and services provided before 31 March 2024 but for which no payment has been received.

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.

There were no changes to accounting policies or prior-period adjustments during 2023-24.

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 fixed assets during the year:

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 2023-24, which requires adoption of IAS19 Employee Benefits.

The Authority participates in two 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

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 as at December 2023.

(b) Support 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 2022.

Pensions Reserve and Impact on Council Tax

For all schemes, the pension costs are charged in the accounts per 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 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 pension liability recognised in the Statement of Comprehensive Income & Expenditure.

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 2024.

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)
- 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 Link 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 grants and all capital grants) in the Comprehensive Income and Expenditure Statement.

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 2024 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:

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 2024. A full revaluation will be undertaken every five years as a minimum. The Authority's valuer is South West Norse Group Ltd which is a subsidiary of Norse Group, 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 between 10 - 15 years depending on type. Specialist vehicles (e.g. Aerial Platforms) have longer useful lives dependent on the specifics of the vehicle
- Vehicles, plant and furniture and equipment – useful economic life assessed per individual asset with a range of 5-30 years, with lives beyond 10 years only affecting a very few specialist vehicles.
- 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. As the Authority is deemed to control part of the services that are provided (25%) under the PFI scheme, and as part ownership of the property, plant and equipment will pass to the Authority at the end of the contracts for no additional charge, the Authority carries the assets used under the contract on its Balance Sheet as part of Property, Plant and Equipment.

The original recognition of these assets at fair value is balanced by the recognition of a liability for amounts due to the scheme operator to pay for the capital investment.

The amounts payable to the PFI operators each year are analysed into five elements:

- Fair value of the services received during the year – debited to the relevant service in the Comprehensive Income and Expenditure Statement
- Finance cost – an interest charge on the outstanding Balance Sheet liability, debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement
- Contingent rent – increases in the amount to be paid for the property arising during the contract, debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement
- Payment towards liability – applied to write down the Balance Sheet liability towards the PFI operator
- 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.

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 £0.568m in 2023-24.

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 is one contingent liability for 2023-24 which is in relation to an appeal to the employment tribunal decision. This can be found within Note 31.

Contingent Assets

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

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

There is one contingent asset for 2023-24 as a result of the challenges made to the supplier of the Airwave radio system (Motorola) with regards to a challenge made by the Competition and Markets Authority. Motorola have lodged an application to appeal against the decision. This 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.

Devon & Somerset Fire & Rescue Authority

Group Accounts

Devon & Somerset Fire & Rescue Authority Group Accounts

Group Accounts

The group accounts contain core financial statements such as those included in the Authority's single entity statements, but which represent the consolidated position of the group. Notes to the Group accounts have been included where relevant values and/or the impact on the group statements are material.

The group accounts are presented in the following pages with supporting notes following the consolidated primary

Group Comprehensive Income and Expenditure Statement for year ended 31 March 2024

This statement shows the Groups 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.

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	NOTE	Gross Expenditure 2023/24 £000	Gross Income 2023/24 £000	Net Expenditure/ (Income) 2023/24 £000	Gross Expenditure 2022/23 £000	Gross Income 2022/23 £000	Net Expenditure/ (Income) 2022/23 £000
Fire & Rescue Service		103,053	(19,299)	83,754	115,602	(17,173)	98,429
Cost of Services		103,053	(19,299)	83,754	115,602	(17,173)	98,429
Financing and Investment Income and Expenditure	9	29,614	(1,771)	27,843	24,421	(811)	23,610
Other Operating Expenditure / (Income)	8	-	(13,168)	(13,168)	-	(7,732)	(7,732)
Taxation and Non Specific Grant Income	10	-	(85,070)	(85,070)	-	(79,581)	(79,581)
(Surplus) or deficit on provision of services				13,358			34,726
Tax expenses of the subsidiaries				119			71
Group (Surplus)/Deficit				13,477			34,797
(Surplus)/Deficit on Revaluation of Non-Current Assets	11 & 20			-			(7,768)
Impairment losses on non-current assets charged to the revaluation reserve	11 & 20			-			-
Actuarial (gains) or losses on Pension assets and liabilities	20			(8,965)			(343,388)
Other comprehensive income and expenditure				(8,965)			(351,156)
Total Comprehensive Income and Expenditure				4,513			(316,360)

GROUP BALANCE SHEET AS AT 31 March 2024

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'.

		31 March 2024	31 March 2023
	NOTE	£000	£000
Non-Current assets			
Intangible Assets		-	-
Property, plant and equipment	11	129,745	132,494
Long-term Investments	12	-	-
Trade and other receivables	15	410	537
Total Long-Term assets		130,156	133,031
Current assets			
Inventories	14	620	655
Trade and other receivables	15	15,880	8,798
Short-term Investments	12	12,000	20,050
Cash and cash equivalents	16	11,079	9,608
Assets held for sale	17	-	218
Total current assets		39,579	39,329
Total assets		169,735	172,360
Current liabilities			
Trade and other payables	18	(12,178)	(11,055)
Borrowings	12	(207)	(207)
Total current liabilities		(12,385)	(11,262)
Net current assets		27,194	28,067
Total assets less current liabilities		157,350	161,098
Non-current liabilities			
Borrowings	12	(24,310)	(24,938)
Pensions Liability	30	(605,672)	(604,259)
Provisions	19	(568)	(563)
Deferred tax liability		-	(25)
Total non current liabilities		(630,549)	(629,785)
Total liabilities		(642,934)	(641,047)
Net assets employed		(473,200)	(468,686)
Unusable Reserves			
Revaluation reserve	20	(50,110)	(54,218)
Capital Adjustment Account	20	(55,048)	(53,343)
Pensions Reserve	20	605,672	604,259
Council Tax + Business Rates Adjustment Accounts	20	(1,268)	(1,632)
Accumulated Absence Account	20	1,280	1,593
PFI - Equalisation Fund	20	(410)	(537)
		500,116	496,122
Usable Reserves			
General fund balance	20	(4,631)	(4,280)
Earmarked reserves	20	(21,554)	(22,777)
Capital Grants Unapplied		-	-
Profit & Loss Reserve		(731)	(379)
Total Reserves		(26,915)	(27,436)
		473,200	468,686

Andrew Furbear
Treasurer to the Authority
Date: 20-01-2025

**GROUP CASH FLOW STATEMENT FOR THE YEAR ENDED
31 March 2024**

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	2023/24 £000	2022/23 £000
Cash flows from operating activities			
Net deficit on provision of services		(13,478)	(34,797)
<u>Adjustments to deficit relating to non-cash movements</u>			
Depreciation and Impairment	11	8,699	7,994
Pension Liability	20	10,377	25,984
(Increase)/decrease in inventories	14	36	(157)
(Increase)/decrease in debtors	15	(6,527)	3,649
Increase/(decrease) in creditors	18	597	(2,533)
Increase/(decrease) in provisions	19	4	(92)
Income Tax Expense	-	119	71
Other non-cash movement	13.4	(119)	(243)
Cash Generated From Operating Activities		(292)	(123)
Income Tax Paid		(46)	-
Net cash inflow/(outflow) from operating activities		(339)	(123)
<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		(339)	(123)
Net cash inflow/(outflow) from investing activities	13.2	2,449	(175)
Cash outflow from financing activities		(638)	(613)
Net increase/(decrease) in cash and cash equivalents	16	1,472	(911)
Cash/cash equivalents (and bank overdrafts) at the beginning of the financial year	16	9,608	10,519
Cash/cash equivalents (and bank overdrafts) at the end of the financial year	16	11,080	9,608

GROUP MOVEMENT IN RESERVES STATEMENT FOR THE YEAR ENDED 31 March 2024

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 £000	Capital Receipts Reserve £000	Capital Grants Unapplied Reserve £000	Authorities Share Of			Total Unusable Reserves £000	Total Unusable Reserves £000	Total Reserves of the Group £000
				Authorities Useable Reserves £000	Subsidiaries Useable Reserves £000	Total Usable Reserves £000			
Balance carried forward as at 31 March 2023	27,052	-	-	27,052	378	27,435	(496,121)	(496,122)	(468,686)
Movement in reserves during 2023/24									
Surplus or (deficit) on provision of services	(13,745)	-	-	(13,745)	268	(13,477)	-	-	(13,477)
Other Comprehensive Income and Expenditure	-	-	-	-	-	-	8,965	8,965	8,965
Total Comprehensive Income and Expenditure	(13,745)	-	-	(13,745)	268	(13,477)	8,965	8,965	(4,512)
Group Account Adjustments									
Adjustments between group accounts and authority accounts	(85)	-	-	(85)	85	-	-	-	-
Net increase or decrease before transfers	(13,830)	-	-	(13,830)	353	(13,477)	8,965	8,965	(4,512)
Adjustments between accounting basis and funding basis under regulations									
<u>PFI Adjustment</u>									
20.2 PFI Adjustment	127	-	-	127	-	127	(127)	(127)	-
<u>Adjustments involving the Capital Adjustment Account</u>									
<u>Reversal of items in the C.I.E.S.</u>									
Depreciation, impairment & revaluation losses	8,960	-	-	8,652	-	8,652	(8,652)	(8,960)	(308)
Reversal of Impairments	-	-	-	-	-	-	-	-	-
Net gain or loss on sale of non-current assets	(53)	400	-	347	-	347	(347)	(347)	-
Capital grants received	-	-	-	-	-	-	-	-	-
<u>Insertion of items not in the C.I.E.S.</u>									
20.2 Minimum Revenue Provision	(1,911)	-	-	(1,912)	-	(1,912)	1,912	1,911	(1)
20.2 Revenue Provision in respect of finance leases	-	-	-	-	-	-	-	-	-
20.2 Capital expenditure funded direct from revenue	(4,284)	-	-	(4,283)	-	(4,283)	4,283	4,284	1
<u>Adjustments involving the Pensions Reserve</u>									
20.2 Reversal of items related to pension benefits debited or credited to the Comprehensive Income and Expenditure Account	38,666	-	-	38,665	-	38,665	(38,665)	(38,666)	(1)
20.2 Employers pension contributions and direct payments to pensioners	(28,286)	-	-	(28,286)	-	(28,286)	28,286	28,286	-
<u>Adjustments involving the Collection Fund Adjustment Account</u>									
20.2 Amount by which council tax and business rates income credited to the CIES is different from the council tax calculated by statutory regulations	364	-	-	364	-	364	(364)	(364)	-
<u>Adjustments involving the Accumulated Absence Account</u>									
20.2 Amount by which officer remuneration charged to the CIES on an accruals basis is different from the remuneration charged in accordance with statutory requirements	(314)	-	-	(314)	-	(314)	314	314	-
<u>Adjustments to Capital Resources</u>									
Use of the Capital Receipts Reserve to finance capital expenditure	-	(400)	-	(400)	-	(400)	400	400	(1)
Application of capital grants to finance capital	-	-	-	-	-	-	-	-	-
Cumulative Roundings	-	-	-	-	-	-	-	-	-
Total Adjustments between accounting basis and funding basis under regulations	13,267	-	-	12,958	-	12,958	(12,958)	(13,268)	(310)
Increase/Decrease in year	(563)	-	-	(872)	353	(519)	(3,994)	(4,303)	(4,822)
Balance carried forward as at 31 March 2024	26,489	-	-	26,180	731	26,916	(500,116)	(500,425)	(473,509)

GROUP MOVEMENT IN RESERVES STATEMENT FOR THE YEAR ENDED 31 March 2023

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	Authorities Share Of			Total Unusable Reserves £000	Total Unusable Reserves £000	Total Reserves of the Group £000
				Authorities Useable Reserves £000	Subsidiaries Useable Reserves £000	Total Usable Reserves £000			
Balance carried forward as at 31 March 2021	45,753	-	-	45,753	(643)	45,113	(799,681)	(799,681)	(754,568)
Movement in reserves during 2021/22									
Surplus or (deficit) on provision of services	(34,976)	-	-	(34,976)	179	(34,797)	-	-	(34,797)
Other Comprehensive Income and Expenditure	-	-	-	-	124	124	351,032	351,032	351,156
Total Comprehensive Income and Expenditure	(34,976)	-	-	(34,976)	303	(34,673)	351,032	351,032	316,360
Group Account Adjustments									
Adjustments between group accounts and authority accounts	(320)	-	-	(320)	320	-	-	-	-
Net increase or decrease before transfers	(35,296)	-	-	(35,296)	624	(34,673)	351,032	351,032	316,360
Adjustments between accounting basis and funding basis under regulations									
<u>PFI Adjustment</u>									
Adjustments involving the Capital Adjustment Account	20.2	83	-	-	83	83	(83)	(83)	-
Reversal of items in the C.I.E.S.									
Depreciation, impairment & revaluation losses	11	7,975	-	-	7,975	7,975	(7,975)	(7,975)	-
Reversal of Impairments	11	-	-	-	-	-	-	-	-
Net gain or loss on sale of non-current assets	8	(301)	663	-	362	362	(362)	(362)	-
Capital grants received	10	-	-	-	-	-	-	-	-
Insertion of items not in the C.I.E.S.									
Minimum Revenue Provision	20.2	(1,975)	-	-	(1,975)	(1,975)	1,975	1,975	-
Revenue Provision in respect of finance leases	20.2	-	-	-	-	-	-	-	-
Capital expenditure funded direct from revenue	20.2	(3,120)	-	-	(3,120)	(3,120)	3,120	3,120	-
<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	40,388	-	-	40,388	40,388	(40,388)	(40,388)	-
Employers pension contributions and direct payments to pensioners	20.2	(14,407)	-	-	(14,407)	(14,407)	14,407	14,407	-
<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	(2,301)	-	-	(2,301)	(2,301)	2,301	2,301	-
<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	202	-	-	202	202	(202)	(202)	-
<u>Adjustments to Capital Resources</u>									
Use of the Capital Receipts Reserve to finance capital expenditure		-	(663)	-	(663)	(663)	663	663	-
Application of capital grants to finance capital		-	-	-	-	-	-	-	-
Cumulative Roundings		-	-	-	-	-	-	-	-
Total Adjustments between accounting basis and funding basis under regulations		26,543	-	-	26,543	-	26,544	(26,544)	-
Increase/Decrease in year		(8,753)	-	-	(8,753)	624	(8,128)	324,489	324,488
Balance carried forward as at 31 March 2022		27,052	-	-	27,052	378	(496,121)	(496,122)	(468,686)

Notes To The Group Accounts

The Group

The relevant accounting standards have been applied in determining which organisations are included in the group boundary. The extent of the Authority's interest and control over the entity was considered as was the materiality of the financial impact on the Authority's group accounts and the transparency of less material entities to allow the reader to understand the Groups consolidated position. From the assessment of Red One Ltd they are considered to fall into the following category.

Subsidiaries - Where the Authority either wholly or by majority controls the entity. Red One is consolidated within the group accounts on a subsidiary basis.

The authority has disclosed further information on all of its major business interests in the Related Parties note, in the Authority's single entity accounts (Note 25).

Accounting Policies

Subsidiaries have been consolidated using the acquisition accounting basis. This is the full, line by line consolidation of the financial transactions and balances of the Authority and Red One Ltd. To avoid overstating balances within the group financial statements, all transactions between the authority and group companies have been eliminated.

Alignment of accounting framework and policies

Where the accounting framework used by the group companies differs from that of the Authority including the accounting policies and impact of such differences would have a material impact on the group financial statements the relevant balances have been adjusted to bring them in line with the policies of that Authority.

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT FOR THE YEAR ENDED 31 March 2024

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 2023/24 £000	Gross Income 2023/24 £000	Net Expenditure/ (Income) 2023/24 £000	Gross Expenditure 2022/23 £000	Gross Income 2022/23 £000	Net Expenditure/ (Income) 2022/23 £000
Fire & Rescue Service		98,494	(13,971)	84,523	111,661	(12,671)	98,990
Cost of Services		98,494	(13,971)	84,523	111,661	(12,671)	98,990
Financing and Investment Income and Expenditure	9	29,604	(1,771)	27,833	24,418	(811)	23,607
Other Operating Expenditure / (Income)	8	-	(13,168)	(13,168)	-	(7,732)	(7,732)
Taxation and Non Specific Grant Income	10	-	(85,049)	(85,049)	-	(79,568)	(79,568)
(Surplus) or deficit on provision of services				14,138			35,296
(Surplus)/Deficit on Revaluation of Non-Current Assets	11 & 20			(4,611)			(7,768)
Impairment losses on non-current assets charged to the revaluation reserve	11 & 20			-			-
Actuarial (gains) or losses on Pension assets and liabilities	20			(8,966)			(343,264)
Other comprehensive income and expenditure				(13,577)			(351,032)
Total Comprehensive Income and Expenditure				562			(315,736)

BALANCE SHEET AS AT 31 March 2024

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'.

		31 March 2024	31 March 2023
	NOTE	£000	£000
Non-Current assets			
Property, plant and equipment	11	133,883	132,394
Long-term Investments	12	-	-
Trade and other receivables	15	410	537
Total Long-Term assets		134,293	132,930
Current assets			
Inventories	14	620	655
Trade and other receivables	15	14,575	8,384
Short-term Investments	12	12,000	20,050
Cash and cash equivalents	16	10,514	9,052
Assets held for sale	17	-	218
Total current assets		37,709	38,360
Total assets		172,003	171,290
Current liabilities			
Trade and other payables	18	(10,873)	(10,388)
Borrowings	12	(665)	(207)
Total current liabilities		(11,538)	(10,595)
Net current assets		26,171	27,764
Total assets less current liabilities		160,464	160,695
Non-current liabilities			
Borrowings	12	(23,851)	(24,938)
Pensions Liability	30	(605,672)	(604,259)
Provisions	19	(568)	(563)
Total non current liabilities		(630,091)	(629,760)
Total liabilities		(641,629)	(640,356)
Net assets employed		(469,628)	(469,064)
Unusable Reserves			
Revaluation reserve	20	(54,721)	(54,218)
Capital Adjustment Account	20	(54,739)	(53,343)
Pensions Reserve	20	605,673	604,259
Council Tax + Business Rates Adjustment Accounts	20	(1,268)	(1,632)
Accumulated Absence Account	20	1,280	1,593
PFI - Equalisation Fund	20	(410)	(537)
		495,814	496,122
Usable Reserves			
General fund balance	20	(4,631)	(4,280)
Earmarked reserves	20	(21,554)	(22,777)
Capital Grants Unapplied		-	-
		(26,185)	(27,057)
Total Reserves		469,628	469,064

Andrew Furbear
Treasurer to the Authority
Date: 20-01-2025

**CASH FLOW STATEMENT FOR THE YEAR ENDED
31 March 2024**

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	2023/24 £000	2022/23 £000
Cash flows from operating activities			
Net deficit on provision of services		(14,138)	(35,296)
<u>Adjustments to deficit relating to non-cash movements</u>			
Depreciation, Impairment and Revaluation losses	11	8,960	7,975
Pension Liability	20	10,378	25,979
(Increase)/decrease in inventories	14	36	(157)
(Increase)/decrease in debtors	15	(6,064)	3,567
Increase/(decrease) in creditors	18	484	(1,914)
Increase/(decrease) in provisions	19	4	(92)
Other non-cash movement	13.4	(103)	(233)
Net cash inflow/(outflow) from operating activities		(444)	(172)
<u>Adjustments to deficit relating to items that relate to investing and financing activities</u>			
Net cash inflow/(outflow) from operating activities		(444)	(172)
Net cash inflow/(outflow) from investing activities	13.2	2,532	(102)
Cash outflow from financing activities	13.3	(628)	(610)
Net increase/(decrease) in cash and cash equivalents		1,460	(884)
Cash/cash equivalents (and bank overdrafts) at the beginning of the financial year	16	9,052	9,936
Cash/cash equivalents (and bank overdrafts) at the end of the financial year		10,513	9,052

MOVEMENT IN RESERVES STATEMENT FOR THE YEAR ENDED 31 March 2024

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 2023	27,057	-	-	27,056	(496,121)	(469,064)
Movement in reserves during 2023/24						
Surplus or (deficit) on provision of services	CIES (14,139)	-	-	(14,139)	-	(14,139)
Other Comprehensive Income and Expenditure	-	-	-	-	13,577	13,577
Total Comprehensive Income and Expenditure	(14,139)	-	-	(14,139)	13,577	(562)
Adjustments between accounting basis and funding basis under regulations						
<u>PFI Adjustment</u>	20.2 127	-	-	127	(127)	-
<u>Adjustments involving the Capital Adjustment Account</u>						
<u>Reversal of items in the C.I.E.S.</u>						
Depreciation, impairment & revaluation losses	11 8,960	-	-	8,960	(8,960)	-
Reversal of Impairments	11 -	-	-	-	-	-
Net gain or loss on sale of non-current assets	8 (53)	400	-	347	(347)	-
<u>Insertion of items not in the C.I.E.S.</u>						
Minimum Revenue Provision	20.2 (1,911)	-	-	(1,911)	1,911	-
Capital expenditure funded direct from revenue	20.2 (4,284)	-	-	(4,284)	4,284	-
<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 38,666	-	-	38,666	(38,666)	-
Employers pension contributions and direct payments to pensioners	20.2 (28,286)	-	-	(28,286)	28,286	-
<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	20.2 364	-	-	364	(364)	-
<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 (314)	-	-	(314)	314	-
<u>Adjustments to Capital Resources</u>						
Use of the Capital Receipts Reserve to finance capital expenditure	-	(400)	-	(400)	400	-
Application of capital grants to finance capital	-	-	-	-	-	-
Cumulative Roundings	-	-	-	-	-	-
Total Adjustments between accounting basis and funding basis under regulations	13,267	-	-	13,267	(13,268)	-
Increase/Decrease in year	(871)	-	-	(871)	309	(562)
Balance carried forward as at 31 March 2024	26,187	-	-	26,186	(495,812)	(469,626)

MOVEMENT IN RESERVES STATEMENT FOR THE YEAR ENDED 31 March 2023

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.

	Total General fund balance	Capital Receipts Reserve	Capital Grants Unapplied Reserve	Total Usable Reserves	Total Unusable Reserves	Total Reserves
Note	£000	£000	£000	£000	£000	£000
Balance carried forward as at 31 March 2022	35,808	-	-	35,808	(820,609)	(784,801)
Remeasurement of pensions reserve following McCloud Sargent guidance Sept 2020	-	-	-	-	-	-
Remeasured balance carried forward as at 31 March 2022	35,808	-	-	35,808	(820,609)	(784,801)
Movement in reserves during 2022/23						
Surplus or (deficit) on provision of services	(35,296)	-	-	(35,296)	-	(35,296)
Other Comprehensive Income and Expenditure	-	-	-	-	351,032	351,032
Total Comprehensive Income and Expenditure	(35,296)	-	-	(35,296)	351,032	315,736
Adjustments between accounting basis and funding basis under regulations						
<u>PFI Adjustment</u>	83	-	-	83	(83)	-
<u>Adjustments involving the Capital Adjustment Account</u>						
<u>Reversal of items in the C.I.E.S.</u>						
Depreciation, impairment & revaluation losses	7,975	-	-	7,975	(7,975)	-
Net gain or loss on sale of non-current assets	(301)	663	-	362	(362)	-
Capital grants received	0	-	-	-	-	-
Minimum Revenue Provision	(1,975)	-	-	(1,975)	1,975	-
Revenue Provision in respect of finance leases	-	-	-	-	-	-
Capital expenditure funded direct from revenue	(3,120)	-	-	(3,120)	3,120	-
<u>Adjustments involving the Pensions Reserve</u>						
Reversal of items related to pension benefits debited or credited to the Comprehensive Income and Expenditure Account	40,388	-	-	40,388	(40,388)	-
Employers pension contributions and direct payments to pensioners	(14,407)	-	-	(14,407)	14,407	-
<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	(2,301)	-	-	(2,301)	2,301	-
<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	202	-	-	202	(202)	-
<u>Adjustments to Capital Resources</u>						
Use of the Capital Receipts Reserve to finance capital expenditure	-	-	-	-	-	-
Application of capital grants to finance capital	-	-	-	-	-	-
Cumulative Roundings	-	-	-	-	-	-
Total Adjustments between accounting basis and funding basis under regulations	26,543	-	-	26,543	(26,544)	-
Increase/Decrease in year	(8,753)	-	-	(8,753)	324,489	315,736
Balance carried forward as at 31 March 2023	27,056	-	-	27,056	(496,121)	(469,064)

NOTES TO THE CORE FINANCIAL STATEMENTS

1.1 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).

2023/24

	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	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	85,411	(38,300)	71,797	12,726	84,523
Net cost of services	85,411	(38,300)	71,797	12,726	84,523
Other income and expenditure	(85,413)	14,487	(70,925)	541	(70,384)
(Surplus) or Deficit	(2)	(23,812)	872	13,267	14,139

Opening General Fund	27,057
Plus Surplus/(Deficit) on General Fund balance in year	(871)
Closing General Fund balance at 31 March	26,185

2022/23

	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	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	77,268	(42,688)	70,194	28,796	98,990
Net cost of services	77,268	(42,688)	70,194	28,796	98,990
Other income and expenditure	(77,267)	15,827	(61,440)	(2,253)	(63,693)
(Surplus) or Deficit	0	(26,861)	8,754	26,543	35,297

Opening General Fund	35,808
Plus Surplus/(Deficit) on General Fund balance in year	(8,754)
Closing General Fund balance at 31 March	27,054

1.2 NOTE TO THE EXPENDITURE AND FUNDING ANALYSIS

2023/24	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	8,960	(6,196)	10,276	(314)	12,726
Net Cost of Services	8,960	(6,196)	10,276	(314)	12,726
Other income and expenditure		(53)	104	491	541
Total	8,960	(6,249)	10,380	177	13,267

2022/23	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	7,975	(5,096)	25,715	202	28,796
Net Cost of Services	7,975	(5,096)	25,715	202	28,796
Other income and expenditure		(301)	266	(2,218)	(2,253)
Total	7,975	(5,396)	25,981	(2,016)	26,543

NOTES TO THE CORE FINANCIAL STATEMENTS

1.3 ADJUSTMENTS BETWEEN ACCOUNTING BASIS AND FUNDING BASIS UNDER

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.

	2023/24			2022/23		
	£000	£000	£000	£000	£000	£000
<u>Amounts as reported to management</u>						
Employees	75,896			74,924		
Premises	4,761			4,567		
Transport	3,050			3,107		
Supplies & Services	7,330			6,867		
Establishment Costs	751			727		
External Support Costs	939			854		
Capital and Lease Financing Costs	3,157			3,303		
<u>Gross Expenditure</u>		95,885			94,350	
<u>Gross Income</u>		(15,256)			(12,973)	
Contributions to or (from) reserves		4,782			(4,110)	
Net Expenditure		85,412			77,268	
Government Grant and Council Tax Income (budget for the year)		(85,413)			(77,267)	
Net surplus - to be transferred to reserves		(1)			(0)	
Contributions (to) from reserves		(5,214)			(942)	
Transfers between Useable Reserves		-			-	
Spending from Earmarked Reserves		6,086			9,694	
Net movement in Earmarked Reserves			871			8,752
<u>Amounts in the CIES not reported to management</u>						
Depreciation and impairment	8,960			7,975		
Net charges made for retirement benefits	38,665			40,387		
Surplus of PFI Equalisation Fund	127			83		
Employee Absence Accrual	(314)			202		
Deficit/(Surplus) on Council Tax and NNDR Collection Fund	364			(2,301)		
Net (Gain) or Loss on Sale of non-current Assets	(53)			(301)		
		47,749			46,046	
<u>Amounts in management information not included in the Cost of Services in the CIES</u>						
Minimum Revenue Provision	(1,911)			(1,975)		
Direct Revenue funding to Capital	(4,284)			(3,120)		
Employers Contributions to Pensions	(28,287)			266		
		(34,482)			(4,829)	
Total Adjustment Between funding and Accounting Basis (Surplus) or deficit on provision of services			13,267			41,217
			14,139			49,970

1.4 EXPENDITURE AND INCOME ANALYSED BY NATURE

This reconciliation shows how the surplus or deficit on provision of service included in the comprehensive Income and Expenditure Statement is analysed by nature

	2023/24 £000	2022/23 £000
<u>Expenditure</u>		
Employee Benefits Expenses	71,950	86,696
Other Service Expenses	17,893	17,013
Depreciation, Amortisation and impairment	8,652	7,961
Net (Gain) or Loss on Sale of non-current Assets	(53)	(301)
Interest Payments	29,604	24,418
Pension Past Service Costs	-	291
Total	<u>128,045</u>	<u>136,078</u>
<u>Income</u>		
Fees, Charges & Other Service Income	(2,126)	(2,182)
Income From Council Tax & Business Rates	(66,886)	(62,393)
Grants and Contributions	(43,123)	(35,397)
Capital Grants & Contributions	-	-
Interest & Investment Income	(1,771)	(811)
	<u>(113,907)</u>	<u># (100,783)</u>
(Surplus) or deficit on provision of services	14,138	35,295

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 2023-24 (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 until 2024/25

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 2023-24 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 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.

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 2024 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	<p>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.</p> <p>Land and Buildings 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.</p>	<p>If the useful life of the assets is reduced, depreciation will increase and the carrying amount of the asset falls. 100% of land & buildings were revalued in the previous year. It is estimated that the annual depreciation charge for buildings would increase by £0.2m for every year that useful lives had to be reduced. Plant & machinery, and transport had an opening carrying value of £17.2m with a 1-year change in useful life increasing depreciation by approximately £0.3m.</p> <p>If Direct Replacement Cost differs significantly, revaluations will increase or decrease, resulting in a change to the carrying value of the asset. 100% of land & buildings were revalued in the previous year. A 1% change in the valuation of those assets would result in a change in the carrying amount of £1.1m.</p>
Pensions Liability	<p>Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are expected to increase, changes in retirement ages, mortality rates and expected returns on assets (LGPS only). A firm of consulting actuaries is engaged to provide the Authority with expert advice about the assumptions applied.</p>	<p>The effects on the net pensions liability of changes in individual assumptions can be measured. For instance within the Firefighters pension scheme, a 0.1% increase in the discount rate would result in a decrease in the pension liability by £22.8m. Within the LGPS scheme this change would result in a £2.4m decrease</p>

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

	2023/24	2022/23
	£000	£000
(Gains)/losses on the disposal of non-current assets	(53)	(301)
Communities for Local Government Firefighters Pension Top-Up Grant	(13,115)	(7,432)
	<u>(13,168)</u>	<u>(7,732)</u>

9 FINANCING AND INVESTMENT INCOME AND EXPENDITURE

	2023/24	2022/23
	£000	£000
Interest on Loans	1,229	1,161
Investment income	(1,771)	(811)
Pensions Interest and administration Cost	28,375	23,257
	<u>27,833</u>	<u>23,607</u>

10 TAXATION AND NON SPECIFIC GRANT INCOMES

	2023/24	2022/23
	£000	£000
Council tax income	(61,741)	(57,725)
Non domestic rates	(5,145)	(4,668)
Tariff top up grant	(10,870)	(10,555)
Revenue Support Grant (RSG)	(7,293)	(6,621)
	<u>(85,049)</u>	<u>(79,568)</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
2023/24	£000	£000	£000	£000	£000	£000	£000
Cost or valuation at 1 April 2023	19,006	96,231	-	1	3,486	33,969	152,693
Additions - purchased	-	784	-	4,948	235	-	5,967
Additions - exchange	-	-	-	-	-	-	-
Additions government granted	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-
Reclassified as held for sale	-	-	-	-	-	-	-
Derecognition - disposals	-	-	-	-	(251)	(823)	(1,074)
Reversal of impairments	-	-	-	-	-	-	-
Impairments	-	-	-	-	-	-	-
Revaluation Increase/(decrease):	-	-	-	-	-	-	-
- to Revaluation Reserve	(812)	(771)	-	-	-	-	(1,583)
- to Surplus/Deficit on the provision of services	(206)	(102)	-	-	-	-	(308)
At 31 March 2024	17,988	96,142	-	4,949	3,470	33,146	155,695
Depreciation at 1 April 2023	-	-	-	-	(2,424)	(17,876)	(20,300)
Reclassifications	-	-	-	-	-	-	-
Reclassified as held for sale	-	-	-	-	-	-	-
Derecognition - disposals	-	-	-	-	251	695	946
Revaluation removals	-	6,194	-	-	-	-	6,194
Impairments	-	-	-	-	-	-	-
Reversal of Impairments	-	-	-	-	-	-	-
Charged during the year	-	(6,550)	-	-	(183)	(1,919)	(8,652)
Depreciation at 31 March 2024	-	(356)	-	-	(2,356)	(19,100)	(21,812)
Net book value							
As at 31 March 2023	19,006	96,231	-	1	1,062	16,093	132,393
As at 31 March 2024	17,988	95,786	-	4,949	1,114	14,046	133,883
Asset financing							
Owned	17,988	94,368	-	4,949	1,114	14,046	132,465
Finance Leased	-	-	-	-	-	-	-
Private finance initiative	-	-	-	-	-	-	-
PFI residual interests	-	1,418	-	-	-	-	1,418
Total 31 March 2024	17,988	95,786	-	4,949	1,114	14,046	133,883

SIGNIFICANT COMMITMENTS UNDER CAPITAL CONTRACTS

As at 31 March 2024 the Authority has entered into a number of contracts for the construction or enhancement of property, plant and equipment in 2024/25 and future years budgeted to cost £4.8m. There were similar commitments at 31 March 2023 of £5m. Of these contracts to purchase assets there are four of significant value; £0.7m for rescue appliances; £2.1m for all-wheel-drive rescue appliances; £0.6m for aerial ladder platform appliances; and £1.1m for water carrier vehicles.

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
2023/24							
Valued at Historical Cost	-	-	-	4,949	3,470	33,146	41,565
Valued at Current Value in:	-	-	-	-	-	-	-
2023/24	17,988	94,368	-	-	-	-	112,356
2022/23	-	1,774	-	-	-	-	1,774
2021/22	-	-	-	-	-	-	-
2020/21	-	-	-	-	-	-	-
2019/20	-	-	-	-	-	-	-
Total	17,988	96,142	-	4,949	3,470	33,146	155,695

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
2022/23							
Cost or valuation at 1st April 2022	19,042	91,009	-	3,010	3,404	30,215	146,680
Additions - purchased	-	985	-	1,368	-	2,795	5,148
Additions - exchange	-	-	-	-	-	-	-
Additions government granted	-	-	-	-	-	-	-
Reclassifications	(36)	2,458	177	(4,377)	112	1,666	-
Reclassified as held for sale	-	-	(225)	-	-	-	(225)
Derecognition - disposals	-	(24)	-	-	(30)	(707)	(761)
Derecognition - exchange	-	-	-	-	-	-	-
Reversal of Impairments	-	-	-	-	-	-	-
Impairments	-	-	-	-	-	-	-
Revaluation increase/(decrease):	-	-	-	-	-	-	-
- to Revaluation Reserve	-	1,817	48	-	-	-	1,865
- to Surplus/Deficit on the provision of services	-	(14)	-	-	-	-	(14)
At 31 March 2023	19,006	96,231	-	1	3,486	33,969	152,693
Depreciation at 1st April 2022	-	(6)	-	-	(2,241)	(16,674)	(18,921)
Reclassifications	-	11	(11)	-	-	-	-
Reclassified as held for sale	-	-	-	-	-	-	-
Derecognition - disposals	-	6	-	-	22	651	679
Revaluation removals	-	5,892	11	-	-	-	5,903
Impairments	-	-	-	-	-	-	-
Reversal of Impairments	-	-	-	-	-	-	-
Charged during the year	-	(5,903)	-	-	(205)	(1,853)	(7,961)
Depreciation at 31 March 2023	-	-	-	-	(2,424)	(17,876)	(20,300)
Net book value							
As at 31st March 2022	19,042	91,003	-	3,010	1,163	13,541	127,759
As at 31 March 2023	19,006	96,231	-	1	1,062	16,093	132,393
Asset financing							
Owned	19,006	94,457	-	1	1,062	16,093	130,619
Finance Leased	-	-	-	-	-	-	-
Private finance initiative	-	-	-	-	-	-	-
PFI residual interests	-	1,774	-	-	-	-	1,774
Total 31 March 2023	19,006	96,231	-	1	1,062	16,093	132,393

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	
	2023/24 £000	2022/23 £000	2023/24 £000	2022/23 £000
Investments				
Loans and Receivables	-	-	-	-
Amortised Costs	12,000	20,050	-	-
Fair Value through Profit or Loss	-	-	-	-
Total Investments	12,000	20,050	-	-
Cash and Cash Equivalents				
Amortised Costs	7,044	2,002	-	-
Fair Value through Profit or Loss	3,470	7,050	-	-
Total Cash and Cash Equivalents	10,514	9,052	-	-
Debtors (Trade Receivables)				
Amortised Costs	14,356	5,144	410	537
Total Debtors (Trade Receivables)	14,356	5,144	410	537
Borrowings				
Amortised Costs	(549)	(90)	(23,313)	(24,264)
Total Borrowings	(549)	(90)	(23,313)	(24,264)
Finance Lease				
Amortised Costs	(117)	(117)	(538)	(673)
Total Finance Lease	(117)	(117)	(538)	(673)
Creditors (Trade Payables)				
Amortised Costs	(9,433)	(7,177)	-	-
Total Creditors (Trade Payables)	(9,433)	(7,177)	-	-

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	
	2023/24 £000	2022/23 £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.

	2023/24 £000	2022/23 £000
Interest Revenue		
Financial assets measured at Amortised Cost	1,771	811
Total Interest Revenue	1,771	811

	2023/24 £000	2022/23 £000
Interest Expense		
Financial liabilities measured at Amortised Cost	(1,229)	(1,161)
Total Interest Expense	(1,229)	(1,161)

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	2023/24 £000	2022/23 £000
PWLB Debt	(21,423)	(23,382)
Short Term Borrowing	(94)	(94)
Short Term Creditors	(9,433)	(7,177)
Short Term PFI & Finance Lease Liability	(117)	(117)
Long Term PFI & Finance Lease Liability	(538)	(673)
Total Liabilities	(31,605)	(31,442)

Financial Assets	2023/24 £000	2022/23 £000
Money Market Loans < 1 Year	3,470	7,050
Short Term Investments	19,338	22,311
Long Term Investments	0	0
Short Term Debtors	14,356	5,144
Long Term Debtors	410	537
Total Assets	37,574	35,042

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 2024.

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	-	(23,865)	-	(23,865)
PFI and Finance Lease Liability	-	(117)	-	(117)
Total	-	(23,982)	-	(23,982)
Financial Assets				
Financial Assets held at amortised cost:				
	-	22,470	-	22,470
Total	-	22,470	0	22,470

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 2023	(2)	-	-	(2)
Financial Assets held at amortised cost:	-	-	-	-
As at 31 March 2024	(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)

	Total £000
Interest Rate Risk	
Decrease in Fair Value of Fixed Rate Investments	(526)
Impact on Other Comprehensive Income and Expenditure	(2,115)
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)	(2,642)

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:

	2023/24	2022/23
	£000	£000
Interest Received	1,771	811
Interest Paid	(1,229)	(1,161)
Total	542	(350)

13.2 INVESTMENT ACTIVITIES

	2023/24	2022/23
	£000	£000
Payments for property, plant and equipment	(5,918)	(5,215)
Sale of property, plant and equipment	400	663
(Increase)/Decrease in Short-Term Deposits	8,050	4,450
Net Cash Flows from investing activities	2,532	(102)

13.3 FINANCING ACTIVITIES

	2023/24	2022/23
	£000	£000
Loans Repaid	(493)	(493)
Loan Capital Repayments of PFI and finance leases	(135)	(117)
Net Cash Flows from investing activities	(628)	(610)

13.4 OTHER NON CASH MOVEMENT

	2023/24	2022/23
	£000	£000
(Gains)/losses on the disposal of non-current assets	(53)	(301)
PWLB Interest due, paid in new year	94	94
Accumulated Absence Account	(313)	(202)
Other Adjustments	170	176
Net Other non cash movement	(103)	(233)

NOTES TO THE CORE FINANCIAL STATEMENTS

14 INVENTORIES

	31 March 2024 £000	31 March 2023 £000
Uniforms and Protective Clothing	301	308
Vehicle Spares Stocks	131	133
Fuel	96	101
Equipment Stocks	93	114
Total	620	655

15 DEBTORS

15.1 Trade and other receivables

	Current		Non-current	
	31 March 2024 £000	31 March 2023 £000	31 March 2024 £000	31 March 2023 £000
Public Sector Bodies	10,830	4,587	410	537
Prepayments	2,831	2,660		
Other	941	1,192	-	-
Provision for the impairment of receivables	(27)	(55)	-	-
Total	14,575	8,384	410	537

15.2 Receivables past their due date but not impaired

	31 March 2024 £000	31 March 2023 £000
By up to three months	10	181
By three to six months	127	8
By more than six months	(0)	219
Total	137	407

15.3 Provision for impairment of receivables

	31 March 2024 £000	31 March 2023 £000
Balance at 1 April	(55)	(55)
(Increase)/decrease in receivables impaired	28	-
Balance at 31 March	(27)	(55)

16 CASH AND CASH EQUIVALENTS

	31 March 2024 £000	31 March 2023 £000
Balance at 1 April	9,052	9,936
Net change in year	1,462	(884)
Balance at 31 March	10,514	9,052
Made up of		
Commercial banks and cash in hand	44	52
Current investments (less than 3 Months to maturity)	10,470	9,000
Cash and cash equivalents as in statement of financial position	10,514	9,052
Bank Balance - Commercial banks	-	-
Cash and cash equivalents as cash flow statement	10,514	9,052

NOTES TO THE CORE FINANCIAL STATEMENTS

17 ASSETS HELD FOR SALE

The Redwoods building on the headquarters site ceased being used as an office on 01/07/2022. The Fire Authority agreed to sell the property at its meeting of 16/02/2023, and it was actively marketed from 09/03/2023, triggering the requirement of the Code to reclassify it to Assets Held for Sale. The property was sold on 21/12/2023.

	Current	
	31 March 2024	31 March 2023
	£000	£000
Balance outstanding at start of year	218	273
Assets newly classified as held for sale:		
Property, plant & equipment	-	225
Revaluation losses	-	(7)
Assets sold	(218)	(273)
Balance outstanding at year-end	-	218

18 CREDITORS

	Current	
	31 March 2024	31 March 2023
	£000	£000
Current Liabilities		
Public Sector Bodies	(5,332)	(4,349)
Other entities and individuals	(4,261)	(4,446)
Accum absence	(1,280)	(1,593)
Defined Benefit Pension Schemes	-	-
Total	(10,873)	(10,388)

19 PROVISIONS

	Current		Non-current	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023
	£000	£000	£000	£000
Firefighter Employer Pension Contribution	-	-	-	-
NDR Appeals Provision	-	-	(568)	(564)
Total	-	-	(568)	(564)

	Firefighter Employer Pension Contribution	NDR Appeals	Total
	£000	£000	£000
At 1 April 2022	-	656	656
Arising during the year	-	-	-
Used during the year	-	-	-
Reversed unused	-	(92)	(92)
Unwinding of discount	-	-	-
At 31 March 2023	-	564	564
At 1 April 2023	-	564	564
Arising during the year	-	-	-
Used during the year	-	-	-
Reversed unused	-	4	4
At 31 March 2024	-	568	568
Expected timing of cash flows:			
Between 1 April 2024 & 31 March 2025	-	-	-
Thereafter	-	568	568

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 2023/24.

2023/24

Earmarked reserve	Balance 1 April	Transfers In	Transfers Out	Balance 31 March
	£000	£000	£000	£000
Grants unapplied from previous years	1,137	100	(332)	905
Invest to Improve	1,878	1,156	(778)	2,256
Budget Smoothing Reserve	666	-	-	666
Direct Funding to Capital	15,424	2,432	(4,091)	13,765
Projects, risks, & budget carry forwards				
PFI Equalisation	50	-	-	50
Emergency Services Mobile Communications Programme	1,050	6	(6)	1,050
Mobile Data Terminals	145	-	(1)	144
Pension Liability reserve	1,218	4	-	1,222
Budget Carry Forwards	890	40	(706)	224
Environmental Strategy	243	-	(96)	147
MTA Action Plan	76	-	(76)	-
Control Futures	-	1,125	-	1,125
Total Earmarked Reserves	22,777	4,863	(6,086)	21,554
General Fund (non-Earmarked) Balance	4,280	351	-	4,631
Total General Fund	27,057	5,214	(6,086)	26,185

2022/23

Earmarked reserve	Balance 1 April	Transfers In	Transfers Out	Balance 31 March
	£000	£000	£000	£000
	£000	£000	£000	£000
Grants unapplied from previous years	3,093	44	(2,000)	1,137
Invest to Improve	2,869	-	(991)	1,878
Budget Smoothing Reserve	1,831	666	(1,831)	666
Direct Funding to Capital	19,032	2	(3,610)	15,424
Projects, risks, & budget carry forwards				
PFI Equalisation	50	-	-	50
Emergency Services Mobile Communications Programme	1,302	-	(252)	1,050
Mobile Data Terminals	168	-	(23)	145
Pension Liability reserve	1,362	-	(144)	1,218
Budget Carry Forwards	1,633	-	(743)	890
Environmental Strategy	268	-	(25)	243
MTA Action Plan	151	-	(75)	76
Total Earmarked Reserves	31,759	712	(9,694)	22,777
General Fund (non-Earmarked) Balance	4,050	230	-	4,280
Total General Fund	35,809	942	(9,694)	27,057

NOTES TO THE CORE FINANCIAL STATEMENTS

20.2 UNUSABLE RESERVES

	31 March 2024 £000	31 March 2023 £000
Revaluation Reserve	(54,721)	(54,218)
Capital Adjustment Account	(54,739)	(53,343)
Pensions Reserve	605,673	604,259
Collection Fund Adjustment Account	(1,446)	(1,565)
NNDR Adjustment Account	178	(67)
Accumulated Absences Account	1,279	1,593
PFI Equalisation Fund	(410)	(537)
Total	495,813	496,121

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.

	2023/24 £000	2022/23 £000
Balance at 1 April	(53,343)	(52,386)
<i>Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:</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	346	363
Amounts of non-current assets written off on exchange as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	-	-
Revaluation losses on property, plant and equipment	309	14
Charges for depreciation and impairment of non-current assets	8,652	7,961
	9,307	8,338
Minimum Revenue Provision	(1,911)	(1,975)
Capital Expenditure charged against the Revenue Account	(4,284)	(3,120)
Capital Receipts Reserve	(400)	(663)
Adjusting amounts written out of the Revaluation Reserve	(4,108)	(3,537)
Balance at 31 March	(54,739)	(53,343)

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.

	2023/24 £000	2022/23 £000
Balance at 1 April	(54,218)	(49,986)
Upward Revaluation of assets	(5,823)	(7,768)
Disposal/derecognition	143	201
Downward revaluations	1,212	-
Difference between fair value depreciation and historical cost depreciation	3,966	3,336
Balance at 31 March	(54,721)	(54,218)

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.

	2023/24 £000	2022/23 £000
Balance at 1 April	604,258	921,542
Remeasurements of the net defined liability/(asset)	(8,965)	(343,264)
Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on Provision of services	38,665	40,387
Employer's pensions contributions and direct payments to pensioners payable in the year	(28,287)	(14,408)
Balance at 31 March	605,672	604,258

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.

	2023/24 £000	2022/23 £000
Balance at 1 April	(1,565)	(1,086)
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	119	(479)
Balance at 31 March	(1,446)	(1,565)

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.

	2023/24 £000	2022/23 £000
Balance at 1 April	(67)	1,755
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	245	(1,822)
Balance at 31 March	178	(67)

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.

	2023/24 £000	2022/23 £000
Balance at 1 April	1,593	1,391
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	(314)	202
Balance at 31 March	1,279	1,593

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 2024 a surplus of £0.410m (£0.537m as at 31 March 2023) was attributable to Devon and Somerset FRA and this has been included as a PFI debtor against Gloucestershire County Council.

	2023/24	2022/23
	£000	£000
Balance at 1 April	(537)	(620)
PFI Movement for the year	127	83
Balance at 31 March	(410)	(537)

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 2023/24 are shown in the following table which shows all serving members during 2022/23 and 2023/24.

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

	Basic and Special Responsibility Allowance	Travel and Subsistence	2023/24	2022/23
	£	£	£	£
Mary Aspinall	472	139	611	1,090
Yvonne Atkinson	2,631	20	2,651	-
Michael Best	3,077	133	3,210	3,208
Frank Biederman	9,238	790	10,028	3,508
Ann Bown	-	-	-	944
Julian Brazil	7,027	628	7,655	7,095
Pam Buchan	-	-	-	374
Peter Burridge-Clayton	6,730	452	7,182	3,068
Christine Carter	1,013	-	1,013	-
Richard Chesterton	3,966	-	3,966	7,558
Simon Coles	6,730	1,377	8,107	3,511
Polly Colthorpe	-	-	-	5
John Cook-Woodman	17,601	2,127	19,728	9,500
Margaret Corvid	-	-	-	374
Jonathan Drean	309	205	514	3,417
Andrew Eastman	-	-	-	5
John Fellows	2,631	-	2,631	-
Lindsay Gilmour	2,680	238	2,918	-
Robert Hannaford	1,189	95	1,284	6,772
Mark Healey	-	-	-	1,264
Neill Hendy	6,730	388	7,118	2,871
Andy Kendall	3,077	247	3,324	3,029
Tim Kerley	3,077	-	3,077	2,573
Swithin Long	497	64	561	3,262
Dermot McGeough	454	-	454	3,060
Terry Napper	-	-	-	374
Sarah Parker-Khan	-	-	-	512
Philip Partridge	-	-	-	1,531
Bharat Patel	2,680	-	2,680	-
Ronald Peart	7,606	505	8,111	7,684
Stephen Perks	1,453	(872)	581	-
Tom Power	3,077	259	3,336	2,573
Graham Prowse	481	-	481	3,068
Ray Radford	10,042	272	10,314	9,969
Satnam Rai	542	-	542	551
Sara Randall Johnson	6,388	-	6,388	18,782
Leigh Redman	-	-	-	637
Ian Roome	3,077	240	3,317	3,250
Andrew Saywell	-	-	-	24
Richard Scott	-	-	-	512
Debo Sellis	3,077	422	3,499	2,991
Mark Shayer	1,456	982	2,438	10,985
Colin Slade	2,631	220	2,851	-
Kevin Sproston	2,680	-	2,680	-
Andy Sully	3,077	-	3,077	2,573
David Thomas	556	218	774	5,177
Anna Tolchard	1,626	26	1,652	-
Jeffrey Trail	3,077	316	3,393	2,667
Ann Turkington	3,199	-	3,199	-
Linda Vjeh	-	-	-	37
George Wheeler	-	-	-	23
Jeremy Yabsley	-	-	-	8

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 decrease in numbers earning £50,000-£59,999 since last year is due to a rationalisation of roles, whereby the number of officers earning within this bracket was reduced.

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

	2023/24	2022/23
£50,000 - £54,999	62	55
£55,000 - £59,999	31	43
£60,000 - £64,999	41	32
£65,000 - £69,999	12	25
£70,000 - £74,999	19	6
£75,000 - £79,999	3	1
£80,000 - £84,999	-	-
£85,000 - £89,999	1	3
£90,000 - £94,999	2	1
£95,000 - £99,999	2	2
£100,000 - £104,999	-	-
£105,000 - £109,999	-	-
£110,000 - £114,999	1	-
£115,000 - £119,999	-	-
£120,000 - £124,999	1	2
£125,000 - £129,999	-	-
£130,000 - £134,999	-	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
£165,000 - £170,000	-	-
£170,000 - £174,999	-	-
£175,000 - £179,999	-	-
£180,000 - £184,999	1	-
£185,000 - £189,999	1	-

NOTES TO THE CORE FINANCIAL STATEMENTS

22.2 Senior Officers Remuneration 2023/24 over £50k

There were again leavers and new starters in senior management which has amended the number of individuals shown on the list below when compared to 2022/23.

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 2023/24
	£	£	£	£	£	£
Chief Fire Officer - Lee Howell	193,687	-	-	193,687	53,374	247,061
Chief Fire Officer (Temporary) - Gavin Ellis (a)	180,504	-	-	180,504	44,276	224,780
ACFO Service Delivery	138,184	-	-	138,184	39,797	177,981
ACFO Service Delivery Support (Temporary) (b)	124,522	-	-	124,522	26,025	150,547
Director of Finance and Corporate Services	121,165	-	-	121,165	21,274	142,439
AM Academy Capabilities and PPG	100,494	-	-	100,494	26,212	126,706
AM Corporate Planning Analysis and Strategic Business Change	96,014	-	-	96,014	26,212	122,226
AM SD Response Somerset and Partnerships	93,365	-	-	93,365	26,025	119,390
AM SD Response Devon	90,858	-	-	90,858	26,167	117,025
Assistant Director Corporate Services (Temporary) (c)	84,245	-	-	84,245	14,773	99,018
Head of Organisational Assurance	75,770	-	-	75,770	12,419	88,189
Head of Fleet and Procurement	72,918	626	-	73,544	11,733	85,277
Head of Communications and Engagement	72,393	-	-	72,393	12,721	85,114
Head of Finance	70,770	-	-	70,770	12,419	83,189
Head of Estates	70,770	-	-	70,770	12,419	83,189
Democratic Services and Corporate Support Manager	63,337	-	-	63,337	11,781	75,118
Head of Digital, Data and Technology (d)	61,248	-	-	61,248	10,880	72,128
Head of People Services	58,975	-	-	58,975	10,349	69,324
Head of ICT (e)	33,955	-	14,911	48,866	4,914	53,780
Co-Head of People Services (f)	14,459	-	18,140	32,599	2,622	35,221
Director of Governance and Digital Services (g)	29,049	-	-	29,049	3,877	32,926
Director of Service Improvement (h)	9,727	-	-	9,727	2,802	12,529
	1,856,409	626	- 33,051	- 1,890,086	413,071	2,303,157

(a) Temporary elements in pay reflect promotion (b) Temporary elements in pay reflect promotion (c) Changed name
(d) Started SLT role 24/07/2023 (e) Left role on 31/08/2023 (f) Left role on 14/06/2023
(g) Left role on 01/05/2023 (h) Left role on 07/04/2023

Senior Officers Remuneration 2022/23 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 2022/23
	£	£	£	£	£	£
Chief Fire Officer - Lee Howell	162,061	-	-	162,061	46,674	208,735
Deputy Chief Fire Officer	134,510	-	-	134,510	38,739	173,249
Director of Service Delivery	121,543	-	-	121,543	35,004	156,547
Director of Service Improvement	121,543	-	-	121,543	35,004	156,547
Director of Governance & Digital Services	99,955	-	-	99,955	17,269	117,224
Director of Finance, People and Estates	99,496	-	-	99,496	17,269	116,765
Area Manager Corporate Planning & Strategic Analysis	95,305	-	-	95,305	24,809	120,114
Area Manager Transformation	86,290	-	-	86,290	24,852	111,142
Area Manager Service Delivery Resilience (a)	61,721	-	-	61,721	15,497	77,218
Area Manager Service Delivery Response (b)	85,484	-	-	85,484	24,619	110,103
Area Manager Service Delivery Risk	85,674	-	-	85,674	24,674	110,348
Head of ICT (c)	63,725	-	-	63,725	11,219	74,944
Head of ICT (d)	13,617	-	-	13,617	2,125	15,742
Co-Head of People Services (e)	44,072	-	-	44,072	7,710	51,782
Co-Head of People Services (f)	60,274	-	-	60,274	10,252	70,526
Head of Finance	69,024	-	-	69,024	11,955	80,979
Head of Estates	69,500	-	-	69,500	11,955	81,455
Head of Communications & Engagement	70,054	-	-	70,054	12,234	82,288
Head of Fleet & Procurement	73,366	-	-	73,366	12,885	86,251
Head of Organisational Assurance	67,619	-	-	67,619	11,728	79,347
Head of Portfolio & Programme Manager	68,276	-	-	68,276	11,955	80,231
	1,753,109	-	0	0 1,753,109	408,428	2,161,537

a) Started role on 01/11/2022 b) Started role on 05/04/2022
c) Started role on 30/05/2022 d) Left role on 04/06/2022
e) Unpaid leave from 01/08/2022 - 19/09/2022 and 01/12/2022 - 15/02/2023 f) Left role on 17/03/2023

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	
	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23
£0 - £20,000	1	-	4	2	5	2	51,505	£28,414
£20,001 - £40,000	-	-	3	0	3	0	69,417	£0
£40,001 - £60,000	-	-	1	0	1	0	54,694	£0
Total	1	-	8	2	9	2	175,616	£19,361

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.

	2023/24 £000	2022/23 £000
Fees payable to the external auditor with regard to external audit services carried out by the appointed auditor for the year	104	53
Total	104	53

For 2023/24, the auditors have requested, through the Public Service Audit Appointments, that a fee variation is added to the fee quoted of £8.5k to cover an increase in review for ISA315.

24 GRANT INCOME

The Authority credited the following grants, contributions and donations to the Comprehensive Income and Expenditure Statement (CIES) in 2023/24

	2023/24 £000	2022/23 £000
Grants		
New Dimensions Grant	(953)	(946)
Firelink Grant	(554)	(739)
Hinkley Point Grant	(94)	(86)
Rural Services Delivery Grant	(497)	(445)
SFA Levy	(267)	-
Business Rates Relief	(4,401)	(3,127)
Fire Pension Grant	(3,904)	(4,042)
Section 31 Grants (Minor)	(24)	(28)
Building Protection Grant	(294)	(294)
Services Grant	(644)	(1,098)
Salix LCS Grant	(94)	-
BSR Reliefs Grant	(119)	-
	(11,845)	(10,806)
Insurance cost recovery	(47)	(59)
Procurement income from Frameworks	(41)	(56)
Rental income	(110)	(98)
Secondment income	(598)	(351)
Vehicle sales and maintenance	(49)	(140)
Other income and donations	(265)	(279)
Co-responder Income	(173)	(183)
Ambulance Covid Support	(2)	(207)
PFI Fair value	(447)	(447)
Apprenticeship Delivery	(221)	(114)
Training Income	(170)	(248)
Primary Authority	(4)	(0)
Sub Total Other Income	(2,126)	(2,182)
Total within cost of services in the CIES	(13,971)	(12,987)

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 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 of the Authority have direct control over the Service's financial and operating policies. The total of members' allowances paid in 2023/24 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 2023/24 no material transactions were disclosed.**

Key management personnel having the authority and responsibility for planning, directing and controlling the activities of the Service, and members of their families and household, have been asked to declare external interests which might affect the independence of the Authority. All those required to complete returns have replied with no material interests to declare. The payments made in respect of senior officer are detailed in Note 22.

The Authority is working with three other Fire Authorities (Dorset & Wiltshire, Hampshire & Isle Of Wight and Kent) in a Networked Fire Services Partnership (NFSP) project, to provide a collaborative approach to the provision of fire control services. The Authority is responsible for paying all partnership-related expenditure and for recovering each partner's share of these costs. During 2023/24 the direct partnership costs incurred by the Service were £189k and split of those costs as detailed in the table below.

NFSP Costs Recovered	2023/24 £000	2022/23 £000s
Devon & Somerset	59	41
Hampshire	49	39
Dorset & Wiltshire	56	39
Kent	47	0
Total	210	119

The Authority was also charged by the partners £283k

	2023/24 £000	2022/23 £000
Red One Ltd[^]		
Net receipts from Red One Ltd of training income & reimbursements, minus any payments made	(85)	(320)
FRIC*		
Payments for Insurance	937	895

[^]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 born 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 made the decision to consolidate the activity of both the Authority and Red One Ltd into Group Accounts for the first time for 2021-22 due to the increase in activity generated by Red One Ltd.

As at 31st March 2024 the receipts due from Red One, net of any adjustments was £85k, down from £320k the previous financial year.

*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 £937k to the company for the insurance year-end 31 October 2023 of which £545k relates to the 2024/25 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.

	2023/24 £000	2022/23 £000
Opening Capital Financing Requirement	25,055	25,665
<u>Capital investment</u>		
Operational assets	5,966	5,149
<u>Sources of finance</u>		
Capital receipt	(400)	(663)
<u>Sums set aside from revenue</u>		
Minimum Revenue Provision	(1,911)	(1,976)
Direct revenue funding	(4,284)	(3,120)
Closing Capital Financing Requirement	24,426	25,055
Explanation of movements in year	2023/24	2022/23
	£000	£000
Increase/(Decrease) in underlying need to borrow	(494)	(493)
(Decrease) in PFI/lease liabilities	(135)	(117)
Increase/(decrease) in Capital Financing Requirement	(629)	(610)

27 LEASES

27.1 OPERATING LEASES AS LESSEE

Total rentals paid during the year amounted to £0.582m. It is estimated that the outstanding liability for future years, in relation to existing lease agreements is £0.936m.

	2023/24 £000	2022/23 £000
<u>Payments recognised as an expense in year</u>	582	651
<u>Future Minimum Lease Payments payable:</u>		
Not later than one year	265	122
Between one and five years	671	107
Total	936	229

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 2024 (excluding any estimation of inflation and availability/ performance deductions) are as follows:

	Payment for Services £000	Reimbursement of Capital Expenditure £000	Interest £000	2023/24 £000	2022/23 £000
Paid in 2023/24	630	135	70	835	815
Outstanding undischarged contract obligations:					
Payable within one year	651	147	58	856	835
Payable within two to five years *	2,095	509	92	2,697	3,552
Payable within six to ten years	0	0	0	0	0
	<u>2,746</u>	<u>656</u>	<u>151</u>	<u>3,552</u>	<u>4,387</u>

* There are four 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:

	2023/24 £000	2022/23 £000
Balance outstanding at 1 April	790	907
Payments in year	(135)	(117)
Capital Expenditure incurred in the year		
Other movements		
Balance outstanding at 31 March	<u>655</u>	<u>790</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.

	2023/24 £000	2022/23 £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 two schemes, the Fire Pension Schemes for Fire Officers which is unfunded, and the Local Government Pension Scheme which is administered by Devon County Council.

The Local Government Pension Scheme is a funded defined benefit 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 shown 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 Firefighter Pension Schemes (FPS) for fire officers, all of which are unfunded defined benefit 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 three legacy schemes are as follows.

- 1992 FPS
- 2006 FPS
- 2006 Modified FPS (reported within the 2006 FPS)

From April 2015 the FPS 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.

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

Scheme	Employer Percentage Rate 2023/24	Total Contributions expected to be made by the authority in the year to 31st March 2025
		£000
Local Government Pension Scheme	18.5%	2,533
Firefighters Pension Scheme	28.8%	14,500

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

Comprehensive Income & Expenditure Statement - Cost of Service	LGPS 2023/24 £000	LGPS 2022/23 £000	LG Unfunded 2023/24 £000	LG Unfunded 2022/23 £000	Fire schemes 2023/24 £000	Fire schemes 2022/23 £000	Total 2023/24 £000	Total 2022/23 £000
Service Cost Comprising:								
Current Service Cost	2,335	5,069	-	-	8,304	19,202	10,639	24,271
Past Service Costs	-	-	-	-	-	291	-	291
(Gain)/Loss from settlements								
Financing and Investment Income and Expenditure:								
Net Interest Expense	13	843	9	7	28,305	22,363	28,327	23,213
Administration Expenses	48	44	-	-	-	-	48	44
Home Office Pension top up grant	-	-	-	-	(13,115)	(7,432)	(13,115)	(7,432)
Total Post-employment benefits charged to the Surplus or Deficit on the Provision of Services	2,396	5,956	9	7	23,494	34,424	25,899	40,387
Other Post-employment Benefits charged to the CIES								
Remeasurement of the net defined benefit liability comprising:								
Expected return on plan assets (excluding the amount included in net interest expense)	(5,059)	3,279	-	-	-	-	(5,059)	3,279
Actuarial gains and losses arising on changes in demographic assumptions	(984)	(6,983)	(3)	-	-	-	(987)	(6,983)
Actuarial gains and losses arising on changes in financial assumptions	(2,148)	(53,499)	(2)	-	(9,420)	(347,979)	(11,570)	(401,478)
Other	-	-	-	-	-	-	-	-
Total Post-employment benefits charged to the CIES	(8,191)	(57,203)	(5)	-	(9,420)	(347,979)	(17,616)	(405,182)
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	(2,396)	(5,956)	(9)	(7)	(23,494)	(34,424)	(25,899)	(40,387)
Actual amount charged against the General Fund Balance for pensions in the year								
Employers contributions payable to scheme	(2,455)	(2,456)	-	-	4,898	4,699	2,443	2,243
Employers contributions payable to scheme (secondees not charged to general fund)	-	-	-	-	-	21	-	21
Ill health charges	-	-	-	-	-	-	-	-
Payment in advance	-	-	-	-	-	-	-	-
Retirement benefits payable to pensioners - Authority	-	-	-	-	(2,547)	(2,530)	(2,547)	(2,530)
Retirement benefits payable to pensioners - Fund	2,997	1,658	19	17	(28,540)	(21,620)	(25,524)	(19,945)

NOTES TO THE CORE FINANCIAL STATEMENTS

Reconciliation of the present value of the scheme liabilities	LGPS 2023/24 £000	LGPS 2022/23 £000	LG Unfunded 2023/24 £000	LG Unfunded 2022/23 £000	Fire schemes 2023/24 £000	Fire schemes 2022/23 £000	Total 2023/24 £000	Total 2022/23 £000
Opening balance as at 1st April	75,996	122,610	195	237	602,631	871,838	678,822	994,685
Opening balance adjustment	-	66	-	-	-	-	-	66
Current Service Cost	2,335	5,069	-	-	8,304	19,202	10,639	24,271
Interest Cost	3,607	3,102	9	7	28,305	22,363	31,921	25,472
Contributions by scheme participants	885	897	-	-	4,898	4,699	5,783	5,596
<i>Remeasurement (gains) and losses:</i>	-	-	-	-	-	-	-	-
Actuarial gains and losses arising on changes in demographic assumptions	(984)	(6,983)	(3)	-	321	-	(666)	(6,983)
Actuarial gains and losses arising on changes in financial assumptions	(2,148)	(53,499)	(2)	(45)	(9,420)	(347,979)	(11,570)	(401,523)
Experience gains and losses	250	6,177	1	13	1,539	56,367	1,790	62,557
Past service Costs	-	-	-	-	-	291	-	291
Benefits Paid	(2,964)	(1,443)	(19)	(17)	(31,087)	(24,150)	(34,070)	(25,610)
Closing balance as at 31st March	76,977	75,996	181	195	605,491	602,631	682,649	678,822

Pensions Assets and Liabilities Recognised in the Balance Sheet		
	2023/24 £'000	2022/23 £'000
Present value of liabilities		
LGPS	(76,977)	(75,996)
LGPS- unfunded	(181)	(195)
Firefighters Pension schemes	(554,421)	(551,560)
Firefighters Compensation Regulations	(51,070)	(51,070)
Fair value of assets in the LGPS	76,977	74,563
	(605,672)	(604,258)
Surplus/(deficit) in the scheme:		
LGPS	-	(1,433)
LGPS- unfunded	(181)	(195)
Firefighters Pension schemes	(554,421)	(551,560)
Firefighters Compensation Regulations	(51,070)	(51,070)
Net Liability arising from defined benefit obligation	(605,672)	(604,258)

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 2022 and the Devon & Somerset FPS valuation in 2023.

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 (See Note 30.3 Overleaf)

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

Proportion of assets held - LGPS	31 March 2024		31 March 2023	
	£000	%	£000	%
Gilts	-	0%	-	0%
UK Equities	1,174	1%	5,882	8%
Overseas Equities	44,675	53%	33,401	45%
Property	6,417	8%	6,536	9%
Infrastructure	8,464	10%	6,704	9%
Target Return Portfolio	1,973	2%	5,182	7%
Cash	1,881	2%	886	1%
Other Bonds	18,986	23%	15,943	21%
Alternative Assets	(17)	0%	29	0%
Total Fair value of LGPS assets (before impact of asset ceiling)	83,553	100%	74,563	100%

Based on estimated bid values.

Movement between the opening and closing balances of the fair value of assets:	Year to 31	Year to 31
	March 2024	March 2023
	£000	£000
Opening fair value	74,563	73,143
Interest Income	3,594	2,259
Return on plan assets (excluding the amount included in net interest expense)	5,095	(3,279)
Other Actuarial Gains/ (Losses)	-	594
Administration Expenses	(48)	(44)
Contributions by employer	2,480	2,668
Contributions by scheme participants	885	897
Estimated benefits paid	(3,016)	(1,675)
Impact of asset ceiling	(6,576)	-
Fair value of scheme assets at end of period	76,977	74,563

Basis for establishing assets and liabilities	LG Pension Scheme	LG Pension Scheme	LG Unfunded	LG Unfunded	Fire Schemes	Fire Schemes
	2023/24 £000	2022/23 £000	2023/24 £000	2022/23 £0	2023/24 £000	2022/23 £000
Mortality assumptions						
Longevity at 65 for current pensioners						
Men	21.5	21.8	21.5	21.8	20.6	20.6
Women	22.7	22.9	22.7	22.9	23.2	22.9
Longevity at 65 for future pensioners						
Men	22.8	23.1	22.8	23.1	21.9	21.9
Women	24.1	24.4	24.1	24.4	24.6	24.4
Rate of inflation CPI	2.85%	2.85%	2.85%	2.85%	2.90%	2.90%
Rate of increase in salaries	3.85%	3.85%			3.90%	3.90%
Rate of increase in pensions	2.85%	2.85%	2.85%	2.85%	2.90%	2.90%
Rate for discounting scheme liabilities	4.95%	4.80%	4.95%	4.80%	4.90%	4.80%

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 2023/24 Present Value of Total Obligation	LG Pension Scheme			Fire Schemes		
	+ 0.1%	0.0%	- 0.1%	+ 0.1%	0.0%	- 0.1%
Adjustment to Discount Rate	75,814	77,158	78,538	596,313	605,491	614,904
Adjustment to Long Term Salary Increase	77,305	77,158	77,012	606,449	605,491	604,540
Adjustment to Pension Increases and Deferred Revaluation	78,418	77,158	75,932	614,123	605,491	597,079
	+ 1 year	None	- 1 year	+ 1 year	None	- 1 year
Adjustment to life expectancy assumptions	79,585	77,158	74,810	628,280	605,491	583,580

NOTES TO THE CORE FINANCIAL STATEMENTS

31 CONTINGENT ASSETS AND LIABILITIES

31.1 CONTINGENT LIABILITIES

A contingent liability is a possible present conditional obligation arising from past events and whose existence will be confirmed only by the occurrence of future uncertain events not wholly within the Fire Authority's control.

There is one Employment Tribunal appeal awaiting a decision. If the appeal is unsuccessful, a further remedy hearing will be listed with the award likely to be in excess of £100,000.

31.2 CONTINGENT ASSETS

The Competition Appeal Tribunal (the Tribunal) took the decision in December 2023 to uphold the Competition and Markets Authority (CMA)'s decision to impose a charge control mechanism on Motorola in respect of the revenue Airwave can earn from its charges.

Motorola has lodged an application for permission to appeal the Tribunal's decision to the Court of Appeal (CoA), but in the meantime has commenced issuing credit notes and discounting invoices to reflect the charge control impact from 1 August 2023 onwards. These credit notes have been applied to the totality of the invoice to the Home Office and therefore need to be apportioned to the various authorities including all Fire and Rescue Authorities (FRA) in England.

Since an appeal request has been lodged with the CoA, any credit which is currently applied and accepted may have to be repaid if subsequently it is decided to overturn the Tribunal's decision and in turn set aside CMA's charge control. Motorola have been clear in their communications that this is the basis on which the credits are being applied.

As a result, and on the recommendation of the NFCC Finance Committee, the Home Office will be continuing to invoice FRAs in England at the original rate and will not apply the credit notes to the invoices the Home Office sends to FRAs. Instead, it will provide the total value of the credit to Buckinghamshire Fire who have kindly agreed to hold the total credit that relates to Fire England until a final court decision is reached. Any monies remaining with Buckinghamshire Fire after the conclusion of the legal process will be shared between all FRAs in England based on their percentage share of the credit, if ultimately Motorola are unsuccessful in their court application. As at 31 March 2024 Devon and Somerset FRA's share of the credit is estimated to be £0.356m.

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 policy 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 2024 £000	Historical Experience of Default £000	Historical Experience adjusted for market conditions as at 31 March 2024 £000	Estimated maximum exposure to default and uncollectability £000
Deposits with bank & financial institutions	22,514	-	-	-
Public Sector Bodies	10,830	-	-	-
Other	941	-	-	-
Total	34,286	-	-	-

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 31st March 2023, the value of debt which exceeded this period was £407k, broken down as follows:

	2023/24	2022/23
	£000	£000
Up to Three Months	10	181
Between Three & Six Months	127	8
Over Six Months	(1)	219
Total	137	407

An allowance for potential bad debts of £27k 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:-

	2023/24	2022/23
	£000	£000
Less than one year – including trade and other creditors	10,180	9,382
Between one and two years – PWLB loan repayments	458	458
Between two and five years – PWLB loan repayments	3,280	3,280
More than five years – PWLB loan repayments	20,033	20,033
Total	33,951	33,153

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

There are four Firefighter Pension Schemes (FPS) for fire officers, all of which are unfunded defined benefit 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 are funded from in-year employee and employer contributions and balanced to zero by the receipt of top-up grant received from the Home Office. The three legacy schemes are as follows.

- 1992 FPS
- 2006 FPS
- 2006 Modified FPS (reported within the 2006 FPS)

From April 2015 the FPS 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.

The FPS 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.

Firefighters Pension Fund	2023/24 £'000	2022/23 £'000
Contributions receivable from:		
Fire authority:-		
a) contributions in relation to pensionable pay	(10,705)	(10,355)
b) early ill health retirements & other income	(26)	(32)
c) Firefighters contributions	(4,904)	(4,707)
	(15,635)	(15,094)
Transfers In	(193)	(587)
Benefits payable		
d) pensions	22,872	20,934
e) commutations and lump sum benefits	6,062	2,172
f) lump sum death benefits	9	-
g) transfers out	-	6
Total benefits payable, less transfers in	28,750	22,526
Net amount receivable for the year ¹	13,115	7,432
Top-up grant already received from Central Government	(7,041)	(7,910)
Balance of top-up grant for the year, payable to Central Government ³	-	478
Balance of top-up grant for the year, receivable from Central Government	(6,074)	-
Recoverable overpayments of pensions		

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 FPS are only for the period of 2023/24 and do not take into account liabilities to pay pensions or benefits after that period.

Note 3 - £7.041m had been received from Home Office by 31st March 2024, being 80% of notified top-up grant expected. As there was a funding deficit of £6.074m, this amount is expected to be received along with the next grant payment 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 sector.

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 2022/23. 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

Stock levels held by the Authority

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 final audited accounts were approved by the Audit & Governance Committee on 20th January 2025

**Andrew Furbear
Treasurer to the Authority
20/01/2025**

**Ian Roome
Chair of Audit & Governance Committee
20/01/2025**

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Audit Completion Report Devon & Somerset Fire & Rescue Authority

For the year ended 31 March 2024



Date: 10 January 2025

PRIVATE & CONFIDENTIAL

Those Charged with Governance
Devon & Somerset Fire & Rescue Authority
The Knowle Clyst
St. George
Exeter
EX3 0NW

Dear Sirs and Madams

Devon & Somerset Fire & Rescue Authority ('the Authority') – Audit Completion Report

We are pleased to attach our Audit Completion Report. This report summarises our audit conclusions, highlights the key findings arising from our work and details a number of points that we would like to discuss further with you.

We have initially discussed the contents of our report with management and have incorporated their comments where relevant.

This report is intended to be solely for the information and use of management and those charged with governance of the Authority and should not be shared with anyone beyond the Authority without our prior approval.

We would like to take this opportunity to thank the finance team for the co-operation and assistance afforded to us during the course of the audit.

Kind regards

Yours faithfully

A handwritten signature in black ink that reads "Bishop Fleming LLP". The signature is written in a cursive, flowing style.

BISHOP FLEMING LLP

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Appendices

1. Letter of representation
2. Required communications with the Audit & Governance Committee

1. Executive summary

Status of audit

The scope of our work is set in accordance with the National Audit Office's Code of Audit Practice (the Code) and the International Standards on Auditing (ISAs) (UK). Our work is planned to provide a focused and robust audit. We are required to provide an independent opinion as to whether the financial statements:

- give a true and fair view of the financial position of the Authority at the year end and of its expenditure and income for the year then ended;
- have been prepared properly in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24; and
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014.

Our audit is now complete, subject to the conclusion of usual completion procedures as outlined in section 2. Subject to the satisfactory finalisation of these points, we anticipate issuing an unmodified audit report.

Key audit issues

Within our Audit Plan which was presented to the Audit and Governance Committee in July 2024, we outlined a number of risks that we considered to be of particular significance to the audit. Our plan also detailed our planned approach for addressing each of these risks.

The specific risks highlighted were as follows:

- Management override of controls;
- Fraud in revenue recognition;
- Fraud in expenditure recognition;
- Valuation of land and buildings; and
- Valuation of the pension fund net liability.

Our audit work has been largely completed on each of the above areas, with the exception of some ongoing work on the valuation of land and buildings, and the valuation of the pension fund net liability. This is further detailed in section 2 of this report.

Audit Adjustments

During the course of our work, adjustments were identified and, on agreement of management, were adjusted in the financial statements.

Further adjustments were proposed but not made, as those charged with governance do not consider them to be material to the financial statements. We accept this explanation.

Full details of the adjustments identified are included in section 7 to this report.

Management Letter Points and Internal Control Matters

A number of control points were identified during the course of our work and these are further detailed in section 8 to this report. Of the matters noted, none are considered to have an important effect on your system of internal control.

Value for Money

We are also required to satisfy ourselves that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2024. The National Audit Office's Code of Audit Practice requires us to report on the Authority's arrangements under three specified reporting criteria:

- Financial sustainability – how the Authority plans and manages its resources to ensure it can continue to deliver its services;
- Governance – how the Authority ensures it makes informed decisions and properly manages its risks; and
- Improving economy, efficiency and effectiveness – how the Authority uses information about its costs and performance to improve the way it manages and delivers its services.

Our work has not identified any significant weaknesses; see section 9 for more details. The results of the Value for Money work are reported separately in our Auditor's Annual Report.

Independence

The FRC Ethical Standard and ISA 260 requires us to communicate with you on a timely basis on all significant facts and matters that bear upon our independence and objectivity. The aim of these communications is to ensure full and fair disclosure by us to those charged with governance on matters in which you have an interest.

We are not aware of any relationships that, in our professional judgment, may reasonably be thought to bear on our independence or the objectivity of the audit engagement team.

We confirm that in our professional judgment, Bishop Fleming is independent within the meaning of regulatory and professional requirements and the objectivity of the audit engagement partner and audit staff has not been compromised.

We consider that our independence in this context is a matter that should be reviewed by both you and ourselves. It is therefore important that you consider the facts of which you are aware and come to a view. Should you have any specific matters that you wish to discuss, please contact us.

2. Introduction

Responsibilities of the audited body

The audited body is responsible for the preparation of the financial statements and for making available to us all the information and explanations we consider necessary. Therefore, it is essential that it confirms that our understanding of all matters referred to in this report are appropriate, having regard to its knowledge of the particular circumstances.

We would point out that the matters dealt with in this report came to our attention during the conduct of our normal audit procedures which are designed primarily for the purpose of expressing our opinion on the financial statements of Devon & Somerset Fire & Rescue Authority.

In consequence, our work did not encompass a detailed review of all aspects of the system and controls and cannot be relied upon necessarily to disclose possible frauds or other irregularities, or to include all possible improvements in internal control that a more extensive special examination might reveal.

Materiality

In carrying out our audit work we have considered whether the financial statements are free from 'material misstatement'. Materiality is an expression of the relative significance of a particular matter in context of the financial statements as a whole.

In general, misstatements, including omissions, are considered to be material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

The assessment of whether a misstatement is material in the context of the financial statements is a matter of professional judgement and will have regard to both the size and the nature of the misstatement, or a combination of both. It is also affected by our perception of the financial information needs of users of the financial statements.

	Basis of materiality	Amount
Devon & Somerset Fire & Rescue Authority Group	2% of gross expenditure	£2,653,000
Devon & Somerset Fire & Rescue Authority	2% of gross expenditure	£2,555,000

The level of materiality is lower for the group and the authority because expenditure in the draft statement of accounts is lower than the budgeted expenditure used to calculate materiality at planning.

Anticipated audit report

Subject to the satisfactory resolution of our completion procedures, we anticipate issuing an unmodified audit report on the financial statements of Devon & Somerset Fire & Rescue Authority for the year ended 31 March 2024.

Representation Letter

The representation letter is attached at Appendix 1.

Update on our planned approach

Our audit work was carried out in accordance with our Audit Plan in response to the perceived audit risks. No matters were identified which required us to change our approach and no additional risks were identified.

Our audit is substantially complete. We are now just completing final audit completion procedures up until sign off of the audit opinion, which includes:

- Final reviews of the accounts, workings papers and clearing final queries in low risk areas (these matters will be resolved by the time of the Audit and Governance Committee).
- To consider post balance sheet events prior to signing
- Approval of the financial statements and receipt of the signed management representation letters

Confidentiality

This document is strictly confidential and although it has been made available to those charged with governance to facilitate discussions, it may not be taken as altering our responsibilities to the Authority arising under the Local Audit and Accountability Act 2014 (the Act) and from the Code of Audit Practice. The contents of this report should not be disclosed to third parties without our prior written consent.

3. Audit and accounts process

The preparation of the financial statements is a vital process for the management of the Authority and one which should be performed on a timely basis. We met with senior officers as part of our planning work to discuss how we would work together to make the audit process effective.

We discussed key accounting issues early, so they could be considered before the audit commenced.

Readiness for audit	<input checked="" type="checkbox"/>
Quality of financial statements	<input checked="" type="checkbox"/>
Accuracy of financial records	<input type="checkbox"/>
Quality of working papers	<input checked="" type="checkbox"/>
Availability of Staff	<input checked="" type="checkbox"/>

Key (Impact on audit approach)

None or limited	<input checked="" type="checkbox"/>
Some impact	<input type="checkbox"/>
Significant impact	<input type="checkbox"/>

We invested significant time into the audit running as smoothly as possible. In addition to carrying out a review of the predecessor auditor's working papers, we also met with Grant Thornton to discuss key issues and ensure we had a clear understanding of the prior year audit. At the start of the audit, we held planning meetings with the finance team. During the final audit, we held regular calls with the finance team, including the Head of Finance. In addition to this, the team had an on-site presence during the final audit visit.

As a result of the investment made by both parties, the audit has generally proceeded smoothly, although some areas have taken longer to audit than we had expected. In particular, our work over the valuation of land and buildings, which was delayed as a result of management having to obtain a full valuation report during the audit. We discuss this further in section 7.

We are keen to continually improve our service and the effectiveness of the process and, therefore, will hold a debrief discussion with management to identify areas where this might be possible.

Readiness for audit

We were provided with a copy of the draft statement of accounts in line with the timetable agreed before the start of the audit and as outlined in our audit plan.

Information requested during the onsite fieldwork was generally provided promptly to our staff. This made the core audit work progress relatively smoothly, although there were delays in some areas. Most notable was in respect of evidence from the Authority's external valuer, which we recognise is not something the Authority can fully control, and was also due in-part to the Authority having to commission a full valuation report during the audit.

Quality of financial statements

We have not identified any significant omissions from the draft financial statements.

The finalisation of the financial statements, for amendments identified during the audit, took slightly longer than we had anticipated, as more than one additional version of the amended accounts were required.

Accuracy of financial records

The majority of the underlying financial records were accurate, agreed to the information provided in the audit file and were easy to understand.

However, our work has identified one material difference in relation to the valuation of properties where management have agreed to process the relevant amendments to their financial statements. This is discussed further in section 5.

Quality of working papers

The quality of the working papers and supporting evidence provided was generally good. There were some minor issues with supporting schedules where information could have been provided in a better format to assist with our testing.

We understand that management have also identified some areas where they would have appreciated greater clarity in the information we were requesting.

Some of these issues are natural for a first year audit, we will continue to work with the authority to ensure that there is greater clarity and hence that this is more efficient next year.

Availability of Staff

Key members of the finance team made themselves available to us throughout the audit where possible. We were kept informed of any instances when staff were not available.

4. Audit risks

Management override of controls

Significant Risk

We are required by auditing standards (ISA 240) to consider fraud and management override of controls to be a significant risk for all audits as no matter how strong a control environment, there is the potential for controls to be overridden or bypassed.

Applies to Group and Authority

Work done and conclusion

To address this risk, we have:

- reviewed the reasonableness of accounting estimates and critical judgements made by management;
- tested journals with a material impact on the results for the year; including estimates over the valuation of land and buildings and valuation of pensions.
- considered a sample of other journals with key risk attributes.

In testing journals, we used data analytics tools to interrogate the whole population of journals posted in the year and focus on those with key risk factors. Some of the output from our data analytics work has been summarised in Section 6 of this report.

We have not identified any material errors from our work carried out.

Fraud in revenue recognition

Significant Risk

There is also a presumption under auditing standards that the risk of fraud in revenue recognition is considered to be a significant risk area.

Applies to Group only

Work done and conclusion

Having considered the risk factors set out in ISA240 and the nature of the revenue streams of the Authority, we have concluded that the risk of fraud arising from revenue recognition for the Authority can be rebutted because:

- There is little incentive to manipulate revenue recognition;
- Opportunities to manipulate revenue recognition are very limited; and
- The culture and ethical framework of local authorities, including Devon & Somerset Fire Authority, mean that all forms of fraud are seen as unacceptable.

We have not rebutted the risk of fraud in revenue recognition at Group level as we cannot draw the same conclusions for the trading income in Red One Limited, where there would be a greater ability to manipulate revenue recognition due to the nature of the transactions. To address this risk we have:

- Performed a detailed review of the component auditor's working papers. In particular, we closely reviewed their work over the significant risk of fraud in revenue recognition, where we did not identify any additional risk to the group financial statements.
- Performed an assessment of the component auditor in line with the requirements of ISA 600.

Red One Ltd.'s financial statements were given an unmodified opinion by their auditor, Albert Goodman, for the financial year ended 31st March 2024.

We have not identified any material errors from our work.

Fraud in expenditure recognition

Significant Risk

Practice Note 10: Audit of Financial Statements and regularity of public sector bodies in the United Kingdom sets out that the risk of fraud related to expenditure is also relevant.

We consider that the risk of fraud at the Authority to be around the cut-off at year end.

Applies to Group and Authority

Work done and conclusion

At the planning stage, we considered whether we have any significant concerns about fraudulent financial reporting of expenditure which would need to be treated as a significant risk for the audit.

We concluded that this was not a significant risk for Devon & Somerset Fire Authority because:

- expenditure is well controlled, and the Authority has a strong control environment; and
- the Authority has clear and transparent reporting of its financial plans and financial position.

We have not identified anything in our audit work that suggests our assessment needed to be updated.

Significant Risk

There is a risk over the valuation of land and buildings due to the high degree of estimation uncertainty, and judgements involved in build valuations.

Applies to Group and Authority.

Work done and conclusion

To address this risk, we have:

- documented our understanding of the processes and controls put in place by management, and evaluate the design of the controls;
- reviewed the instructions provided to the valuer and the valuer's skills and expertise, in order to determine if we can rely on the management expert;
- written to the valuer to confirm the basis on which the valuation was carried out;
- confirmed that the basis of valuation for assets valued in year is appropriate based on their usage;
- reviewed the appropriateness of assumptions used in the valuation of land and buildings. For assets not formally revalued in the year we assessed how management has satisfied itself that these assets are not materially different from the current value at the year-end;
- reviewed accuracy and completeness of information provided to the valuer, such as floor areas;
- tested a sample of revaluations made during the year to ensure that they have been input correctly into the Authority's asset register; and
- form our own expectations regarding the movement in property values and comparing this to the valuations reflected in the Authority's financial statements, following up valuation movements that appear unusual.

We have identified a material difference between the draft valuation and the carrying value of assets in the financial statements. Please see section 5 of this report for further details.

We have not identified any further issues during our work to report to you.

Significant risk

Applies to Group and Authority

The Group have staff enrolled in both Firefighters Pension Schemes and a Local Government Pension Scheme, which are both defined benefit schemes. There is a risk over the valuation of the pension fund net liability due to the values involved and the high degree of estimation uncertainty due to the sensitivity of the estimate to changes in key assumptions. To address this risk, we have:

- documented our understanding of the processes and controls put in place by management, and evaluated the design of the controls;
- Reviewed the instructions provided to the actuary and the actuary's skills and expertise, in order to determine if we can rely on them as a management expert;
- Considered the accuracy and completeness of the information provided to the actuary;
- Ensured that the disclosures in the financial statements in respect of the pension fund liability are consistent with the actuarial report from the actuary;
- Carried out procedures to confirm the reasonableness of the actuarial assumptions made by reviewing the report of the consulting actuary (as auditor's expert) and performing any additional procedures suggested within the report; and
- Obtained assurances from the auditor of the Devon County Council Pension Fund in respect of the controls around the validity and accuracy of membership data, contributions data and benefits data sent to the actuary by the pension fund, and the fund assets valuation in the pension fund financial statements.

We have received the assurance letter from the auditor of the Devon Pension Fund, Grant Thornton. The assurance letter detailed an uncorrected, projected misstatement as the auditor identified a potential understatement of asset valuations. We have calculated the value that would be attributable to Devon & Somerset Fire Authority, and do not consider the impact to be material. We have included it in section 7 below as an unadjusted potential error.

We have also considered whether a material onerous funding liability existed at 31 March 2023, and have confirmed that this does not apply to the Authority as they do not make secondary contributions. See section 5 for more details.

We have not identified any further matters to report as a result of our procedures.

5. Other audit and financial reporting matters

Valuation of land and buildings

During the preparation of the statement of accounts, management obtained an indicative valuation of their land and buildings portfolio. They elected not to commission a portfolio valuation as they did not believe that the movement between years would be material. However, the depreciation charged in-year meant that the difference between the depreciated carrying value and the new valuation was material. As a result, management commissioned the report during the audit and have agreed to adjust the statement of accounts.

We recognise that this issue was the result of a well-intentioned decision by management on the basis that it is a non-cash accounting adjustment that they did not believe to be material. Engaging a valuer for a full report also incurs additional costs to the Authority.

However, as the valuer's indicative report indicated that the valuation of the Authority's portfolio was greater than the carrying value in the accounts by more than our materiality levels that we had communicated to you in our audit plans, we concluded that there was no option allowable under the CIPFA code other than to obtain the full report and adjust the statement of accounts.

Going forward, we will encourage management to raise key accounting decisions ahead of the production of the draft statement of accounts in order to prevent such an issue reoccurring.

Valuation of the LGPS pension

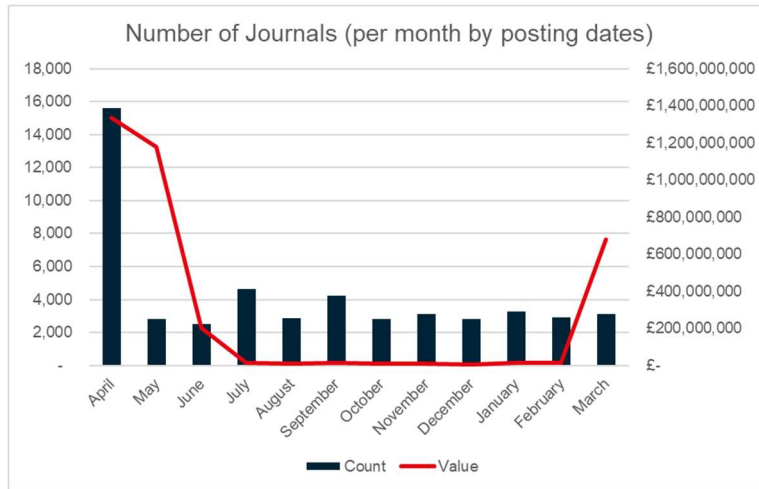
The macro-economic environment has had a significant effect on the actuarial valuation of the Authority's share of the Local Government Pension Scheme, with the net liability reported by the Authority's actuary through the IAS 19 report changing to a net asset position (before adjustments) for the current year. For 2023/24, the initial net position reported by the actuary was a net asset of £6,576k. As pension assets are not "realisable" assets in practice, the pension position has been reduced by the amount of the asset, effectively capping it at zero. The present value of unfunded pension obligations of £181k pushes the final net position into a liability of £181k.

Across the Local Government Sector, accounting surpluses have become more prevalent. IFRIC 14 provides guidance from the International Financial Reporting Interpretations Committee on the extent to which an IAS 19 surplus can be recognised on the balance sheet and whether any additional liability needs to be recognised in respect of onerous funding commitments. The sector-wide approach to applying IFRIC 14 has developed over the last year as IAS 19 surpluses are becoming more common. This has resulted in some actuaries revising their approach when producing 'asset ceiling' calculations that adopt the principles set out in IFRIC 14.

On production of the asset ceiling report for the valuation as at 31 March 2024, the Authority's Actuary, Barnett Waddingham, determined that no additional liability should be recognised to reflect an onerous funding commitment that results from some Authorities' commitments to make secondary contributions over the funding horizon period set out at the Triennial Valuation. This sector-wide issue has therefore had no effect on the financial statements of the Authority.

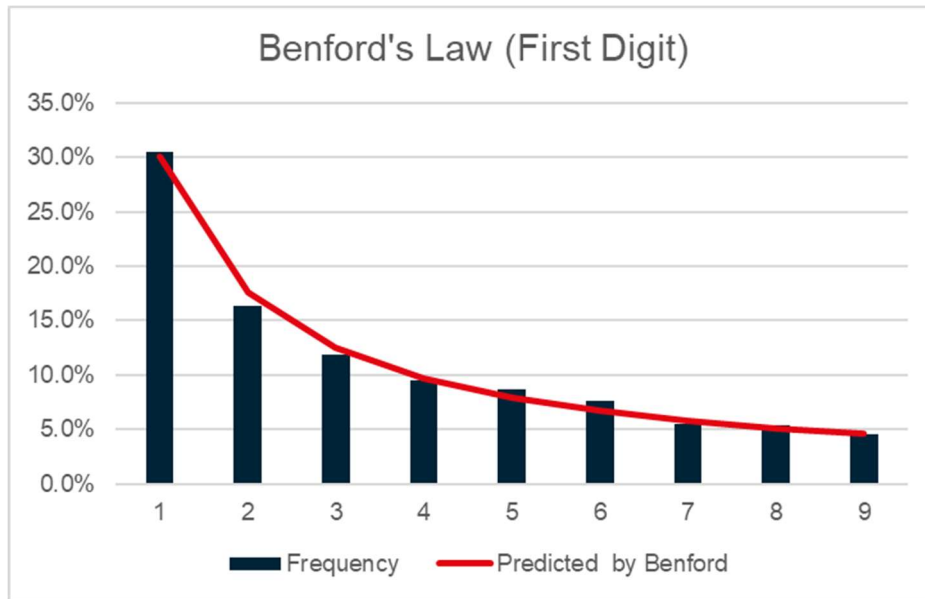
6. Audit Insights

Number of Journals (per months by posting date)



This graph shows the number of individual journal lines and values posted each month. For the majority of the year the number of journals posted each month is largely consistent, with the exception of April, which is where year-end journals are posted. The value of journals posted in March & April is higher due to the posting of opening and closing balances. This is in line with our expectations.

Normality Analysis



Benford's Law states that in a natural collection of numbers, the leading significant digit is likely to be small and follow a logarithmic curve. This is analysed to assess whether there is a heightened risk of fraud due to unusual data being posted that is not in line with what is deemed a normal data set.

From analysing the data set of all journals posted during the year, we noted that, while the dataset largely confirms to expectation, the number six occurs slightly more frequently than others. Upon investigation, we established that there is a regular journals for £6.29 posted in relation to the Suez Waste & Recycling contract.

Key Word Analysis

We have also performed a review of key words contained within journal descriptions that could represent heightened risk of fraud or management override of controls. We did not identify any issues from this review.

7. Audit Adjustments

In accordance with the requirements of International Standards on Auditing, we must communicate all adjusted and unadjusted items identified during our audit work, other than those which we believe to be clearly insignificant.

Adjusted items

All adjusted misstatements are set out in detail below along with the impact on the key statements for the year ended 31 March 2024:

	Comprehensive Income and Expenditure Statement		Balance sheet	
	Dr	Cr	Dr	Cr
	£'000	£'000	£'000	£'000
Revaluation of land & buildings	308	(4,611)	6,194	(1,891)
Total	308	(4,611)	6,194	(1,891)

Misclassifications and adjustments to disclosures

The table below provides details of any misclassification and disclosure changes identified during the audit.

Misclassification/ Disclosure change	Audit comment	Adjusted?
Misclassification of cash equivalents as short-term investments	Cash equivalents of £150k were recognised under short term investments. This is not material and management have not adjusted for it.	✘
Misclassification of current PWLB loan liabilities as non-current	PWLB loan liabilities of £459k were classified under non-current.	✓

Unadjusted items

The table below provides details of adjustments identified during the 2023/24 audit which have not been made within the final set of financial statements. The Audit & Governance Committee is required to approve management's proposed treatment of all items recorded within the table below. (These are also set out in the Letter of Representation.)

	Comprehensive Income and Expenditure Statement		Balance sheet	
	Dr	Cr	Dr	Cr
	£'000	£'000	£'000	£'000
Authority's share of unadjusted errors identified by the auditor of the Devon County Pension Fund	-	(227)	227	-
Total	-	(227)	227	-

8. Management letter points and internal control systems

The Authority's management is responsible for the identification, assessment and monitoring of risk, for developing, operating and monitoring the systems of internal control and for providing assurance to the Those Charged with Governance that it has done so.

In accordance with the terms of our engagement we have not provided a comprehensive statement of all issues which may exist in the accounting and internal control systems or of all improvements which may be made, but outline below our observations arising from the audit; none of which are considered significant.

KEY:



Observations refer to issues that are so fundamental to the system of internal control that management should address immediately to minimise the risk of a material misstatement within the financial statements.




Observations refer mainly to issues that have an important effect on the system of internal control and, if left uncorrected could potentially lead to a material misstatement within the financial statements.




Observations refer to issues that would, if corrected, improve internal control in general and engender good practice, but is unlikely to have a material impact on the financial statements.

Current Year Issues

Land & buildings valuations – Valuation report not obtained or posted.	
The authority elected not to revalue its estate portfolio this year, leading to a misstatement in the accounts as land & building values were understated.	<p><u>Recommendation</u></p> <p>We recommend that the Authority consults auditors and considers external audit materiality before making decisions as to its estates valuation strategy.</p> <p><u>Management comment</u></p> <p>We will ensure a full valuation report is obtained from the valuer each year from now on whilst comparing any difference against the materiality amount set.</p>
The valuer does not perform site visits	
The Authority's land & buildings valuer has never visited any of the sites in the Authority's estates portfolio. This therefore presents a risk that impairments to buildings go undetected.	<p><u>Recommendation</u></p> <p>We recommend that the Authority's instructions to the valuer include visits to a sample of sites, rotated year-on-year.</p> <p><u>Management comment</u></p> <p>The Valuer had visited stations in the past. Our Estates team will identify any issues with building (impairment) as will the station themselves. The cost to achieve this could be fairly high so we will determine if engaging with them to achieve this will gain value for money for the public.</p>

Pensions Data – Lack of Segregation of Duties	
	
<p>The data sent to the actuary with monthly contributions and payroll costs is not reviewed before it is sent. This presents a risk of misstatement if the data provided was inaccurate or incomplete.</p>	<p><u>Recommendation</u></p> <p>We recommend that a review process is implemented before data is sent to the Authority's actuary.</p> <p><u>Management comment</u></p> <p>We will ensure the process is amended to ensure the data is reviewed before being sent to the actuary.</p>

Contract of employment – Unsigned by employee	
	
<p>During our testing of payroll costs, we identified that 8 contracts out of our sample of 40 had not been signed by the employee.</p>	<p><u>Recommendation</u></p> <p>We recommend that all contracts of employment are signed by employees prior to the commencement of employment at the Authority.</p> <p><u>Management comment</u></p> <p>There is a new process in place and this was implemented in September to provide further attempts and assurances around ensuring we get all signed documentation back.</p>

Prior Year Issues – Unresolved

Journals approval	
<p><u>Previous finding</u></p> <p>Our work on journals identified that there is no formal approval process for posting journals, therefore the finance team members who have access to post journals are effectively approving their own entry. The Head of Finance and Senior Accountant complete a review of a sample of journal entries posted twice a year, however this is done retrospectively and is not a preventative control. We recommended that the Authority introduce preventative controls for the approval of journals.</p>	<p><u>2022-23 Management Response</u></p> <p>The Authority continue to accept the risk in this area as with the size of team introducing preventative controls would be unworkable.</p> <p><u>2023-24 Bishop Fleming update</u></p> <p>There is no change to the process. However, we are aware that management are considering how this could be addressed with the implementation of the new finance system.</p> <p><u>2023-24 Management response</u></p> <p>The replacement Finance system will have an authorisation process.</p> <p>Within the new ledger, the levels of authorisation will change so that the Accountants will authorise journals up to a certain amount, the Senior Account will authorise anything that is above the Accountants level, the Head of Finance will authorise anything greater than the Accountants level.</p> <p>The revised system is due to go live Q3 2025.</p>

Journals authorisation	
<p><u>Previous finding</u></p> <p>Our work on journals work noted that there is no authorisation limit on posting journals, therefore journal users are not restricted by the value they post. We recommended implementing a structure/policy on authorisation limits.</p>	<p><u>2022-23 Management Response</u></p> <p>The Authority continue to accept the risk in this area as with the size of team introducing preventative controls would be unworkable.</p> <p><u>2023-24 Bishop Fleming update</u></p> <p>There is no change to the process. However, as noted above, we are aware that management are considering how this could be addressed with the implementation of the new finance system.</p> <p><u>2023-24 update</u></p> <p>The approval process documented above that will be implemented with the new finance system will address this risk.</p> <p>We continue to accept this risk due to the size of the team in the short term.</p>

IFRS 16 transition assessment	
<p><u>Previous finding</u></p> <p>We note that the Authority has made no assessment of the impact of the implementation of IFRS16. This is a significant change that will impact on how the Authority recognises its leases. There are a number of steps to be completed as part of the assessment that can be time consuming. We recommend that the Authority commence its assessment of the impact of IFRS16 implantation.</p>	<p><u>2022-23 Management Response</u></p> <p>Management are aware of the requirement to implement the standard and will be ready for the date of introduction.</p> <p><u>2023-24 Bishop Fleming update</u></p> <p>There is no change to the process. However, as noted above, we are aware that management are considering how this could be addressed with the implementation of the</p> <p><u>2023-24 update</u></p> <p>This piece of work is ongoing. We are aware of the requirement to ensure this is ready.</p>

9. Other matters

Other information

We are required to give an opinion on whether the other information published with the audited financial statements (for example, the Narrative Statement and Annual Governance Statement) is materially inconsistent with the financial statement or our knowledge as obtained during the audit.

We have nothing to report in this respect.

Reporting by exception

We are required to report to you by exception the following matters, if:

- the Annual Governance Statement does not comply with "Delivering Good Governance in Local Government: Framework 2016 Edition" published by CIPFA/SOLACE; or
- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014; or
- we make a written recommendation to the Authority under section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make an application to the court for a declaration that an item of account is contrary to law under Section 28 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we issue an advisory notice under Section 29 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014, in the course of, or at the conclusion of the audit.

We have nothing to report on these matters.

The 2014 Act also gives rights to local electors and other parties, such as the right to ask questions of the auditor and the right to make an objection to an item of account. No such objections have been raised.

Going concern

Our work has not identified a material uncertainty related to going concern. We are satisfied that management's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Value for money arrangements

We are required to satisfy ourselves that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2024. The Code of Audit Practice requires us to report on the Authority's arrangements under three specified reporting criteria:

- Financial sustainability – how the Authority plans and manages its resources to ensure it can continue to deliver its services;
- Governance – how the Authority ensures it makes informed decisions and properly manages its risks; and
- Improving economy, efficiency and effectiveness – how the Authority uses information about its costs and performance to improve the way it manages and delivers its services.

We asked management to complete an evidenced self-assessment of the Authority's arrangements. We then reviewed the evidence provided and carried out follow-up work as appropriate to consider whether there are any significant weaknesses in the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources.

We have not identified any significant weaknesses and the results of the Value for Money work are reported separately in our Auditor's Annual Report.

Whole of Government accounts work

Alongside our work on the financial statements, we also review and report to the National Audit Office on the Authority's Whole of Government Accounts (WGA) return. The extent of our review, and the nature of our report, is specified by the National Audit Office.

We have received group instructions from the National Audit Office in respect of our work on the WGA submission and will complete this work alongside the conclusion of our audit work.

Audit certificate

At the end of the audit, as auditors, we are required to certify the completion of the audit. The effect of this certificate is to close the audit and marks the point when the auditor's responsibilities in respect of the audit of the period covered by the certificate have been discharged.

We will be unable to issue our audit certificate alongside the auditor's opinion on the accounts until we have received confirmation from the NAO that no additional work (beyond submission of the Assurance Statement) will be required in respect of the Whole of Government Accounts exercise.

Audit fees

Our final fee for the 2023/24 audit is set out below:

	Fee proposed at planning stage (£)	Final fee (subject to approval by PSAA) (£)
PSAA scale fee 2023/24	£103,738	£103,738
Fee variation for additional procedures in relation to revisions to ISA 315	TBC	£8,500
Fee variation for additional first year procedures in relation to PFI	N/A	£4,000
Delays and additional costs as a result of PPE valuation needing to be processed after the start of the audit.		£2,500
Total (excluding VAT)	TBC	£118,738

The fees for work to comply with ISA 315 will be baked into the PSAA scale fee from 2024/25 onwards.

We can confirm that we have not undertaken any non-audit work at the Authority during the year.

Appendices

1. Letter of representation

Bishop Fleming LLP
Salt Quay House
4 North East Quay
Sutton Harbour
Plymouth
Devon
PL4 0BN

[Date]

Dear Sirs and Madams

Devon & Somerset Fire & Rescue Authority

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

The following representations are made on the basis of enquiries of management and staff with relevant knowledge and experience such as we consider necessary in connection with your audit of the Devon & Somerset Fire & Rescue Authority (the Authority) financial statements (and its subsidiary undertaking) for the year ended 31 March 2024. These enquiries have included inspection of supporting documentation where appropriate, and are sufficient to satisfy ourselves that we can make each of the following representations. All representations are made to the best of our knowledge and belief.

1. General

We have fulfilled our responsibilities for the preparation of the group and Authority's financial statements in accordance with International Financial Reporting Standards and the CIPFA/ LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24 (the Code) and applicable law and for being satisfied that they give a true and fair view and for making accurate representations to you.

All the transactions undertaken by the group and the Authority have been properly reflected and recorded in the accounting records.

All the accounting records have been made available to you for the purpose of your audit of the group and the Authority. We have provided you with unrestricted access to all appropriate persons within the Authority, and with all other records and related information requested, including minutes of all Authority and Committee meetings.

The financial statements are free of material misstatements, including omissions.

The effects of uncorrected misstatements (as set out in the appendix to this letter) are immaterial both individually and in total [*Appendix to be extracted from section 7 above*]

2. Internal control and fraud

We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud and error, and we believe that we have appropriately fulfilled these responsibilities. We have disclosed to you the results of our risk assessment that the financial statements may be misstated as a result of fraud.

We have disclosed to you all instances of known or suspected fraud affecting the group and the Authority involving management, employees who have a significant role in internal control or others where fraud could have a material effect on the financial statements.

We have also disclosed to you all information in relation to allegations of fraud or suspected fraud affecting the group and the Authority's financial statements communicated by current or former employees, analysts, regulators or others.

3. Assets and liabilities

The group and the Authority has satisfactory title to all assets and there are no liens or encumbrances on the group and the Authority's assets, except for those that are disclosed in the notes to the financial statements.

Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable. Such accounting estimates include PPE valuations & pension liability valuations.

All actual liabilities, contingent liabilities and guarantees given to third parties have been recorded or disclosed as appropriate.

We have no plans or intentions that may materially alter the carrying value and, where relevant, the fair value measurements or classification of assets and liabilities reflected in the financial statements.

4. Accounting estimates

The methods, data and significant assumptions used by us in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement and disclosure that is reasonable in the context of the applicable financial reporting framework.

5. Legal claims

We have disclosed to you all claims in connection with litigation that have been, or are expected to be, received and such matters, as appropriate, have been properly accounted for and disclosed in the financial statements.

6. Laws and regulations

We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements.

We confirm that all correspondence with our Regulators has been made available to you.

7. Related parties

Related party relationships and transactions comply with the Authority's financial regulations, relevant requirements of the Code and have been appropriately accounted for and disclosed in the financial statements. We have disclosed to you all relevant information concerning such relationships and transactions and are not aware of any other matters which require disclosure in order to comply with regulatory, legislative and accounting standards requirements.

8. Subsequent events

All events subsequent to the date of the financial statements which require adjustment or disclosure have been properly accounted for and disclosed.

9. Going concern

We believe that the group and the Authority's financial statements should be prepared on a going concern basis on the grounds that the financial reporting framework applicable to local government bodies means that the anticipated continued provision of entity's services in the public sector is normally sufficient evidence of going concern. We have not identified any material uncertainties related to going concern.

10. Annual Governance Statement

We are satisfied that the Annual Governance Statement (AGS) fairly reflects the Authority's risk assurance and governance framework and we confirm that we are not aware of any significant risks that are not disclosed within the AGS.

11. Narrative Report

The disclosures within the Narrative Report fairly reflect our understanding of the group and the Authority's financial and operating performance over the period covered by the Authority's financial statements.

We acknowledge our legal responsibilities regarding disclosure of information to you as auditors and confirm that so far as we are aware, there is no relevant audit information needed by you in connection with preparing your audit report of which you are unaware.

We have taken all the appropriate steps in order to make ourselves aware of any relevant audit/ other information and to establish that you are aware of that information.

Yours faithfully

.....

Signed on behalf of the Audit & Governance Committee of Devon & Somerset Fire & Rescue Authority

[Date]

Appendix 1- Uncorrected misstatements

Misclassifications and adjustments to disclosures

The table below provides details of any misclassification and disclosure changes identified during the audit.

Misclassification/ Disclosure change	Audit comment	Adjusted?
Misclassification of cash equivalents as short-term investments	Cash equivalents of £150k were recognised under short term investments. This is not material and management have not adjusted for it.	x

Unadjusted items

The table below provides details of adjustments identified during the 2023/24 audit which have not been made within the final set of financial statements. The Audit & Governance Committee is required to approve management's proposed treatment of all items recorded within the table below. (These are also set out in the Letter of Representation.)

	Comprehensive Income and Expenditure Statement		Balance sheet	
	Dr	Cr	Dr	Cr
	£'000	£'000	£'000	£'000
Authority's share of unadjusted errors identified by the auditor of the Devon County Pension Fund	-	(227)	227	-
Total	-	(227)	227	-

2. Required communications with the Audit & Governance Committee

Under the auditing standards, there are certain communications that we must provide to the Audit & Governance Committee as those charged with governance. These include:

Required communication	Where addressed
Our responsibilities in relation to the financial statement audit and those of management and those charged with governance.	Audit Plan
The planned scope and timing of the audit including any limitations, specifically including with respect to significant risks.	Audit Plan
With respect to misstatements: <ul style="list-style-type: none"> • uncorrected misstatements and their effect on our audit opinion; • the effect of uncorrected misstatements related to prior periods; • a request that any uncorrected misstatement is corrected; and • in writing, corrected misstatements that are significant. 	Audit Completion Report
With respect to fraud communications: <ul style="list-style-type: none"> • enquiries of those charged with governance to determine whether they have a knowledge of any actual, suspected or alleged fraud affecting the entity; • any fraud that we have identified or information we have obtained that indicates that fraud may exist; and • a discussion of any other matters related to fraud. 	Audit Completion Report Discussions at Audit & Governance Committees
Significant matters arising during the audit in connection with the entity's related parties.	Audit Completion Report
Significant findings from the audit including: <ul style="list-style-type: none"> • our view about the significant qualitative aspects of accounting practices including accounting policies, accounting estimates and financial statement disclosures; • significant difficulties, if any, encountered during the audit; • significant matters, if any, arising from the audit that were discussed with management; • written representations that we are seeking; • expected modifications to the audit report; and • other matters significant to the oversight of the financial reporting process or otherwise identified during the audit that we believe will be relevant to the Committee when fulfilling their responsibilities. 	Audit Completion Report
Significant deficiencies in internal controls identified during the audit.	Audit Completion Report
Where relevant, any issues identified with respect to authority to obtain external confirmations or inability to obtain relevant and reliable audit evidence from other procedures.	Audit Completion Report
Audit findings regarding non-compliance with laws and regulations	Audit Completion Report Discussions at Audit & Governance Committees
Significant matters in relation to going concern.	Audit Completion Report
Indication of whether all requested explanations and documents were provided by the entity.	Audit Completion Report
Confirmation of independence and objectivity of the firm and engagement team members.	Audit Plan Audit Completion Report



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**SERVICE HEADQUARTERS
THE KNOWLE
CLYST ST GEORGE
EXETER
DEVON
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Your ref :
Our ref : DSFRA/SJS/SB
Website : www.dsfire.gov.uk

Date : 20 January 2025
Please ask for : Sam Sharman
Email : ssharman@dsfire.gov.uk

Telephone : 01392 872200
Fax : 01392 872300

Dear Sirs and Madams

**DEVON & SOMERSET FIRE & RESCUE AUTHORITY
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024**

The following representations are made on the basis of enquiries of management and staff with relevant knowledge and experience such as we consider necessary in connection with your audit of the Devon & Somerset Fire & Rescue Authority (the Authority) financial statements (and its subsidiary undertaking) for the year ended 31 March 2024. These enquiries have included inspection of supporting documentation where appropriate, and are sufficient to satisfy ourselves that we can make each of the following representations. All representations are made to the best of our knowledge and belief.

1. General

We have fulfilled our responsibilities for the preparation of the group and Authority's financial statements in accordance with International Financial Reporting Standards and the CIPFA/ LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24 (the Code) and applicable law and for being satisfied that they give a true and fair view and for making accurate representations to you.

All the transactions undertaken by the group and the Authority have been properly reflected and recorded in the accounting records.

All the accounting records have been made available to you for the purpose of your audit of the group and the Authority. We have provided you with unrestricted access to all appropriate persons within the Authority, and with all other records and related information requested, including minutes of all Authority and Committee meetings.

The financial statements are free of material misstatements, including omissions.

The effects of uncorrected misstatements (as set out in the appendix to this letter) are immaterial both individually and in total [Appendix 1 enclosed].

2. Internal control and fraud

We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud and error, and we believe that we have appropriately fulfilled these responsibilities. We have disclosed to you the results of our risk assessment that the financial statements may be misstated as a result of fraud.

We have disclosed to you all instances of known or suspected fraud affecting the group and the Authority involving management, employees who have a significant role in internal control or others where fraud could have a material effect on the financial statements.

We have also disclosed to you all information in relation to allegations of fraud or suspected fraud affecting the group and the Authority's financial statements communicated by current or former employees, analysts, regulators or others.

3. Assets and liabilities

The group and the Authority has satisfactory title to all assets and there are no liens or encumbrances on the group and the Authority's assets, except for those that are disclosed in the notes to the financial statements.

Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable. Such accounting estimates include PPE valuations & pension liability valuations.

All actual liabilities, contingent liabilities and guarantees given to third parties have been recorded or disclosed as appropriate.

We have no plans or intentions that may materially alter the carrying value and, where relevant, the fair value measurements or classification of assets and liabilities reflected in the financial statements.

4. Accounting estimates

The methods, data and significant assumptions used by us in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement and disclosure that is reasonable in the context of the applicable financial reporting framework.

5. Legal claims

We have disclosed to you all claims in connection with litigation that have been, or are expected to be, received and such matters, as appropriate, have been properly accounted for and disclosed in the financial statements.

6. Laws and regulations

We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements.

We confirm that all correspondence with our Regulators has been made available to you.

7. Related parties

Related party relationships and transactions comply with the Authority’s financial regulations, relevant requirements of the Code and have been appropriately accounted for and disclosed in the financial statements. We have disclosed to you all relevant information concerning such relationships and transactions and are not aware of any other matters which require disclosure in order to comply with regulatory, legislative and accounting standards requirements.

8. Subsequent events

All events subsequent to the date of the financial statements which require adjustment or disclosure have been properly accounted for and disclosed.

9. Going concern

We believe that the group and the Authority’s financial statements should be prepared on a going concern basis on the grounds that the financial reporting framework applicable to local government bodies means that the anticipated continued provision of entity’s services in the public sector is normally sufficient evidence of going concern. We have not identified any material uncertainties related to going concern.

10. Annual Governance Statement

We are satisfied that the Annual Governance Statement (AGS) fairly reflects the Authority’s risk assurance and governance framework and we confirm that we are not aware of any significant risks that are not disclosed within the AGS.

11. Narrative Report

The disclosures within the Narrative Report fairly reflect our understanding of the group and the Authority’s financial and operating performance over the period covered by the Authority’s financial statements.

We acknowledge our legal responsibilities regarding disclosure of information to you as auditors and confirm that so far as we are aware, there is no relevant audit information needed by you in connection with preparing your audit report of which you are unaware.

We have taken all the appropriate steps in order to make ourselves aware of any relevant audit/ other information and to establish that you are aware of that information.

Yours faithfully

.....
Signed on behalf of the Audit & Governance Committee of Devon & Somerset Fire & Rescue Authority
20 JANUARY 2025

APPENDIX 1- Uncorrected misstatements
Misclassifications and adjustments to disclosures

The table below provides details of any misclassification and disclosure changes identified during the audit.

Misclassification/ Disclosure change	Audit comment	Adjusted?
Misclassification of cash equivalents as short-term investments	Cash equivalents of £150k were recognised under short term investments. This is not material and management have not adjusted for it.	x

Unadjusted items

The table below provides details of adjustments identified during the 2023/24 audit which have not been made within the final set of financial statements. The Audit & Governance Committee is required to approve management’s proposed treatment of all items recorded within the table below. (These are also set out in the Letter of Representation.)

	Comprehensive Income and Expenditure Statement		Balance sheet	
	Dr	Cr	Dr	Cr
	£'000	£'000	£'000	£'000
Authority’s share of unadjusted errors identified by the auditor of the Devon County Pension Fund	-	(227)	227	-
Total	-	(227)	227	-

Ref:
Date: 10th January 2025

PRIVATE & CONFIDENTIAL

Members of the Audit and Governance Committee
Devon and Somerset Fire Authority
Clyst St George
Exeter
EX3 0NW

Dear Sirs and Madams

Devon and Somerset Fire Authority – Auditor’s Annual Report 2023-24

We are pleased to attach our draft Auditor’s Annual Report. This report summarises our audit conclusions and highlights the key findings arising from our value for money work.

We have initially discussed the contents of our report with management and have incorporated their comments where relevant.

This report is intended to be solely for the information and use of the Directors and those charged with governance of the Authority and should not be shared with anyone beyond the Authority without our prior approval.

We would like to take this opportunity to thank the Authority’s officers for the co-operation and assistance afforded to us during the course of the audit.

Kind regards

Yours faithfully

A handwritten signature in black ink that reads "Bishop Fleming LLP." The signature is written in a cursive, flowing style.

BISHOP FLEMING LLP

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1. Introduction

Our Auditor's Annual Report (AAR) summarises the work that we completed for Devon and Somerset Fire Authority for the year ended 31 March 2024.

The Authority is responsible for keeping proper accounts and proper records in relation to the accounts and for maintaining an appropriate system of internal control. The Authority is responsible for the preparation of annual accounts for each financial year. Such accounts must present a true and fair view and comply with the requirements of enactments that apply to them.

The Authority is also responsible putting in place appropriate arrangements to secure the economy, efficiency and effectiveness in its use of resources and to maintain an effective system of internal control that supports the achievement of their policies, aims and objectives whilst safeguarding and securing value for money from the public funds at their disposal.

The scope of our work is set in accordance with the National Audit Office's Code of Audit Practice (The Code) and the International Standards on Auditing (ISAs) (UK). Our work is planned to provide a focused and robust audit. We are responsible for and are required to provide an independent opinion as to whether the financial statements:

- give a true and fair view of the financial position of the Authority at the year end and of its expenditure and income for the year then ended;
- have been prepared properly in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24; and
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014.

We are also required to report to the Authority by exception the following matters, if:

- the Annual Governance Statement does not comply with "Delivering Good Governance in Local Government: Framework 2016 Edition" published by CIPFA/SOLACE; or
- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014; or
- we make a written recommendation to the Authority under section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make an application to the court for a declaration that an item of account is contrary to law under Section 28 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we issue an advisory notice under Section 29 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014, in the course of, or at the conclusion of the audit.

In addition we are also responsible for reviewing the Authority's arrangements in place to secure economy, efficiency and effectiveness in its use of resources. The Code of Audit Practice requires us to report on the Authority's arrangements under three specified reporting criteria:

- Financial sustainability – how the Authority plans and manages its resources to ensure it can continue to deliver its services;
- Governance – how the Authority ensures it makes informed decisions and properly manages its risks; and
- Improving economy, efficiency and effectiveness – how the Authority uses information about its costs and performance to improve the way it manages and delivers its services.

We carried out our work in accordance with our External Audit Plan that we issued to the Authority in July 2024.

2. Executive summary

Results from the audit of the financial statements

We completed our audit of the financial statements and anticipate issuing an unmodified audit opinion on conclusion of our final completion procedures. See section 3 for more details.

On finalisation of the external audit, we will also complete the component auditor procedures, in line with the National Audit Office group auditor instructions for the work required on the Whole of Government Accounts return. We will have no matters to report from this work.




Results on our work on other matters

We completed our review of other matters reported in the statement of accounts as part of our audit approach. There were no issues to report.




Results from our work on VFM arrangements

Under the National Audit Office (NAO) Code of Audit Practice ('the Code'), we are required to consider whether the Authority has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2024.

Our conclusions are summarised below. See sections 4-8 for more details.

Financial sustainability		We did not identify any significant weaknesses in the Authority's financial sustainability arrangements. We have identified one recommendation for improvement. See section 8 for further details.
Governance		We did not identify any significant weaknesses in the Authority's governance arrangements. We did not identify any recommendations for improvement.
Improving economy, efficiency and effectiveness		We did not identify any significant weaknesses in the Authority's arrangements for improving efficiency, economy and effectiveness. We did not identify any recommendations for improvement.

Key:

	No significant weaknesses in arrangements identified and no recommendations made
	No significant weaknesses in arrangements identified but recommendations made
	Significant weaknesses in arrangements identified and recommendations made

3. Audit of the financial statements

Audit opinion on the financial statements

The scope of our work is set in accordance with the National Audit Office's Code of Audit Practice (The Code) and the International Standards on Auditing (ISAs) (UK). We are required to provide an independent opinion as to whether the financial statements:

- give a true and fair view of the financial position of the Authority at the year end and of its expenditure and income for the year then ended;
- have been prepared properly in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24; and
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014.

We anticipate issuing an unqualified opinion on the Authority's financial statements.

Key issues arising from the accounts audit

We identified one material issue where management elected not to progress with processing revaluations as they considered that the revised land and building valuation was not materially different to the current carrying values. Whilst the percentage difference in the valuation was fairly small, the change in valuation was over our audit materiality thresholds set for the audit. Management have adjusted the statement of accounts accordingly.

Other matters

We are required to report to the Authority by exception the following matters, if:

- the Annual Governance Statement does not comply with "Delivering Good Governance in Local Government: Framework 2016 Edition" published by CIPFA/SOLACE; or
- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014; or
- we make a written recommendation to the Authority under section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make an application to the court for a declaration that an item of account is contrary to law under Section 28 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we issue an advisory notice under Section 29 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014, in the course of, or at the conclusion of the audit.

We concluded that there were no matters to bring to the Authority's attention in respect of these matters.

More detailed findings can be found in our Audit Completion Report which was reported to the Audit & Governance Committee on 20 January 2025.

4. Value for Money

Under the National Audit Office (NAO) Code of Audit Practice ('the Code'), we are required to consider whether the Authority has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2024.

The Code requires us to report our commentary on the Authority's arrangements under three specified reporting criteria:

- Financial sustainability – how the Authority plans and manages its resources to ensure it can continue to deliver its services;
- Governance – how the Authority ensures it makes informed decisions and properly manages its risks; and
- Improving economy, efficiency and effectiveness – how the Authority uses information about its costs and performance to improve the way it manages and delivers its services.

The NAO has issued guidance for auditors to report against each of the three specified reporting criteria. The guidance also includes a number of further areas for review within each criteria for the auditor to assess those arrangements.

Our risk assessment did not identify any potential risks of significant weakness.

We asked management to complete an evidenced self-assessment of the Authority's arrangements. We then reviewed the evidence provided and carried out follow up work as appropriate to consider whether there are any significant weakness in the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources.

Our commentary on the Authority's arrangements in each of these three areas is set out in sections 5, 6 and 7 of the report. Our recommendations for improvement are included in section 8.

5. Financial sustainability

We considered how the Authority plans and manages its resources to ensure it can continue to deliver its services, including how it:

- ensures that it identifies all the significant financial pressures that are relevant to its short and medium-term plans and builds these into them;
- plans to bridge its funding gaps and identifies achievable savings;
- plans finances to support the sustainable delivery of services in accordance with strategic and statutory priorities;
- ensures that its financial plan is consistent with other plans such as workforce, capital, investment, and other operational planning which may include working with other local public bodies as part of a wider system; and
- identifies and manages risks to financial resilience, e.g. unplanned changes in demand, including challenge of the assumptions underlying its plans.

Overview and 2023/24 outturn

The Authority as demonstrated strong financial performance in 2023/24 and delivered a £5m underspend to budget. This was achieved primarily through increased treasury investment returns and lower staff costs through holding back whole-time firefighter recruitment until planned changes in the duty system are implemented. In addition, there was less overall activity than in 2023, which was exceptionally high due to the summer wildfires.

Although there has been a net underspend, the Authority has faced inflationary challenges, particularly with regards to wage rises, as the budgeted pay award of 2% for firefighters and control room staff was significantly lower than the final agreed 5% pay rise. Energy and vehicle fuel costs have also increased.

Financial planning and monitoring

The Authority keep their budget position under review throughout the year, and quarterly Financial Performance Reports are scrutinised by the Resources Committee. A full year Financial Outturn report is also scrutinised by the committee on a timely basis in May, two months after the year-end.

The Authority's MTFP and annual budget support the Community Risk Management Plan, which outlines the key priorities for the organisation.

The capital programme also reflects the goals of the plan. For example, the output of a data analysis exercise on location and type of specialist vehicles has been used to inform the future fleet replacement programme.

The Authority appropriately produces a cash flow forecast for the next 12-months during the budgeting period which is updated for actuals throughout the year. However, the forecast horizon is not extended throughout the year. This means that in the latter months of the year, there is no cash flow beyond the end of the financial year until next year's forecast is produced for the budget in February. This could have the impact of not providing a cash planning horizon far enough ahead to react to unexpected cash flow challenges. While we acknowledge that regular financial monitoring and risk management partly mitigate this risk, we have included a recommendation that management perform cash flow forecasts on a rolling 12-month basis.

Achieving efficiency savings

The Authority has been working to deliver efficiency savings primarily through effective workforce management. Key ongoing projects include:

- Proposed changes to wholetime firefighters shift patterns
- On-call firefighter pay for availability
- Specialist rescue capability

Pay costs typically put the most pressure on the Authority's budget, and therefore we consider that it is right that most savings are generated from this area.

As mentioned above, the underspend of around £5 million in 2023/24 provides assurance that arrangements in place have been effective in generating efficiency savings.

2024/25 financial planning

The Authority discussed the 2024-25 budget book and MTFP at the Authority's budget meeting in March 2024. Two options were proposed. Option A was for no increase in council tax precepts, and Option B was for the maximum increase of 2.99%. Both were supported by earmarked reserves transfers, with Option B being for a lower amount. Option B was approved.

The Medium Term Financial Plan was updated and shows base, worst and best case funding scenarios. This indicates a potential funding gap of between £2.3m and £14.3m by 2028/29 depending on the level of Council Tax increases. A number of risks and assumptions have been built into the modelling, as well as a risk and assumptions glossary which highlights that key areas such as inflation and pay awards are significant assumptions. We consider that the assumptions included in the MTFP are reasonable and not overly optimistic.

Based on the work carried out, we are satisfied that there are no significant weaknesses in the Authority's financial sustainability arrangements. We have identified one recommendation which is further detailed in section 8.

6. Governance

We considered how the Authority ensures that it makes informed decisions and properly manages its risks, including how it:

- monitors and assesses risk and how the body gains assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud;
- approaches and carries out its annual budget setting process;
- ensures effective processes and systems are in place to ensure budgetary control; to communicate relevant, accurate and timely management information (including non-financial information where appropriate); supports its statutory financial reporting requirements; and ensures corrective action is taken where needed, including in relation to significant partnerships;
- ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency. This includes arrangements for effective challenge from those charged with governance/audit committee; and
- monitors and ensures appropriate standards, such as meeting legislative/regulatory requirements and standards in terms of officer or member behaviour (such as gifts and hospitality or declarations/conflicts of interests), and for example where it procures or commissions services.

Risk management

The Authority have a Corporate Risk Report which is presented to the Audit and Governance Committee every six months, and presented to the Executive team at each meeting. The Risk Report is a summary of the granular information included within their visualisation platform which enables the dynamic mapping of risks and actions.

For each risk, the grading is shown as red, amber, or green, depending on the severity of the risk and the mitigating actions required. The Authority track the actions and these are not signed off as completed until it can be evidenced by the risk owner.

The risk management system records the direction of travel for risks since the last reporting date. This is not directly reported to members of the Audit and Governance Committee, who are instead shown a de-escalation timeline for each risk. Members stated that they were happy that this was being captured within the narrative of the reporting.

The Authority have implemented an annual cycle of risk management training for Audit and Governance Committee members, along with their leadership teams and the wider organisation. This training is conducted in collaboration with the Devon Assurance Partnership to enhance awareness and discussions around risk and how it relates to individual job roles across the Authority.

The Authority's Governance structure is made up of the overall Fire Authority and seven sub-committees, each of which is chaired by a member of the Fire Authority. This allows for direct channels of communication between sub-committees and reporting which is accountable to the full Fire Authority meetings.

Internal control

Internal Audit is provided by the Devon Audit Partnership, who have a representative at each of the Audit and Governance Committee meetings to present any findings. The Audit and Governance Committee approves the annual Internal Audit Plan and is provided with updates on progress at each meeting.

The Head of Internal Audit's Opinion for 2023/24 was presented to the Audit and Governance Committee in March 2024 and provided the Devon and Somerset Fire Authority with a reasonable assurance opinion on the adequacy and effectiveness of the internal control framework.

Through our review of the Internal Audit reports, along with review the Audit and Governance Committee minutes and supporting documents, we have not identified any significant gaps in the assurance the Devon and Somerset Fire Authority receives over matters in the work programme.

The Local Counter Fraud Service (LCFS) is also provided by Devon Audit Partnership. There is a named Counter-Fraud Manager for the Devon and Somerset Fire Authority who is the main contact for all reporting of concerns relating to fraud, bribery and corruption.

During 2023-24, the Authority appointed two new Independent Members to the Audit and Governance Committee. This is in line with the CIPFA Position Statement on Audit Committees in Local Authorities and Police 2022 which identified that all audit committees of local authorities should include co-opted independent members.

The Audit Committee has a key role to play in ensuring the overall effectiveness of internal controls. The Committee discharges this function appropriately by adhering to its terms of reference and challenging officers in relation to both internal and external audit findings.

Budget setting and budgetary control

When undertaking budget setting, the Authority considers individual budget areas and their future needs. These plans are drawn together to form a full draft budget which is compared with expected income to assess the affordability of the budget. The Authority considers a wide range of scenarios for increases to Council Tax and the UK Government grant as part of the budget planning process.

Budget holders are regularly engaged with the Finance team and receive monitoring reports to review their financial performance.

Executive team meetings review monthly revenue and capital budget monitoring reports which provide detail on the budget variances which are occurring throughout the year. The reporting includes detail as to why the variances have arisen and how any assumptions have been made. The reporting also informs discussion points for items to be included in the Medium-Term Financial Plan process.

Our review of the Revenue and Capital Monitoring reports received at the Executive team meetings confirms that there is relevant non-financial information included, which helps to support the variances that are reported. The reporting to the Executive team includes appropriate detail which aids in effective decision making.

For further information on the budget setting cycle for 2024-25, please refer to our work on Financial Sustainability in section 5 of this report.

Decision making

From review of the information made available to us and the information displayed publicly, we are satisfied that appropriate arrangements are in place for relevant information to be accessed by decision makers before major decisions are made. Our review of meeting minutes evidences that there is sufficient challenge of information before decisions are made.

The Authority has implemented an internal 'Speak Up Guardians' scheme within 2023-24 to encourage a positive culture, whereby employees are trained to give confidential support and advice to members of staff who may get in touch with concerns when they feel unable to report through other means. The team then report quarterly to the Executive team to share common themes and areas for improvement. This is supplemented by an external reporting line, 'SafeCall', which is also available for staff to report concerns. The reporting from this line is directly issued to the Chief Fire Officer to be actioned.

Where the Authority is carrying out complex activities, we have reviewed the arrangements in place to confirm that they seek expert advice to aid their decision making.

Attendance at Audit Committee has confirmed that the Audit Committee holds officers and the Board to account and provides effective challenge.

Ensuring appropriate standards

We have been informed that there have been no instances of significant non-compliance within the year. Throughout our review, we have not identified anything that has contradicted this.

There has been no evidence identified to us which shows non-compliance with legislation and regulatory standards. The Authority have a Members Code of Conduct in place which sets out the principles of member conduct and specific obligations on members.

There is reporting to the Audit and Governance Committee on any data breaches which occur at the Authority. Our review of reporting has not identified any serious data breaches during the year.

The Authority's Strategy on the Prevention of Fraud and Corruption includes the requirements for the disclosure of gifts and hospitality. A record is kept of all gifts given and the type of gift and hospitality. Declarations of interest are held on the Authority's website for review by members of the public.

Prior year external audit recommendations

The predecessor auditor made recommendations for improvement in the Authority's governance arrangements in their 2022/23 Auditor's Annual Report. We have seen evidence that they have been actioned subsequent to the year end, and have therefore concluded them resolved in section 8.

Based on the work carried out, we are satisfied that there are no significant weaknesses in the Authority's governance arrangements.

7. Improving efficiency, economy and effectiveness

We considered how the Authority uses information about its costs and performance to improve the way it manages and delivers its services, including:

- how financial and performance information has been used to assess performance to identify areas for improvement;
- how the Authority evaluates the services it provides to assess performance and identify areas for improvement;
- how the Authority ensures it delivers its role within significant partnerships and engages with stakeholders it has identified, in order to assess whether it is meeting its objectives; and
- where the Authority commissions or procures services, how it assesses whether it is realising the expected benefits.

Assessing performance and evaluating service delivery

The Authority reports on its Key Performance Indicators quarterly at Fire Authority meetings, with a detailed assessment provided for all KPIs which require improvement alongside summary reporting of the status of all indicators which are near or on target.

Through the reporting of Key Performance Indicators to sub-committees, the reporting considers the strategic priorities and the actions required to deliver against them.

The Authority uses reporting from His Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) to learn from best practice in other areas and to identify service improvements required which are monitored through action plans and subsequent implementation reviews.

The Authority undertakes annual benchmarking with the UK Fire Finance Network, involving data collection returns from each opted-in Authority to see a national picture and any ongoing trends. This allows the Authority to learn from other Fire Authorities and utilise the metrics alongside other relevant reporting from regulators such as His Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS).

There is evidence that the Authority continues to review their service delivery and evaluate whether alternative, lower cost options exist. This can also result in the review of existing contracts to ensure value for money is achieved.

Internal Audit recommendations are provided to the Audit and Governance Committee meetings by Devon Audit Partnership. This reporting includes tracking of the recommendations made by Internal Audit and updates on prior year recommendations.

The Authority undertakes consultation on the proposed Council Tax Precept with key stakeholders and engages with the public on whether they feel the service provides value for money and is satisfied with the performance of the service.

Partnership working

The Authority works with the South Western Ambulance Service NHS Foundation Trust to co-respond to certain incidents with trained first responders. There are also several instances where the Blue Light services share premises which provides cost savings and efficiencies across the public sector. These arrangements are monitored through agreed contracts between the entities, which provide a clear basis for the services to be provided and costs incurred.

Commissioning and procuring services

The Authority has a Procurement Strategy in place which was published in March 2023 for the period 2023-2028. The strategy outlines the aims to meet procurement needs whilst implementing the Environmental Strategy and social governance responsibilities.

The service works alongside the National Fire Chiefs Council Commercial Function, the Network Fire Service Partnership, Bluelight Commercial and Crown Commercial Services to ensure efficient procurement.

There is no evidence that suggests the Authority is failing to operate a fair procurement exercise for significant contracts.

The Authority monitors the performance of service providers and takes action to resolve issue when they arise.

Based on the work carried out, we are satisfied that there are no significant weaknesses in the Authority's arrangements for improving economy, efficiency and effectiveness.

8. Recommendations

KEY:




Recommendations that refer to issues that have resulted in a significant weakness in the Authority's arrangements.



Recommendations that should improve the arrangements in place at the Authority but are not as a result of identifying a significant weakness.


Current Year Issues


Cash flow forecast horizon	
	
<p>The Authority performs a 12-month cashflow forecast during the budgeting cycle, this is appropriately updated for actuals during the year. However, the horizon of this forecast is not extended during the year, meaning that at times during the year, the authority is not formally forecasting its cash flow beyond 2-3 months.</p>	<p><u>Recommendation</u></p> <p>We recommend that cash flow forecast horizons are updated monthly so that the authority always has 12-months sight of cash requirement.</p> <p><u>Management comment</u></p> <p>The Service forecast cash for a minimum of 6 months. The longer you extend this, the less certain the forecast becomes. The Treasurer is comfortable with this position.</p>

Prior Year Issues reported by the predecessor auditor

The below issues for follow-up were raised by the Authority's predecessor auditor (Grant Thornton) in the Auditor's Annual Report for 2022-23.

Resolved:

Governance and Informed Decision Making	
	
<p>Previous finding:</p> <p>The Authority's decision-making process is supported through delegated responsibility to the Audit and Governance Committee, the People Committee and its Resources Committee. The Authority relies on the reporting of minutes from these meetings to gain assurance that issues are being considered.</p> <p>We recommend that a summary performance report, similar to the one taken to the Executive Board arising from the business of its Senior Leadership Team (SLT), is taken to each Authority meeting so the Authority has full oversight of key performance and financial issues.</p>	<p><u>2022-23 Management comment</u></p> <p>Recommendation accepted in full and will be implemented as soon as possible once visualisation solution has been finalised. Expected no later than April 2024.</p> <p><u>2023-24 Management comment</u></p> <p>The KPI's are now reported to the Fire Authority as well.</p> <p><u>Bishop Fleming conclusion 2023/24</u></p> <p>Summary performance reports are now provided to the main Authority. We consider the matter to be resolved.</p>

Standards of Behaviour	
	
<p>Previous finding:</p> <p>We could not evidence from the Authority's website that some of its key policies had been reviewed or updated recently – for example Anti-Fraud and Whistleblowing policies.</p> <p>The Authority should ensure that its key governance policies are reviewed and updated on at least a biennial basis.</p>	<p><u>2022-23 Management comment</u></p> <p>Recommendation accepted in full and will be implemented as soon as possible. Expected no later than April 2024.</p> <p><u>2023-24 Management comment</u></p> <p>The policies were reviewed and amended where necessary.</p> <p><u>Bishop Fleming conclusion 2023/24</u></p> <p>We have reviewed policies on the Authority's website and noted that many have been reviewed and updated including the specific examples identified by the previous auditors. We are therefore satisfied that this recommendation is resolved.</p>



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Bishop Fleming is a trading name of Bishop Fleming LLP, a limited liability partnership registered in England and Wales No. OC391282, and Bishop Fleming Bath Limited, a limited company registered in England and Wales No. 07869428. Registered offices: Stratus House, Emperor Way, Exeter Business Park, Exeter, Devon, EX1 3QS. A list of members' names for the LLP is available at the above address.



Agenda Item 6

REPORT REFERENCE NO.	AGC/25/2
MEETING	AUDIT & GOVERNANCE COMMITTEE
DATE OF MEETING	20 JANUARY 2025
SUBJECT OF REPORT	2023-24 ANNUAL STATEMENT OF ASSURANCE
LEAD OFFICER	ASSISTANT DIRECTOR, CORPORATE SERVICES
RECOMMENDATIONS	<i>That the final Annual Statement of Assurance appended to this report - required to accompany the 2023-24 final accounts – be approved and published on the Authority’s website.</i>
EXECUTIVE SUMMARY	<p>To comply with both the Accounts and Audit Regulations and the Fire & Rescue Service National Framework, the Authority is required to produce and publish an Annual Statement of Assurance on financial, governance and operational matters and show how the Authority has had regard to both its Integrated Risk Management Plan (now Community Risk Management Plan) and the expectations in the Fire & Rescue Service National Framework.</p> <p>The Audit and Governance Committee reviewed the draft Annual Statement of Assurance on 16 July 2024 and resolved that, subject to inclusion of the amendments as detailed in paragraph 2.1 of this report, the draft Annual Statement of Assurance 2023-24 as appended to report AGC/24/12 be approved in principle and submitted to the External Auditor alongside the draft financial statements for the same financial year.</p> <p>The Annual Statement of Assurance has been reviewed by the Authority’s external auditor, the outcome of which is that the auditors are satisfied with the content of the report. The auditors are also satisfied with the creation of one assurance report covering the requirements of both the National Framework and the Accounts and Audit (England) Regulations 2015.</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. 2023-24 Annual Statement of Assurance FINAL
BACKGROUND PAPERS	Nil.

1. INTRODUCTION

- 1.1. To comply with both the Accounts and Audit Regulations and the Fire & Rescue Service National Framework, the Authority is required to produce and publish an Annual Statement of Assurance on financial, governance and operational matters and show how the Authority has had regard to both its Integrated Risk Management Plan (now Community Risk Management Plan) and the expectations in the Fire & Rescue Service National Framework.
- 1.2. 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.

2. AMENDMENTS TO DRAFT ANNUAL STATEMENT OF ASSURANCE

- 2.1 The Audit and Governance Committee reviewed the draft Annual Statement of Assurance on 16 July 2024 (Minute AGC/4 refers) and resolved that, subject to inclusion of the amendments as indicated below, the draft Annual Statement of Assurance 2023-24 be approved in principle and submitted to the Authority's external auditor alongside the draft financial statements for the same financial year:
 1. That paragraph 3.6 should state how many staff had received a Disclosure and Barring Service check already as it was considered that this was a risk that should be highlighted within the Annual Statement of Assurance. Paragraph 3.7 has been added to the document to address this point;
 2. 64 complaints were highlighted within the Annual Statement of Assurance with 31 resolved but the Committee concluded that it was hard to identify what the exact position was. A table has been added at bullet point (38) on page 23 to address this point;
 3. The Committee asked whether there was an identified reason for the increase in number of complaints from the previous year. Whilst there was a rise to 64 from the previous year's 49, 49 was particularly low compared to 61 in 2021/22. There are no particular changes in the themes which remain consistent with the majority of complaints in the 'inappropriate behaviour/attitude' and driving categories. The Service is however receiving more complex complaints involving people with vulnerabilities and incidents where the Service responds on behalf of, or with, other agencies;
 4. That the numbers of Directors be included in the description of the composition of the Board of Red One Ltd. to allow the reader to understand the size of the Board. This has been addressed in bullet point (47) on page 25; and
 5. That an update be provided for the actions where the planned completion date had now passed. This was addressed up to the point of submission to the External Auditor for review. The action plan will be further updated as part of the process of drafting the 2024-25 document.

2.2 The Annual Statement of Assurance for 2023-24 has been submitted, along with the draft 2023-24 Statement of Accounts, to the Authority's external auditor for review. The outcome of this review is that the Auditor is satisfied with the content of the report and with the creation of one assurance report covering the requirements of both the National Framework and the Accounts and Audit (England) Regulations 2015.

3. RECOMMENDATION

3.1 It is recommended that the final Annual Statement of Assurance appended to this report - required to accompany the 2023-24 final accounts – be approved and published on the Authority's website.

MARIA PHILLIPS
Assistant Director, Corporate Services

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**DEVON &
SOMERSET**
FIRE & RESCUE SERVICE

Devon & Somerset Fire & Rescue Authority

2023-24

Annual Statement of Assurance

/2022

Devon & Somerset
Fire & Rescue Authority

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1 Introduction

1.1. The Devon and Somerset Fire and Rescue Authority (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 Safety Act 2021
- Fire and Rescue Services (Emergencies) (England) Order 2007
- Localism Act 2011
- Accounts and Audit Regulations 2015
- Fire and Rescue National Framework for England 2018
- Health and Safety at Work etc Act 1974, and associated regulations

1.2 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

1.3 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.

1.4 The Authority is required to:

- Ensure that there is a sound system of governance in place.
- Ensure that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for.
- Meet 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.
- Prepare an annual governance statement in support of its Statement of Accounts in line with the Accounts and Audit (England) Regulations 2015. This sets out the measures taken to ensure appropriate business practice, high standards of conduct and sound governance.

- Publish 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 for that period. Each Authority must also provide assurance to their community and to government on financial, governance and operational matters.

1.5 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 statutory responsibilities.

2 Identification and assessment of risk

2.1 The Authority has a statutory duty to produce a [Community Risk Management Plan \(CRMP\)](#). The CRMP covers the period 2022-2027 and sets out the key challenges and risks facing local communities and how the Authority intends to meet and reduce them. It demonstrates how protection, prevention and response activities have and will be used collectively to prevent and/or mitigate fires and other incidents. A full consultation process took place prior to development and publication of the CRMP.

2.2 Since the launch of the CRMP in April 2022, the Service has developed Local Community Plans (LCPs) for each of the Service's fire stations. Each plan is unique to that station and incorporates information on community profiles which provides a comprehensive picture of a station's geographical area, risk, station availability and incident information.

2.3 The premise of the LCPs is to help stations to understand their local risk profile and to support planning and performance within the Service's key business areas, which will underpin the mitigation of risk and improve community safety.

2.4 A process to undertake annual reviews of the CRMP and LCPs is being developed for implementation in 2024-25.

2.5 Understanding the risk of fire and other emergencies was rated as good by His Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) in their 2022 inspection report.

3 Prevention

3.1 The CRMP provides a high-level overview of the Service's prevention activities with the detail provided in the Prevention Plan 2023-2026.

3.2 Prevention activities include delivery of education programmes in schools, and interaction with children and young people through cadet schemes and through the Fire Intervention team who work with young people who have a fascination with fire or have set fires.

- 3.3 The Road Safety team have delivered 126 events including Learn to Live presentations in schools and colleges throughout Devon and Somerset, Biker Down presentations and Streetwise, and have engaged with c25,000 participants. The team has secured £30,000 funding from Vision Zero South West towards a new engagement vehicle and £20,000 to undertake some parental evaluation of our interventions. In addition, the team is the thematic lead for Young Drivers across all fire and rescue services in the UK.
- 3.4 In addition to supporting the National Fire Chiefs Council's national prevention campaigns, the Service delivered campaigns focused on the cost of living, outdoor safety including wildfires and most recently our 'treasured people' campaign which focussed on reducing false alarms. Our 'How to use a throwline' YouTube video is now used by Devon and Cornwall Police for their in-house staff training. The Service also shares partnership newsletters with messages subsequently appearing on social media channels which helped to get our safety messages to the most vulnerable audiences.
- 3.5 Home fire safety checks are provided for those identified to be in our higher risk groups providing advice and ensuring that smoke alarms and other equipment are available. The home safety team works with over 350 partners to obtain referrals for home safety visits targeting those with risk factors such as mobility, disability and mental health issues. During 2023-2024 over 18,000 home fire safety checks were completed.
- 3.6 The Service is committed to its legal duties and responsibilities with regard to ensuring that safeguarding is in place. The Safeguarding Strategic Board aims to ensure that the Service proactively meets the needs of its communities and to drive timely and specific action to provide a sustained improvement in all aspects of safeguarding within the organisation. Mandatory Service-wide 'Tier One Universal' Safeguarding Training has been implemented to provide a basic understanding of safeguarding and associated employee responsibilities. A Safeguarding Competency Training Framework has also been created to identify the correct level of training for each position within the Service; enhanced Tiered training will be implemented during 2024-2025.
- 3.7 The Safeguarding Manager and the Head of People Services are working to comply with the recent legal change to ensure that all employees within the Service have the correct level of Disclosure and Barring Service (DBS) checks. From 6 July 2023, all new employees have undergone the correct level of DBS for the role that they are undertaking; on 2 September 2024, this equated to 157 Standard DBS and 82 Enhanced DBS checks. For existing staff, the provided NFCC eligibility check indicates that 340 Standard and 1294 Enhanced DBS checks are required to be undertaken to be compliant with legislation and lead on best practice. A DBS Administrator has been recruited to assist this project, who is due to start in October 2024. The project is due to run for 18 months, with Wholtime stations and Control prioritised, due to their DBS check level changing from a Basic to Enhanced with/without Children's Barred list.
- 3.8 The Service was rated as good at preventing fires and other risks in the 2022 HMICFRS inspection report.

4 Protection

- 4.1 The CRMP provides a strategic high-level overview of the Service's approach to protecting people within the built environment through regulation and protection activities. The Service is the Enforcing Authority for the Regulatory Reform (Fire Safety) Order 2005 and a statutory consultee as part of the Building Regulations process. The Service has signed up to a Building Safety Regulator Southwest Regional Memorandum of Understanding which was signed in February 2024 to confirm the regional arrangements for our future Protection work assisting the Building Safety Regulator in higher risk buildings.
- 4.2 The Risk Based Inspection Programme 2021-2024 supports the identification and targeting of the highest risk buildings most likely to have vulnerable occupants through unfamiliarity and / or their mobility. Operational Crews and Specialist Fire Safety Inspectors have successfully completed 2,622 fire safety checks and 856 fire safety audits in 2023 - 2024. A proportional approach is taken utilising fire safety checks at normal risk buildings and fire safety audits at higher risk buildings that have the potential to cause significant harm and / or loss of life in the event of a fire. This proportional but targeted approach is demonstrated through a high level of unsatisfactory / non-compliance outcomes which allows the Service to improve the safety of occupants. The Service uses its full powers as an Enforcing Authority issuing formal notices as appropriate, including prosecuting those that knowingly allow dangerous fire safety standards, including putting profit before safety. On average, the Service brings four cases per year for prosecution with a 100% success rate of holding individuals and companies to account. Formal Notices such as enforcements, alterations and prohibitions are available to view on a public register on the Service's [website](#).
- 4.3 A dedicated Fire Safety Helpdesk supports all members of the local community, providing compliance support for new and small businesses, providing technical advice and giving residents a voice to report fire safety concerns directly to a regulator. Any concerns or intelligence received are formally logged, assessed by a Fire Safety Inspector for appropriate action and when required, anonymity maintained. All fire safety concerns are assessed in conjunction with the Duty Fire Safety Manager and actioned as appropriate based on life risk.
- 4.4 The Protection teams work closely with partners such as the local authority housing team, NHS and the Care Quality Commission to ensure that residents are kept safe in residential flats, hospitals and care homes. They also work closely with the Prevention Team undertaking joint work as appropriate, the most recent example being during the Building Risk Review, inspecting all High-rise residential blocks with Home Fire Safety Technicians also attending and offering Home Fire Safety Visits.
- 4.5 The Protection Team is trained and developed in line with the National Fire Chiefs Council Competence Framework for Fire Safety Regulators including additional qualifications for specialist roles such as fire engineering. In addition, and in line with the wider sector recommendations, senior inspecting officers and managers are also undertaking third party accreditation with the Institution of Fire Engineers and the Contextualized Auditors Register.

4.6 An effective fire and rescue service will identify and assess the full range of foreseeable fire and rescue risks its community faces. It should target its fire prevention and protection activities to those who are at greatest risk from fire and make sure fire safety legislation is being enforced. When the public calls for help, it should respond promptly with the right skills and equipment to deal with the incident effectively. The Service's overall effectiveness was assessed as good in the 2022 HMICFRS inspection report with a rating of good for protecting the public through fire regulation. However, the report identified that the Service needs to be better at undertaking quality assurance and evaluation of Prevention and Protection activities. Quality Assurance and Evaluation Officers have now been appointed to identify and support future improvements. Protection has a Quality Assurance Policy and Guidance in place with the Fire Safety Manager in each area overseeing this. The Quality Assurance Manager is also auditing each area by 1 July 2024 to ensure that teams are working in line with the Quality Assurance Policy.

5 Response and Resilience

5.1 The CRMP provides a high-level overview of the Service's response arrangements.

5.2 The Service was rated as good at responding to fires and other emergencies and responding to major and multi-agency incidents in the 2022 HMICFRS inspection report.

5.3 Response plans are in place for different incident types to ensure that the most effective response is provided to an emergency call. Fire Control can also apply 'Dynamic Mobilising' to revise the response plan by adding or removing resources depending upon the information that they receive. If the response is changed, this is recorded on the incident along with the rationale for that decision. A review of response plans is underway to ensure that they are still current and aligned to task analysis and equipment, ensuring effective and efficient responses.

5.4 A Dynamic Coverage Tool has been purchased and is expected to go live in June 2024. This will look at risks, including cross border risks, identify available appliances and suggest which to move to enhance availability to keep our communities safer.

5.5 The Service has signed the Southwest Regional Cross Border Exercising Memorandum of Understanding, training with five other fire and rescue services. The aim is to clearly identify the roles and responsibilities of all named fire and rescue services as they relate to the delivery of cross border operational exercising and risk information sharing within the geographical areas covered by those services. The intent is for services to exercise on risk jointly, debrief jointly and feed into Operational Assurance processes.

5.6 Processes are in place to ensure that crews have access to the most up to date operational risk information on their mobile data terminals. An improved exercising strategy is now in place and crews will exercise against operational risk from 2024-25.

- 5.7 Through its Training Academy, the Service has enabled the delivery of quality assured training to its staff to improve safety and overall effectiveness. The quality of operational training is assured via a combination of Operational Assurance feedback from incidents and attended assurance visits from Flexi Duty Officers to on-call and wholetime station training sessions. From 1 April 2024, assurance will also be provided via annual audits conducted through the Skills for Justice Quality Assurance Framework.
- 5.8 Development Firefighters on the apprenticeship scheme have training assured via the Service's main provider, Bridgwater and Taunton College, and the associated OFSTED assessment. Non apprentice development firefighters are aligned to the same programme. A training quality assurance framework has been created which includes a sampling strategy focused around the 'Operational licence' skills which include Breathing Apparatus, Driving, Incident Command System, Maritime, Casualty Care, Safety at Height and Confined Spaces, Water Rescue and Fitness.
- 5.9 Training delivery continues to be aligned to National Operational Guidance via eLearning training packages, practical training sessions and Academy facilitated assessments. The Firefighter development and maintenance of skills programme is fully aligned to National Operational Guidance. Confirmation of learning is achieved via knowledge checks after each eLearning package. The maintenance of skills recording system (due to launch in June 2024) will provide assurance that skills are demonstrated to the correct standard and frequency through programmed training, incidents and exercises.
- 5.10 The Service continues to explore new ways of delivering training. The successful roll out of locally delivered Incident Command Training is an example of improved efficiency in training delivery with less time spent travelling to location and training hours being utilised in more succinct delivery. This model of delivery reduces the impact on the environment by reducing the number of vehicles travelling to training events and also shortening these journeys.
- 5.11 The Service currently has 522 operational personnel qualified to command incidents at varying levels.
- 5.12 The Academy currently delivers localised Incident Command System (ICS) assessments to maintain skills and competence for Level 1 Commanders in addition to the ICS related content on the eLearning portal available to stations. The Service's Joint Emergency Services Interoperability Programme (JESIP) 3rd Edition Awareness online learning package was launched in September 2022 as an annual requirement.
- 5.13 Level 2 and 3 Commanders are revalidated every 2 years with 95% of the scenarios used based on an area or risk in Devon or Somerset. All Level 2 and 3 Incident Command Acquisition courses are Skills for Justice Accredited and aligned to National Operational Guidance. Level 2 and 3 Commanders also attend a multi-agency JESIP course every 3 years.
- 5.14 As the Service continues to work to align to National Operational Guidance, the new Level 4 ICS Acquisition course was implemented in June 2023 with four individuals having completed the course and four more starting the course in April 2024.

5.15 The Service has a physical fitness policy and four dedicated fitness advisors in post to support firefighters to attain and maintain the fitness standards that are required. Firefighters are also supported by three fitness advocates who provide an additional fitness role and are qualified to a minimum of a Level 2 gym instructor. A data management system is used to provide assurance that fitness requirements are being met, reviewed, and evaluated. Compliance data is reported to Strategic Safety Committee.

Over the Border Mutual Aid Arrangements

5.16 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.

5.17 In addition to sections 13 and 16, there is a partnership agreement between the Service and Dorset and Wiltshire and Hampshire and Isle of Wight Fire and Rescue Services to provide a common, networked mobilising system with the principle 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. This Networked Fire Services Partnership (the Partnership) also has the benefit of providing business continuity so that in the event of one control room experiencing a high volume of calls or being unable to function, either of the other two control rooms can conduct all of their emergency business, including call handling, mobilising resources, and supporting incidents. The Service is currently working with the Partnership to tender for its new mobilising system requirements.

5.18 An Information Governance Partnership Group meets regularly to review the governance procedures and monitor current and emerging risks to the information that the Partnership system holds. A risk remediation plan is in place to ensure that security risks are managed effectively and there is an annual IT health check for assurance. The external system supplier is responsible for remediating any high-risk vulnerabilities. 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.

5.19 The 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. The Partnership is currently expanding the mobilising solution to include Kent Fire and Rescue Service formally including them as a fully functioning fourth partner fire and rescue service. The inclusion of Kent Fire and Rescue Service will expand the resilience of the current mobilising system and backups, as well as offer financial efficiencies.

Civil Contingencies

5.20 The Emergency Planning Team is the primary means through which the Service meets the Authority's obligations in the Civil Contingencies Act 2004 and elements of the Fire Services Act 2004.

- 5.21 Effective arrangements are in place to collaborate with partners through Local Resilience Forums and other national, regional and local networks dealing with resilience and emergency and contingency planning arrangements. This includes collaboration with the South-West Malicious Risk Working Group, Counter-Terrorism Police South-West, and other local and national constabularies (Devon & Cornwall Police, Avon and Somerset Police, British Transport Police and the Civil Nuclear Constabulary).
- 5.22 The Emergency Planning Team also works in close collaboration with the Service's National Interagency Liaison Officers (NILO) Team in respect of risk, response and contingency arrangements for key events or sites of sensitivity (local and critical national infrastructure, hazardous materials etc).

National Resilience

- 5.23 National Resilience comprises of several specialist capabilities, funded and assured by the Government via the Home Office. The Service hosts the following capabilities from a wide range of stations.
- Urban Search and Rescue (USAR).
 - High Volume Pumping.
 - Enhanced Logistics Support.
 - Mass Decontamination.
 - Marauding Terrorist Attack Specialist Response (MTA).
 - Flood Rescue.
- 5.24 In line with the Joint Emergency Services Interoperability Principles, the NILO cadre supports collaborative working with key partner organisations. NILOs provide specialist advice about the Service's operational capability and capacity to partners and supports both the planning for intelligence led operations and the response to dynamic incidents.
- 5.25 Whilst the national planning assumption is for a 'lite' Marauding Terrorist Attack team to be in place in Devon and Somerset, the Service leadership supported by the Fire Authority have increased capability above this minimum provision and has trained additional responders in both Plymouth and Exeter to help improve attendance times and casualty outcomes.
- 5.26 This Marauding Terrorist Attack capability has been established 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 hazards management.
- 5.27 The Marauding Terrorist Attack capability is made up of two key groups, NILO qualified officers who would adopt the command role and Specialist Response Team Operatives. Both groups undergo specialist training for responding to the Marauding Terrorist Attack threat.

5.28 The Hazardous Materials capability has been enhanced by a set of Raman (laser) and Infrared spectroscopy chemical identification equipment enabling swifter resolution of incidents involving unknown chemical substances and reduced disruption to the community.

Collaborative and Partnership Working

5.29 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.

5.30 The Tri-Service Safety Officer (TSSO) role is a collaborative asset within the community. The TSSO being introduced into Holsworthy is a pioneering role from the present method of working, delivering positive interventions to improve the safety, health, and the wellbeing of vulnerable people. This role works with partners including the NHS (local GP surgeries) and Police identifying those with the highest risk, at the same time as being able to respond to category one medical emergencies and complementing fire service crewing. Funded and managed between Cornwall Fire and Rescue Service, Devon and Somerset Fire and Rescue Service, Devon and Cornwall Police and South-Western Ambulance Service NHS Foundation Trust, this is an example of adapting to changing demands. Future funding is being sought from the NHS Integrated Clinical Board.

5.31 Collaborative working continues to grow through the South-West Emergency Services Collaboration (SWESC). The SWESC Tactical Group meets quarterly. The SWESC Strategic Group will be re-introduced in the latter half of 2024.

5.32 At a tactical level the Collaboration and On Call Support Team are key stakeholders at both the SWESC partnership and South-West Fire Sector working group. A dedicated police collaboration Sergeant is available to liaise with on joint initiatives with Devon & Cornwall Police.

5.33 The Service continues to share good practice and to scope areas of joint improvement. Community Responders (the dual role of a firefighter and special constable) are now permanent shared roles and are an example of innovative working where shared learning and comparison of benefits with other shared roles is undertaken.

5.34 The Authority has a formal partnership agreement in place with 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). Work is continuing to review training, procedures, and equipment, with the goal of improving clinical governance as well as improving efficiency and effectiveness. This work is being done collaboratively with South Western Ambulance Service and other fire and rescue service colleagues across the South-West Fire Sector, for both clinical governance and the co responding memorandum of understanding.

Fleet, Equipment and Water Supplies

5.35 The Fleet and Equipment Strategy and plans are agreed for 2023-2028 with vehicle replacements and relocation of vehicles ongoing. The management and maintenance of vehicles and equipment is in accordance with relevant legislation and the National Fire Chiefs Council (NFCC) Best Practice Manual. Vehicle telematics have been installed on all light support vehicles with consideration for introduction on operational vehicles underway. We are collaborating with NFCC on Personal Protective Equipment (PPE) replacement in readiness for changes to PPE within the Service. The Service adopts the National Guidance Document for Water for Fire-fighting purposes and has installed a new hydrant management system.

Estates

5.36 The Service has an Estates strategy for 2024-27.

5.37 The Service's Estate totals 107 buildings / sites (including Fire Stations, training, fleet maintenance, office accommodation, residential properties and storage facilities) of which a number of buildings were constructed within the period where Reinforced Autoclaved Aerated Concrete (RAAC) was frequently used (from the mid-1960's to at least the mid-1980's, as referenced in the "Safety Issues Regarding Reinforced Autoclaved Aerated Concrete (RAAC) - FRS Estates and Assets"). 25 buildings were identified as falling within this time frame. Site inspections confirmed that there was no RAAC present within the main structure of these buildings. As such, we are generally satisfied that there is no risk posed to the Service from RAAC within our existing property portfolio.

Service Improvement and Assurance

5.38 The Fire Standards Board has been set up to oversee the identification, organisation, development, and maintenance of professional standards for fire and rescue services in England. There are currently 16 'live' fire standards. The board has developed an Implementation Tool for each standard to assist fire and rescue services in planning, delivering, and reporting on their implementation. The tools also help services record actions needed to be taken to move towards achieving the desired outcome of each standard and provide a benchmark from which progress can be measured. Each standard has several criteria for department leads to assess against to define what needs to be done to achieve compliance.

5.39 The Service has a Fire Standards SharePoint page where the implementation tool for each standard is hosted. Each of the 16 implementation tools are currently being completed by department leads. The Policy, Procedure and Guidance Team are working with the service HMI team in compiling a master list of requirements from Fire Standards and National Operational Guidance Strategic Actions. This will support a consistent approach to support the Service in achieving compliance against each identified area of partial or non-compliance.

5.40 The Service actively contributes to development of Fire Standards. National changes are communicated via the Fire Standards webpage which is monitored internally by the Fire Standards Point of Contact, to ensure that the Service provides a response to consultations on draft Standards.

5.41 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 Service ways of working, implement Service improvements where necessary and to raise awareness across the Service. National and regional learning is fed in and out of the Service via several 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.

5.42 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. This includes the provision of a dedicated Operational Assurance SharePoint page, publications, posters, and regular updates communicated via our Service forums.

5.43 A process has been developed to enable the effective management of identified learning and outcomes identified through:

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

5.44 The Operational Assurance team have also, throughout 2023-24, showcased their system and processes (aligned to the National Operational Learning Good Practice Guide and Fire Standard – Operational Learning), following requests from a wide number of fire and rescue services and partner agencies, which has been extremely well received and appreciated. This engagement is ongoing and has included supporting a number of partner agencies to introduce and implement the Operational Assurance function within their own organisations.

6. People and Culture

- 6.1 The Service's People Strategy was due for review and refresh in 2022. The process to develop a revised Strategy is now in progress.
- 6.2 Corporate commitments to equality, diversity and inclusion are set out in the Community Risk Management Plan. 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. It sits within a broader assessment, the People Impact Assessment. Besides equality impacts, this assessment also includes impacts on people in relation to wellbeing, data protection, health and safety and safeguarding.
- 6.3 The Employers Network for Equality & Inclusion benchmarked the Service against Talent, Inclusion, Diversity & Equality and awarded the Service a Silver Award in September 2022.
- 6.4 In September - October 2021 HMICFRS conducted its second-round full inspection of the Service, with the final report published in July 2022. HMICFRS's assessment of the people pillar was Requires Improvement with a Cause of Concern raised related to culture and behaviour. Whilst the report recognised the commitment of the Executive Board and senior leaders to address this concern, more work needed to be done. Delivery of the action plan to address this concern was monitored by the Service's HMICFRS Governance Board, Executive Board and by the Fire Authority with updates published as part of the Fire Authority papers.
- 6.5 All actions under the Cause of Concern action plan have now been completed. A recommendation for closure report was approved by the Service's HMICFRS Governance Board and by the Executive Board in March 2024. An update on the actions taken against the cause of concern have been included under the '[Progress on Improving Culture 2022/23](#)' section of our website. The Cause of Concern will now be transitioned into Service business as usual and work to improve organisational culture will continue to be an area of focus.
- 6.6 On Friday 31 March 2023, HMICFRS published a report into the values and culture in fire and rescue services. The report contains 35 recommendations, 1 specific for the Police, 14 which required action at a national level and 20 which were specific for fire and rescue services. HMICFRS requested a final update from services on the status and progress against each of the recommendations in March 2024. By 19 March 2024 the Service had completed and closed 16 out of the 20 recommendations, with 4 reported as 'In Progress'. These are listed below with a full update published on our [website](#):
 - Recommendation 09 Background Checks;
 - Recommendation 12 Staff disclosure, complaint and grievance handling standard;
 - Recommendation 14 Misconduct allegations standard; and
 - Recommendation 32 Diversity in succession planning.

- 6.7 Speak Up Guardians have been introduced into the Service as an additional route to support all staff to raise concerns safely and confidentially. The Freedom to Speak Up Program was officially launched on 1 June 2023, following extensive research into how the Service could adopt best practice from other organisations including the NHS, Greater Manchester Fire and Rescue Service and resources and training from the National Guardians Office. The team consists of a lead guardian and four additional guardians working within current job roles on a part time basis.
- 6.8 Quarterly reports are produced which detail the number of concerns raised, themes of concerns, whether from operational or support staff, learning themes and recommendations and next quarter actions. This is shared with the Executive Board and Service Leadership Team, the Speak Up Steering Group, Diversity & Inclusion Committee and to all staff via a Shout Out update.
- 6.9 The Service is collaborating with peers to develop a national speak up network.

Commitment to Health and Safety

- 6.10 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.
- 6.11 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 HSG65 methodology. The policies provide staff with relevant and comprehensive information on the risks they face, and the preventative, and protective measures required to control them. They also identify the roles and responsibilities of duty holders who have a responsibility to ensure that measures are implemented.
- 6.12 Procedures are in place to report all safety events, allocate an investigator and where required make recommendations for corrective action to be completed. In order to improve the timely management of safety event investigations, a further 20 accident investigators have been trained during this reporting period and approval given to recruit two casual contract accident investigators. The Health and Safety team operate a business partnering model with the Service Delivery Response Groups, liaising with Health and Safety Points of Contact. This approach supports proactive management of ongoing safety event investigations and wider safety management systems. In addition, raising awareness of positive safety culture is delivered during Watch Manager, Station Manager and Group Manager development sessions.
- 6.13 Further improvements to the critical messaging process have been made. This includes the development of a dashboard report which supports managers in monitoring that their teams have taken the necessary action. The Service has assurance that staff read and understand risk critical messages and apply the required changes, and managers have the means to closely monitor completion.
- 6.14 Systems for monitoring the effectiveness of the Service's Health and Safety Management procedures are in place; this includes the following proactive and reactive monitoring:
- air sampling on station of diesel engine exhaust emissions;
 - legionella testing;

- provision of accident and near miss incident data to the Strategic Safety Committee;
- annual completion of premises Health, Safety and Welfare Assessment Report Forms;
- annual review of fire risk assessments for Service premises; and
- a means to conduct targeted or full audits of the Service's Health and Safety management systems.

- 6.15 The Service has a Strategic Safety Committee which meets quarterly to monitor the 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.
- 6.16 The Authority's People Committee receives regular reports on the Health, Safety and Wellbeing of the Service. These reports help the committee to monitor and scrutinise performance in these areas on behalf of the Authority.
- 6.17 The Health and Safety Manager attends the National Fire Chiefs Council Health & Safety meetings and chairs the regional National Fire Chiefs Council Health & Safety meetings.
- 6.18 An independent review of the Service's safety management system, compliance, safety culture, and health and safety resource and structure was completed in 2022. Following this, approval was given in August 2023 to a revised structure for the Health and Safety Team. Recommendations from the independent review are in the process of being implemented with 20 of the 41 recommendations fully completed. The remaining recommendations will be progressed through 2024-25.
- 6.19 Regular monitoring of risk assessments by the Service Leadership Team has been established to ensure that the Service has relevant risk assessments that are suitable, sufficient and within review. Work to align the operational risk assessments with National Operational Guidance has been completed. This work and a review of the Estates risk assessments has significantly reduced the number of overall risk assessments being managed.
- 6.20 In June 2022, occupational exposure as a firefighter was classified as "carcinogenic to humans" (Lancet, 2022). This classification followed a 2020 report by the University of Central Lancashire (UCLan) which aimed to investigate rates of cancer and other diseases in UK firefighters; understand the long-term health effects of fire contaminants; and find ways to reduce exposure to contaminants in fire and rescue service work. The Service's Contaminants working group has actively progressed Phase 1 of the contaminants project. This included hygiene packs provided on appliances and Flexi Duty Officer vehicles, and the provision of procedures, information and instruction that reduce / mitigate the risk from contaminants. The project is moving to scope the requirements for Phase 2. Progress is monitored by Portfolio Board and Strategic Safety Committee.

7 Governance

- 7.1 The Authority has approved and adopted a Code of Corporate Governance, consistent with the principles of the Chartered Institute of Public Finance and Accountancy (CIPFA) / 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 Annual Statement of Assurance explains how the Authority has complied with the Code.
- 7.2 The Authority’s governance arrangements have the following key elements:
- (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 2023-24 financial year, the Authority comprised 25 Members appointed by the constituent authorities (Devon County Council, Somerset Council, Plymouth City Council and Torbay Council). In addition, the Authority has appointed two “independent persons” as part of its arrangements for dealing with standards issues in accordance with the requirements of the Localism Act 2011 and recommendations made by the Committee on Standards in Public Life following its review of local government ethical standards.
 - (3) The following governance structure operated during this reporting period:
 - Resources Committee (7 Members)
 - People Committee (7 Members)
 - Audit & Governance Committee (9 Members)
 - Community Safety Committee (7 Members)
 - Shareholders Committee (7 Members – established 16 February 2024 but did not meet in this financial year)
 - Appointments and Disciplinary Committee (4 Members)
 - Appeals Committee (4 Members)
 - (4) The Authority approves its Strategic Policy Objectives. The focus of the committees is to scrutinise and monitor Service performance in achieving the Strategic Policy Objectives in the areas for which the committees are responsible. [The full terms of reference for all Authority committees can be found here](#). The committee structure (including terms of reference) is subject to annual review but may also be amended in-year as required.
 - (5) The Authority, committees, and the Executive Board are provided with high-level indicators and analytical reporting by exception, to ensure governance and oversight of service provision and performance.

- (6) The Audit & Governance Committee broadly operates in accordance with CIPFA's Position Statement: Audit Committees in Local Authorities and Police 2022. At its meeting on 26 September 2022, [the Authority approved the appointment of two independent co-opted members to the Committee](#) in accordance with the revised position statement on audit committees published by CIPFA in July 2022. The two independent co-opted members joined the Committee in April 2023.
- (7) The Audit & Governance Committee provides an additional level of review and scrutiny of the Authority's internal and external audit arrangements, corporate governance and risk arrangements and financial statements. The Committee also has responsibility for discharging the Authority's member conduct arrangements as required by the Localism Act 2011 and monitors the operation of the Authority's strategy for the prevention and detection of fraud and corruption and policy and usage in relation to the Regulation of Investigatory Powers (RIPA) Act 2000.
- (8) The Authority has [a constitutional governance framework](#) which includes the following documents:
- Members and Officers Accountabilities, 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
- (9) These documents, except for 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 to ensure they remain up-to-date and fit for purpose.
- (10) Compliance with the seven principles of public life (the Nolan principles) form part of and underpin the Member Code of Conduct which the Authority is required to have by virtue of the Localism Act 2011. Service Officers are guided by the Service values and the National Fire Chief Council's Code of Ethics

- (11) The 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".
- (12) The statutory functions of the Proper Financial Officer (as per Section 112 of the Local Government Finance Act 1988) and Monitoring Officer (as per Section 5 of the Local Government and Housing Act 1989) provide a source of assurance that the Authority's systems of governance and internal control are effective and being complied with.
- (13) The Fire Authority governance specifically includes procurement and commercial activities through the Contract Standing Orders as the policy framework and the procurement team reviews all third-party expenditure and manages contracts above £20,000 in value. The Service has a procurement and commercial strategy outlining its category management approach, aims and priorities. The Service utilises national systems for spend analysis, tendering and contract management and undertakes lead roles on the National Fire Chiefs Council strategic commercial board working collaboratively across the blue light services in support of the duty to collaborate. The Service has agreed procurement and contractual documentation based on national model terms and conditions and contract management arrangements in place. The service adheres to all requirements to provide transparency data regarding contracts and expenditure, [modern slavery](#), and social value governance in the management of procurement, contract, and commercial activities. The Procurement Team have been undertaking training for the implementation of the Procurement Act 2023.
- (14) To ensure that the Authority understands the potential risks regarding funding, a number of scenarios are published within the [Medium Term Financial Plan](#) demonstrating the possible funding position for the next 5 years. This is published alongside the underpinning: [Reserves Strategy](#); [Capital Strategy](#); and the [Community Risk Management Plan](#).
- (15) The Devon Audit Partnership audit of the Medium Term Financial Plan 2023-24 highlighted the following for inclusion in the Annual Governance Statement: "In terms of this audit, we highlight the need to ensure the continued alignment of the Community Risk Management Plan and the Medium Term Financial Plan, given the longer lifecycle of the Community Risk Management Plan, and the financial fragility of the capital programme over the longer term." The Medium Term Financial Plan is an important strategic tool in identifying potential budget shortfalls in the medium-term. Progress against the Medium Term Financial Plan is reported, quarterly, to the Resources Committee to ensure the importance is maintained and progress understood.
- (16) 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. The Treasurer is responsible for the approval of the Statement of Accounts prior to publication.

- (17) To meet the requirements of the regulations, the draft Statement of Accounts is published by the end of September with the final audited Statement of Accounts published once the audit process has been completed.
- (18) The 2023-24 External Audit provision was provided by Bishop Fleming. The scope of the External Audit work includes the Accounting Statements, Whole of Government Accounts and a commentary on Value for Money arrangements. No significant issues have arisen to date from the External Audit work completed for the 2023-24 financial year.
- (19) The Service's overall efficiency rating was Good in the 2022 HMICFRS inspection report. The Service was assessed as Good at making best use of its resources and Requires Improvement at making the service affordable now and in the future.
- (20) Project and programme arrangements are in place to ensure robust decision making for change activity. These arrangements include use of the HM Treasury Five Case model and monthly programme and portfolio boards with associated highlight reports to commission, initiate and manage projects. The Service is also in the process of determining a high-level target state that it will actively work towards over the next five years. This will allow any changes to be viewed in line with the longer term vision and aspirations of the Service. The Service also recognises that some change activity remains outside of this process and is reviewing lessons learned to improve the alignment of the management within the programme and project governance and that within business as usual activity.
- (21) On 23 October 2020 the Authority supported the declaration of a Climate Emergency and agreed the Environmental Strategy with commitment to the Emergency Services Environmental and Sustainability Charter. The Service has a green goal to be carbon net zero by 2030 and carbon positive by 2050. The Service's carbon footprint (scope 1 and 2 and an expanded scope 3) have been published and are reported in the statement of accounts.
- (22) The Service's environmental action plan is aligned to ISO14001 with a Strategic Environmental Board, policy, and procedures in place. The environmental legislation, and aspects register has been reviewed to reflect changes within the Environmental Act 2021. The Service has introduced electric vehicles and charging points, developed a heating decarbonisation plan and been successful in securing grant funding to deliver environmental plans. The Service behaviour change initiatives focus on carbon reductions, environmental protection, and climate change impacts.
- (23) 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.

- (24) The Service risk registers are populated and reviewed periodically. This process in turn informs the corporate risk register. Risks are only escalated to the corporate risk register if they cannot be managed or mitigated at department level. The Service risk management framework includes the risk escalation and de-escalation process that ensures that risks are considered at appropriate levels within the Service.
- (25) The corporate risk register is reviewed by the Extended Leadership Team monthly (dependent on the level of risk) to ensure that risks to the Authority's strategic objectives and corporate plans are appropriately identified and managed, with cross reference to the national risk register where relevant. Horizon scanning supports deep dive risk identification and assessment. The corporate risk register is presented to the Audit & Governance committee every six months.
- (26) The introduction of the SharpCloud software solution has facilitated greatly enhanced risk visualisation which has led to greater engagement across the Service in the effective management of risk.
- (27) 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 14 fire and rescue authority members and has achieved a surplus every year since it was formed. 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 can be retained to support further improvements, drive better risk management and deliver lower costs for FRIC's members, or as is the case in 2022-23 and 2023-24, returned to members.
- (28) The Authority has a statutory responsibility to conduct business continuity as mandated in The Civil Contingencies Act 2004. The strategic business continuity policy sets out the corporate business continuity management structure and goals for business continuity assessment, training and exercising. The business continuity framework details how the Service will respond to specific disruptions. 30 tactical business continuity plans ensure that the Service is prepared for a range of threats and challenges. 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). The Business Continuity Manager is responsible for providing specialist advice and guidance on business continuity management issues, including the co-ordination, development, implementation and review of business continuity plans, processes and procedures.

- (29) The Fire & Rescue Authority [resolved on 31 October 2023](#) to support internal reform of the Data, Digital and Technology department as opposed to outsourcing the function to DELT Shared Services Ltd. Since that time, the department has been focusing on reviewing its structure and functions alongside the revised strategic vision. The department has made great strides in making changes that allow them to support the Service more effectively. Full restructure has seen five key functions evolve; Business Relationship Management, Service Delivery, Information Governance, Development and Data, Insights and Analytics. These functions have had all roles reviewed and new roles created to allow them to fully support Service needs.
- (30) Clear focus for the department has been given on four main areas;
- Improvement of customer service;
 - Cyber resilience and awareness;
 - Data driven insights with clear standards and data sets; and
 - Improvements on processes and automation.
- (31) The Information Governance function oversees three specialist disciplines: Information Security, Information Compliance and Records Management.
- (32) Processes are in place to respond to Subject Access Requests and Freedom of Information requests. 94% of Subject Access Requests received were processed within the legislative timescale. Excluding the Freedom of Information requests that were withdrawn or declined, 96% were processed within the legislative timescale.
- (33) 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 spend on Agency Staff and Consultants
 - 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 and minutes (other than those where a statutory exemption for publication applies).

The Service demonstrates compliance with this and other information legislation on the Service's website.

- (34) The department has applied renewed focus on the importance of cyber security and resilience. There is now a clear plan in place for 2024-25 to allow focus in this area.
- (35) The Service completed its annual IT Health Check and also completed the Cyber Assurance Framework in October 2023. The outcomes and actions from these exercises are being aligned to the ISO50001 standards to ensure that robust standards and systems are being put in place.
- (36) The Protective Security Group provides strategic oversight of the Service's approach to security of information, people and physical assets, aligned to the HMG Security Policy Framework.
- (37) A robust governance framework has been implemented to manage oversight of delivery of the action plan to address the findings of the HMICFRS inspection report and Cause of Concern. This includes an HMICFRS Governance Board which reports to Executive Board.
- (38) Complaints or concerns about the Service received from a member of the public are managed in accordance with the Complaints policy. Where appropriate, complaints will be resolved informally as a concern. If the complainant is either not happy with the local resolution or if the complaint needs further investigation, it will be processed as a formal complaint. During 2023-24 the Service received 64 complaints and concerns, compared with 49 last year. For one of these 64 complaints, there were two independent complainants whose submissions have been counted as one complaint. The outcome of the complaints raised is set out in the table below. Numbers, themes and outcomes of complaints are monitored in performance reports for the Communications and Engagement department which are regularly shared with the senior management team. In August, the unreasonable behaviour policy and procedure were published.

Outcome	Number of complaints
Successfully resolved as a concern	31
Out of scope (civil, insurance, or a police matter)	13
Complaint upheld	4
Complaint partially upheld	4
Complaint dismissed	6
Complaint unable to progress due to lack of information	1
Complaint transitioned to HR processes because of evidence uncovered in the complaint investigation	5

- (39) The Service has not received any Whistleblowing alerts during 2023-24.
- (40) There have been no Member Code of Conduct breaches in 2023-24.

- (41) The Authority participates in the biennial National Fraud Initiative (NFI). 26 errors were identified in the 2022-23 report. 11 of these were due to duplicate payments, with 10 rectified prior to identification through NFI matching. The other payment of £1,854 was recovered as a result of identification through the NFI process. The remaining 15 errors were duplicate creditors which were subsequently removed from Integra, the Service's payment system. Management actions were agreed to prevent a recurrence of this issue.
- (42) The Authority has a process for internal auditing and is a partner of Devon Audit Partnership who provide the internal audit service. Devon Audit Partnership conforms to the governance requirements of the CIPFA Statement on the Role of the Head of Internal Audit in public service organisations.
- (43) The [2023-24 Internal Audit Plan](#) sets out the planned audit coverage for the year. In accordance with the Public Sector Internal Audit Standards, the plan was flexible to be able to reflect and respond to the changing risks and priorities of the Authority. Delivery of the plan, and implementation of the management action taken to address the recommendations made, is reported to the Executive Board and to the Audit & Governance Committee at scheduled meetings throughout the year.
- (44) Based on the completed audit work, the [Head of Internal Audit's opinion](#) on the adequacy and effectiveness of the Authority's internal control framework in 2023-24 is one of 'Reasonable Assurance'. This means that "There are generally sound systems of governance, risk management and control in place across the organisation. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of some of the strategic and operational objectives."
- (45) Red One Ltd. was established in 2012 to allow the Authority to deliver commercial activities within the legislative framework that applies. This is a standalone company that manages its own affairs whilst reporting to the single shareholder, the Fire Authority. It is not managed by the Service.
- (46) During the reporting year, the Authority's Audit & Governance Committee considered risks and, where necessary, audit concerns raised in relation to Red One Ltd., whilst the Resources Committee monitored financial performance on a quarterly basis.

- (47) The Authority has taken legal advice to ensure compliance with legislative requirements and to ensure effective governance arrangements for Red One Ltd., 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: two Authority Member non-executive directors; two independent non-executive directors; two Service officer non-executive directors and three company appointed executive directors (two of whom job share so share one vote). In June 2022 the Authority commissioned a governance review from Devon Audit Partnership which assessed the degree of conformity to CIPFA's best practice guide on Local Authority owned companies and made recommendations on areas for improvement.
- (48) The Authority established a Shareholder Committee in February 2024 in accordance with the recommendation made by this independent review. Going forwards, the Shareholder Committee will provide the necessary oversight from a shareholder perspective and will afford a formal route for the Authority and, where appropriate, Statutory Officers, to have an active, strategic role in the direction of the company and provide proportionate oversight and scrutiny of its affairs. The aim is to ensure that the objectives and policies that the Authority, as the sole shareholder, has established for the company are being adhered to. This is in addition to the Annual General Meeting which Red One Ltd. holds with the Authority as its sole shareholder.

8 Future Improvements

8.1 The following areas for improvement remain the Service's key areas of focus throughout 2024-25:

- Implementation of an Information Governance Framework.
- Implementation of a more effective approach to information governance.
- Implementation of effective policy management.
- Ensuring that the Service's planning processes integrate performance, projects and risk so that all activity is aligned to the corporate priorities to reduce duplication of effort and to performance manage the Service.
- Improving the integrity of data to support the effective implementation of the performance framework and the systems supporting this.
- Aligning resources to risk and prioritising prevention and protection activity.
- Improving the Service's processes and systems for the management of assets.
- Responding to the requirements of the Environmental Act 2021 and other environmental legislation and working to achieve plans to be carbon neutral by 2030 and carbon positive by 2050.
- Ensuring that the Service has the appropriate resource, capacity, structure, health and safety management framework and assurance systems to ensure compliance with its statutory health and safety duties and to ensure that all staff, both uniformed and non-uniformed, are able to be healthy and safe at work when undertaking their duties.

- Ensuring the financial sustainability of the Service.
- Development of a refreshed People Strategy.
- Ensuring that the Service has robust cyber security arrangements in place.
- In line with recent legislative changes, ensuring that all employees within the Service have the correct level of DBS checks.

9 Conclusion

- 9.1 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.
- 9.2 The Authority's assurance arrangements have identified some areas for improvement in its governance, finance, and operational arrangements. The Authority is satisfied that the issues identified are appropriate and that steps are already in place to address them. The Audit & Governance Committee will receive updates on the implementation of the improvement areas set out in this document annually, through the updated action plan attached in Appendix A to this report.

CHIEF FIRE OFFICER

**CHAIR, AUDIT AND GOVERNANCE
COMMITTEE**

APPENDIX A TO REPORT – ACTION PLAN

Identified Issue	Action Needed	Lead Officer	Update	Due Date
<p>Information Governance Framework An Information Governance (IG) Framework that incorporates records management principles needs to be implemented across the Service.</p>	Develop and implement the IG Framework.	Head of Data, Digital & Technology	The Information Governance Strategy and Framework remains to be developed.	March 2025
<p>Information governance The approach to information governance 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.</p>	As part of the Microsoft 365 (MS365) project, an enterprise wide approach to information management will be developed which will form the basis of the new Intranet.	Head of Data, Digital & Technology	<p>Data classification pilot test completed, currently being reviewed and will be rolled out across the Service.</p> <p>A structural and strategic review of how the Service has implemented MS365 to date has been completed.</p> <p>A work plan has been created to focus on the structural architecture of M365 and Intranet; this will go out to third party suppliers to bid on. The work plan will focus on agreeing the new structure and implementation of recommendations, whilst also reviewing all permissions and groups in M365. Once completed we will review and add retention policies.</p>	December 2024

Identified Issue	Action Needed	Lead Officer	Update	Due Date
<p>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.</p>	<p>As part of the Microsoft 365 rollout:</p> <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 (FOI) response burden. • Implement an improved mechanism to store documents to enable easier location by employees. 	<p>Head of Data, Digital & Technology</p>	<p>The Policy Management System was accepted into Service in April 2022. Work continues to transition policies onto the new templates and update the metadata to reflect changes at Information Asset Owner level.</p> <p>A performance dashboard of policies and procedures has been developed and can be accessed using Power BI. It will also be hosted on the Service Strategic Portal.</p> <p>A review of which policies are open under FOI is outstanding as part of the ongoing metadata updates referenced in point one.</p>	<p>December 2024</p> <p>Complete</p> <p>December 2024</p>
<p>Planning, Performance and Continuous Improvement 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.</p>	<p>Improve the planning and performance management framework to ensure that all activities are aligned to corporate priorities to reduce duplication of effort and to performance manage the Service.</p>	<p>Area Manager Corporate Planning, Analysis and Strategic Business Change</p>	<p>A revised planning and performance framework is in the process of being developed with work now focussed on developing the underlying processes.</p>	<p>September 2024</p>

Identified Issue	Action Needed	Lead Officer	Update	Due Date
<p>Data integrity Work is required to improve the integrity of data and to ensure proportionate and robust controls on data 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.</p>	<ul style="list-style-type: none"> • Map the data requirements for the Service and where these are held. • Agree data owners. • Develop automated reporting. 	<p>Head of Data, Digital & Technology (DDaT)</p>	<p>Data mapping has started and is ongoing. In addition to this piece of work we are also mapping all systems alongside data to ensure we understand the full picture. Clarity being sought in terms of data owners.</p> <p>The work to review data is in terms of what is captured and how, and cleansed, as it is migrated from old to new systems is ongoing. The next step will be for us to complete a data and information strategy to ensure that we have a clear direction for the Service in this area.</p> <p>The Executive Board has approved a recommendation on reporting, focused on a 24 month plan to fully move to Power BI. This project will focus on move of KPIs to Power BI within a 12 month period. This will also enable automated reporting functionality.</p> <p>Closer working relationships between the Strategic Analysis Team and Information and Data Exploitation Team have been started with a view to securing greater collaboration and clarity across the Service.</p>	<p>September 2024</p>

Identified Issue	Action Needed	Lead Officer	Update	Due Date
<p>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.</p>	<ul style="list-style-type: none"> Review the Community Safety Plan to ensure that the most vulnerable communities are being prioritised through our prevention work. 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 Safety / Ops Risk	<p>The Community Safety Plan has been reviewed to ensure that we continue to target the most vulnerable members of society by using a triaged approach.</p> <p>We are in the process of procuring a new IT system which will be rolled out later this year. It is hoped that this will enable efficiencies in work output and better access to data to prioritise cases accordingly.</p> <p>We have temporarily 'paused' incoming referrals for Home Fire Safety Visits until September 2024 to allow us to focus on reducing our oldest and most vulnerable cases (this excludes any 'blue light' or Safeguarding referrals).</p> <p>The Service Delivery Strategic Plan is currently being reviewed.</p>	<p>Complete</p> <p>December 2024</p> <p>September 2024</p> <p>September 2024</p>
<p>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</p>	<ul style="list-style-type: none"> Implement Phase 2 of the asset management implementation project. Implement Phase 3 of the asset management project. 	Head of Fleet, Equipment and Procurement	Phase 1 and Phase 2 is complete and the final stage 3 which is introduction of hardware device for barcode reading, data migration, integration with internal systems and application for equipment maintenance and station-based testing is in progress for delivery in 2024. Intention is to transfer	September 2024 (Phase 3)

Identified Issue	Action Needed	Lead Officer	Update	Due Date
and managed to provide consistent data to inform replacement plans and ensure operational assets are fit for purpose.			all individual log-books to an electronic system.	
<p>Environmental Strategy The UK has a legislative commitment to be net zero (carbon neutral) by 2050. The Service will need to respond to the requirements of the Environmental Act 2021 and environmental legislation. The Service response will need to mitigate against changing environmental threats.</p>	<p>The three main projects for carbon reductions are:</p> <ul style="list-style-type: none"> • Reducing electricity and gas consumption. • Introduction of vehicle telematics. • Alternatively fuelled vehicles and electric charging points. <p>The next phase of actions include:</p> <ul style="list-style-type: none"> • Implementation of electric vehicles and charging infrastructure for phase 2. • Procurement and planning for heating decarbonisation for Middlemoor and Greenbank. • Developing further opportunities for grant funding. • Planning for the waste digital tracking legislative changes. 	Head of Fleet, Equipment and Procurement.	<p>Work continues to deliver the environmental action plan. Achievements to date include:</p> <ul style="list-style-type: none"> • Environmental strategy, Board, policy and procedures and action plan. • eLearning, behaviour change initiatives on climate change, carbon reductions and environmental protection. • Reduction of light support vehicles following introduction of telematics • Reduction in scope 1 and 2 of the carbon footprint and inclusion of new areas for scope 3. • Successful application for Low Carbon Skills Fund of £95,000 to develop a heating decarbonisation plan for 13 sites. • Successful application for Public Sector Decarbonisation Scheme for £325,090 for Middlemoor and Greenbank stations. 	March 2025

Identified Issue	Action Needed	Lead Officer	Update	Due Date
<p>Health and Safety The Service needs to ensure that it has the appropriate resource, capacity, structure, health and safety management framework and assurance systems to ensure compliance with its statutory Health and Safety duties and to ensure that all staff, both uniformed and non-uniformed, are able to be healthy and safe at work when undertaking their duties.</p>	<p>Strategic health and safety improvement plan to be developed and implemented.</p>	<p>Head of Organisation Assurance</p>	<p>An independent (external) review of the Service's safety management system, compliance, safety culture, and health and safety resource and structure has been completed. Recommendations from the independent review are in the process of being implemented with 20 of the 41 recommendations fully completed. The remaining recommendations will be progressed through 2024-25. Approval was given in August 2023 to a revised structure for the Health and Safety Team. Approval was also given to recruit two casual contract accident investigators with the aim to improve the timely completion of our more significant safety event investigations and increase the quality of resulting recommendations.</p>	<p>March 2025</p>
<p>Ensuring the financial sustainability of the Service. There is a need to ensure that the Service designs and implements a service delivery model and supporting infrastructure that is affordable and meets the needs of the communities that it serves.</p>	<p>Implement the Target Operating Model and ensure that the underpinning plans meet the medium-term financial plan.</p>	<p>Chief Fire Officer</p>	<p>The Service has identified four key areas of change to underpin the requirements of the medium-term financial plan ensuring a balanced budget for 2024-25 by reducing operating costs. They are:</p> <ul style="list-style-type: none"> • Review of whole-time shift patterns. • Review of the operating model for specialist rescue. 	<p>March 2025</p>

Identified Issue	Action Needed	Lead Officer	Update	Due Date
			<ul style="list-style-type: none"> Review of the on call pay system (P4A). Reduction of Automatic Fire Alarms. <p>Further detailed planning work is taking place to ensure the direction of travel to achieve the target operating model is delivered whilst also ensuring future financial sustainability.</p>	
<p>People Strategy There is a need to develop a refreshed People Strategy that is designed in collaboration with the workforce in line with the requirements of the Fire and Rescue National Framework for England 2018.</p>	<p>People Strategy to be developed.</p>	<p>Head of People Services</p>	<p>The process to develop a revised Strategy is now in progress.</p>	<p>December 2024</p>
<p>Data, Digital & Technology The Service needs to determine the future direction for digital services in consultation with the Fire Authority.</p>	<p>Determine permanent leadership structure for the department.</p> <p>Develop the business case which will explore the possible delivery models for digital services for presentation to the Fire Authority.</p>	<p>Director of Finance & Corporate Services</p>	<p>Fire Authority agreement to reform internally. New department structure has been completed and new functions created. Update to Fire Authority published on the website.</p>	<p>Complete</p>
<p>Cyber The Service needs to ensure that it has robust cyber security arrangements in place.</p>	<p>Implement the cyber security and resilience improvement plan.</p>	<p>Head of Data, Digital & Technology (DDaT)</p>	<p>New action for 2024-25.</p>	<p>March 2025</p>

Identified Issue	Action Needed	Lead Officer	Update	Due Date
<p>Disclosure and Barring Service (DBS) checks In line with recent legislative changes, ensure that all employees within the Service have the correct level of DBS checks.</p>	<p>Undertake Standard and Enhanced DBS checks in line with legislative requirements.</p>	<p>Head of People Services</p>	<p>New action for 2024-25.</p>	<p>March 2026</p>

REPORT REFERENCE NO.	AGC/25/3
MEETING	AUDIT & GOVERNANCE COMMITTEE
DATE OF MEETING	20 JANUARY 2025
SUBJECT OF REPORT	CORPORATE RISK REGISTER
LEAD OFFICER	ASSISTANT DIRECTOR, CORPORATE SERVICES
RECOMMENDATIONS	<i>That the report be noted.</i>
EXECUTIVE SUMMARY	<p>Managing risks, both operational and strategic, is an important part of ensuring that the resources of Devon and Somerset Fire and Rescue Service are used to best advantage. Risk is inherent in most things that the Service does and much of its activity is already assessed and managed through the application of the operational risk management procedures and good common sense.</p> <p>The Corporate Risk Register sets out risks and mitigation to ensure that risk is managed appropriately and proportionately.</p> <p>This report enables the Authority to assess, monitor and have oversight of risks within the Service, ensuring that appropriate levels of assurance are in place to protect the Service interests and achieve strategic objectives.</p>
RESOURCE IMPLICATIONS	Nil.
EQUALITY RISKS AND BENEFITS ASSESSMENT (ERBA)	Not applicable.
APPENDICES	Appendix A – Risk management framework
LIST OF BACKGROUND PAPERS	<p>AGC 16 July 2024 – Corporate Risk Report</p> <p>AGC 22 January 2024 – Corporate Risk Report</p> <p>AGC 21 July 2023 – Corporate Risk Report and risk management awareness session</p>

1. INTRODUCTION

- 1.1. The aims of Risk Management for the Devon & Somerset Fire & Rescue Service (“the Service”) are to:
- Protect the assets of the Service;
 - Ensure service continuity; and
 - Facilitate innovation and opportunity.
- 1.2. Risk management does not mean risk avoidance. It is about encouraging officers and managers to identify, understand and control risk and to learn how to accept the right level of risk.

2. CORPORATE RISK REGISTER

- 2.1. The Corporate Risk Register captures and describes the Service’s most significant risks, with a focus on cross-cutting risks and major projects. It is formally reviewed and refreshed on a regular cycle. In order to embed the Service’s approach to managing strategic and operational risks, risk management is integrated within the planning process so that it is part of direction setting, activity and resource planning and activity monitoring.
- 2.2. Risk management is the process by which risks are identified, assessed, recorded, mitigated and reviewed. A risk is the threat that an event or action will adversely affect the ability to achieve the Service’s objectives. The Risk Management Framework sets out responsibilities for the management of risk and seeks to ensure that key risks to the achievement of the Service’s objectives are understood, reported and appropriately mitigated. It is important to recognise that an effective risk management framework is as much a way of thinking as it is a process or system as illustrated in Appendix A.
- 2.3. The process includes the identification, assessment and recording of risks and mitigating activities which is incorporated into annual service plans. The final stage of the process, once risks have been reviewed by risk owners and directors, is for the Audit & Governance Committee (“the Committee”) to use the report to assess, monitor and have oversight of risks within the Service, ensuring that appropriate levels of assurance are in place to protect the Service interests and achieve strategic objectives.
- 2.4. Updates for the five high risks are detailed in paragraphs 2.5. to 2.9. below.
- 2.5. **CR044 Cyber attack causes sustained business systems outage. Risk owner: Assistant Director of Corporate Services (Senior Information Risk Owner). Risk added: September 2018. Risk remains indefinitely on register.**
- On 17 October 2024, as part of Cyber Awareness Month, the Information and Data Governance team arranged a Lunch and Learn session with the South West Regional Cyber Crime Unit (SWRCCU).

The SWRCCU are a police unit dedicated to supporting organisations in tackling Cyber Dependant Crime in the South West. The unit has a proactive team who help organisations and individuals protect themselves from cyber-crime through free workshops and presentations. Key takeaways from this session will help manage these threats at home as well as in the workplace.

- Good progress has been made in addressing the recommendations made in the Information Security – Availability of Systems 2021/22 audit with 77% of the audit actions now closed. The Digital, Data and Technology (DDaT), Information and Data Governance and Business Continuity teams have worked hard to develop the incident response plan and deliver many training events over the last 18 months. They continue to develop and enhance security measures.
- In order to continue to improve cyber resilience and detection, Executive Board (EB) has approved the introduction of a Managed Detection Response (MDR) solution in the Service. A MDR solution is a cyber security service that provides organisations with advanced threat detection, continuous monitoring and rapid response to security incidents. Unlike traditional security tools that require in-house management, MDR combines technology, human expertise and automation to offer 24/7 protection against cyber threats. The anticipated implementation timeline is Quarter 4 2024/25.
- The results of the 2024 IT Health Check demonstrate an improved position from 2023. The controls that have been put in place have made it harder for the assessors to conduct an unauthenticated attack and the team should be commended for its work. Remedial action is now being implemented.

2.6. **CR055 (SSC003) Failure to thoroughly investigate and learn from safety events and take corrective action to prevent foreseeable reoccurrences. Risk owner: Assistant Director of Corporate Services. This risk was added December 2019. Based on current progress it is anticipated that the risk will not be de-escalated within the next six months.**

- As at 3 January 2025, there were 64 open safety events investigations, of which 31 were overdue (48% of the total). The Strategic Safety Committee (SSC) Key Performance Indicator is <20%.
- The Safety Event Management System (SEMS) recommendations numbers between July 2024 - January 2025 are summarised in Table 1 overleaf. Since July 2024 there was a 36% reduction in the total number of open off-track SEMS recommendations and a 35% reduction in open off-track high priority recommendations.

Table 1.

	Open on track	Due in next 7 days	Open off track (Overdue)	Total	Overdue % reduction
26 July 2024					
SEMS Recommendations	7	5	117	129	-
High priority	1	4	46	51	-
03 January 2025					
SEMS recommendations	13	0	75	88	36%
High priority	4	0	30	34	35%

- The Head of Organisational Assurance and Health and Safety Manager facilitated a deep dive session with Service Leadership Team (SLT) on 23 October 2024 into concerns around safety event management and health and safety culture with a view to driving improvement. A number of actions were agreed and progress made as follows:
 - A review of the SEMS system: a work request has been submitted to The Digital Data and Technology (DDaT) team by the Health & Safety Manager.
 - Capacity, workload, performance and training related issues:

Consideration to be given to developing a centralised list of the investigatory tasks that have been assigned to individuals. This should include health and safety investigations by level, complaints and grievance/disciplinary/capability investigations instigated by People Services. A central list will give visibility of the volume of work being tasked to individuals and the equity of that.

Key Performance Indicators (KPIs) should be established to set a minimum number of types of investigation to be completed each year. This will help to ensure that the expected outcome from the investment in training costs is achieved and that individuals are maintaining their competency. Additional actions include a review of the Operational Resource Centre (ORC) process for allocation of investigations to be undertaken and a review of the specialisms that officers have to ensure that workload is evenly distributed, taking account of the fact that not all specialisms generate an equal volume of work.
 - Communications to support behaviour change and reinforce health and safety as a strategic priority: The Head of Communications and Engagement is gathering best practice from other fire and rescue services prior to review in January 2025 to consider initial lighter touch communications and then a more targeted campaign.
 - Update on actions to be presented to SLT 29 January 2025.

2.7. **CR079 Inability to be assured that the Home Fire Safety (HFS) data created, held and reported on is correct. Risk owner Deputy Chief Fire Officer Service Delivery. This risk was added February 2022. It is anticipated that this risk should be de-escalated by September 2025.**

- The HFS team continue to work to reduce the total backlog of un-booked visits. In December 2023, there were 7,388 overdue visits and as at 6 January 2025, the figure was 807 (89% reduction).
- The HFS team opened referrals on a wider scale, via the Service website and self-referrals, on 12 December 2024. The team continue to accept the risk surrounding the ability to prioritise cases by risk / age / date and therefore remain in business continuity until the implementation of a system that is fit for purpose.
- DDaT is working on a HFS management information report that provides early warning if unbooked numbers start to increase again. Business Analysts will begin a review in January 2025 in relation to data extraction and reporting. Timescales for the implementation of the Community Fire Risk Management Information System (CFRMIS) are being worked through but will be April 2025 at the earliest.

2.8. **CR082 Inability to maintain and provide safe Academy training facilities. Risk owner: Assistant Chief Fire Officer, Service Delivery. This risk was added April 2024. Contingency Response Team (CRT) stood up 4 April 2024, closed on 26 September 2024 and reopened on 14 October 2024. The risk direction has worsened since the previous report due to ongoing issues with the concrete at the Hot Villa.**

- A temporary measure was implemented to use Mid and West Wales Fire and Rescue Service, Academy and Service Training Centre (STC) facilities for recruits training until the Hot Villa is fit for purpose.
- CRT will remain open until the successful completion of the first training session at the Hot Villa, which is scheduled to take place in January 2025.
- The Devon Assurance Partnership (DAP) investigation report was submitted to EB on 24 September 2024 and subsequently to Occurrence Review Group (ORG). ORG is responsible for working through the DAP recommendations and seeking assurance that the CRT actions have been completed.
- Chaired by Executive Board (EB) lead, Assistant Director of Corporate Services, the ORG has met six times since October 2024 focusing on priorities identified from the action tracker and the DAP report. In December 2024, an interim update report was submitted to EB.

2.9. **CR086 Lack of suitable workshop facilities and pits at Barnstaple and Crownhill Fire Stations. This risk was added to the register May 2024. Risk Owner: Assistant Director, Corporate Services.**

- Rationale for escalation from the Health & Safety thematic and Fleet and Equipment risk registers: There is a lack of physical space at both Barnstaple and Crownhill workshops and the inspection pits at those sites are known to be insufficient in length for the activities undertaken. These issues are also documented in the Health and Safety Team's Worksite/Premises Audits 2022/23 Final Report as failing to meet the required standards to comply with several areas regulated under health and safety legislation. There are localised controls in place but there is insufficient means of escape (two routes) on all pits and therefore the inspection pits are not fit for purpose.
- The risk assessment has been updated with additional control measures and immediate control measures implemented with owners and timelines assigned to others. A survey at Barnstaple workshops has taken place and resulted in the pit being taken out of use. Business continuity plan mitigation is being considered and may result in vehicles and people being sent to Chelston workshops. Stopping use of the facilities and pits for fleet maintenance activities at these sites would mean risk to meeting Driver and Vehicle Standards Agency (DSVA) legislative and National Fire Chiefs Council Transport Officer's Group (NFCC TOG) best practice requirements and service level agreements.
- A working group has been established and meets every two weeks to monitor progress.
- A draft fleet workshop strategy has been shared with SLT including the requirement for alternative workshop premises. Alternative internal sites have been considered unsuitable and the next steps are for a submission to programme board with options to consider external sites, either land or premises for both the short and longer terms. Chelston workshop lease ends 2029.
- Additional workloads to mitigate the risk are impacting Business as Usual (BAU) activities in estates and fleet departments.
- Work is continuing to seek alternative facilities. This issue is being considered within the wider 'Plymouth Project', which will be presented to the Fire Authority in 2025.

2.10. Updates for the six medium risks are detailed in Table 2 overleaf.

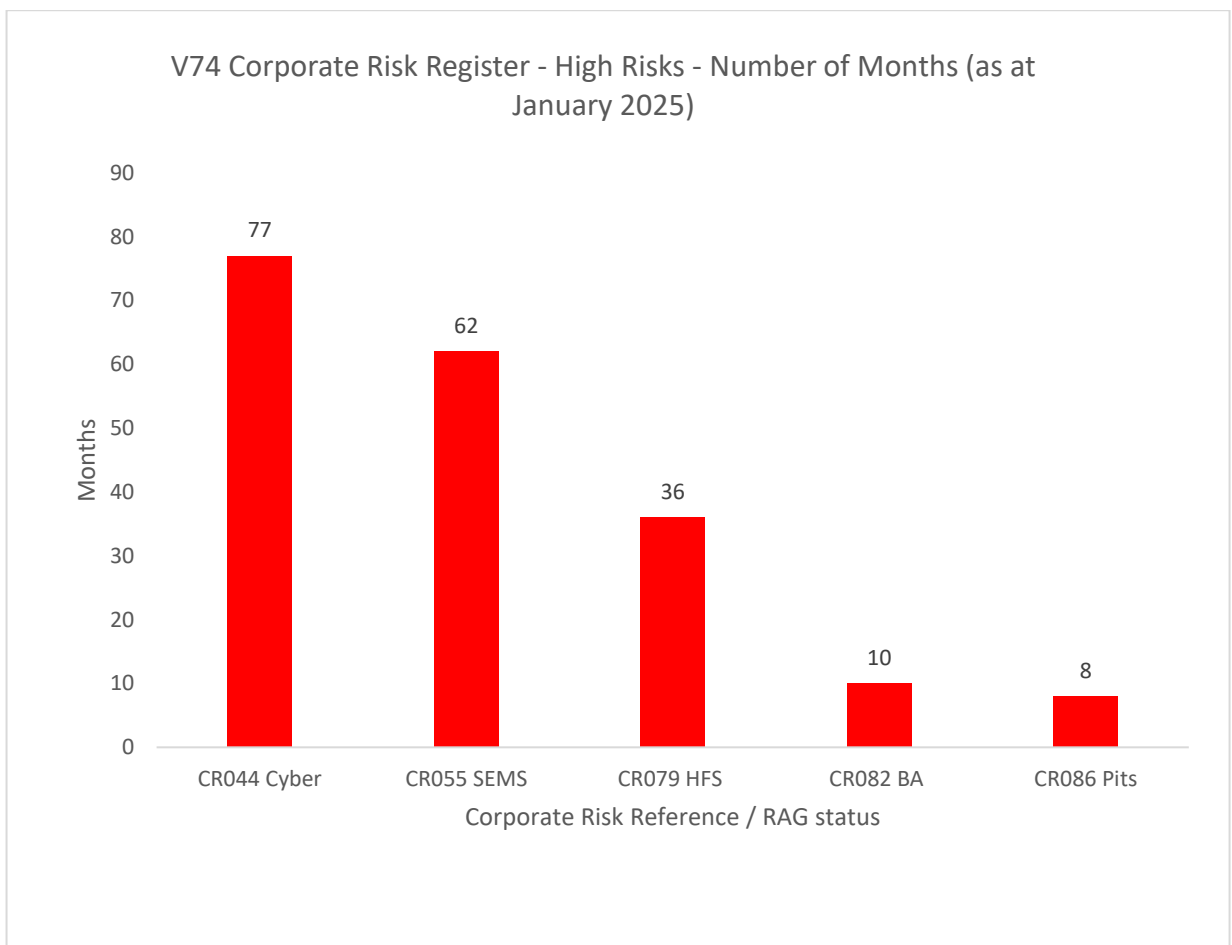
Table 2 – Medium Risks

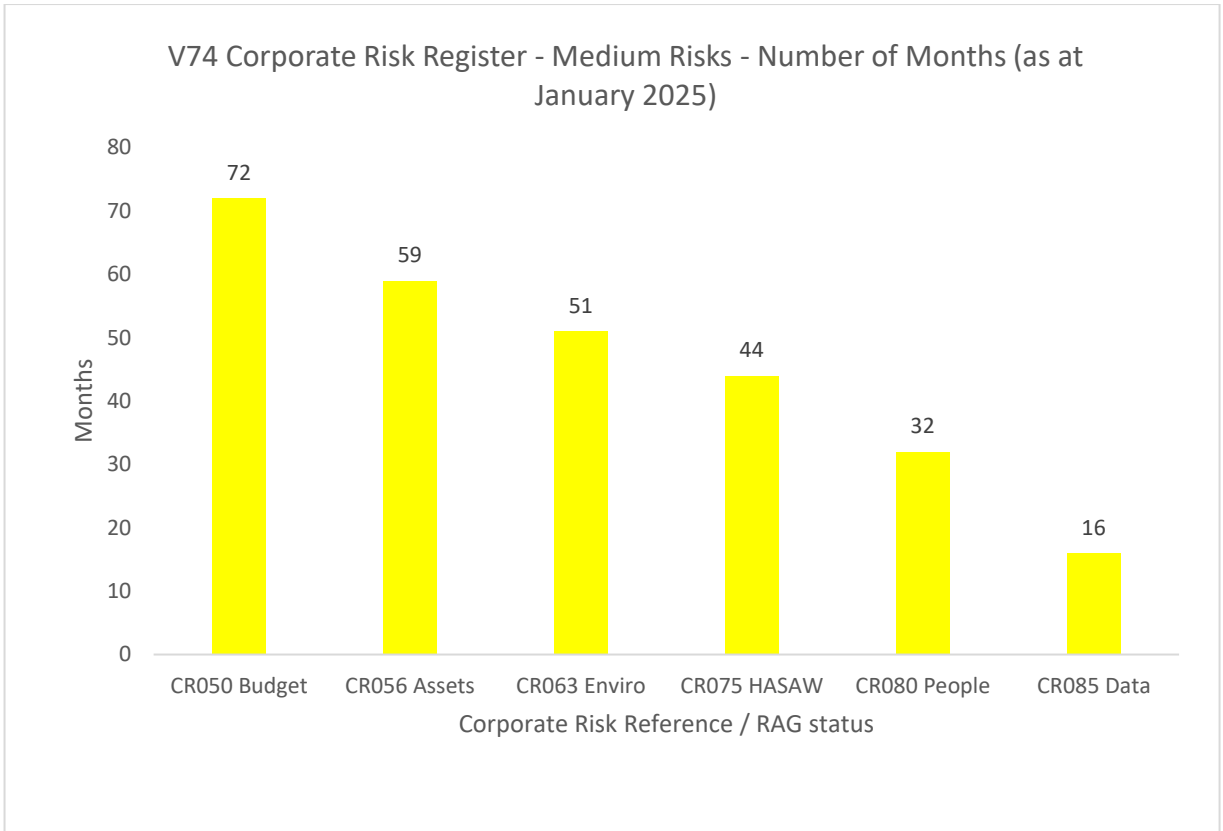
Risk	Action	Update
<p>CR050 Failure to agree actions to set a balanced budget in future years. This risk remains on the risk register indefinitely.</p> <p>Risk owner: Treasurer</p>	<p>The Service has balanced the budget for 2024/25. Plans are in place to address the potential budget shortfall for 2025/26 and beyond.</p> <p>Annualised Hours, Pay for Availability (P4A) review, Specialist Rescue Team (SRT) review and Unwanted Fire Signals Review should save in excess of £2m from the current costs. It is clear that the Service needs to change the operating model and the Service senior leaders and the Fire Authority are on board with how those savings can be achieved.</p> <ul style="list-style-type: none"> • A change to the Whole-Time duty System (annualised hours) which is estimated would save £1.3m. • Changes to the operating model for specialist rescue estimated savings of £0.133m. • Amendments to the Pay for Availability remuneration agreement which is estimated to save £0.250m. • Amendments to the policy and practice for dealing with unwanted fire signals, estimated saving of £0.069m. 	<p>2024 pay award for ‘Green Book’ (support) staff, (period 1 April 2024 to 31 March 2025) has been agreed.</p> <p>Pay for availability (P4A) review – a revised Industrial Relations, IR1 proposal has been sent to representative bodies for feedback.</p> <p>Following the Chancellor’s budget, the Finance team are looking at how a rise in employer national insurance will impact the Service. The Service anticipates a grant to cover 52% of the increase, resulting in a shortfall of approx. £0.500m.</p>

Risk	Action	Update
<p>CR056 Failure to ensure fleet & equipment is available and fit for purpose.</p> <p>Risk owner: Assistant Director of Corporate Services</p>	<p>3/30 actions remain open.</p> <ol style="list-style-type: none"> 1. Breathing apparatus (BA) app 2. Fuel Management system 3. Phase 3 – develop process for receipt of PPE and tracking transit (asset project). 	<p>The BA app testing phase took place earlier in the year. There is an ongoing issue due to General Data Protection Regulation (GDPR) and budgets, primarily to do with allocation of tablets to allow all users access.</p> <p>The fuel management system requires replacement, and a procurement process is in progress. The current system is reliant on 3G SIM cards, and the equipment is becoming obsolete. The new contract and provision is expected to be implemented in March 2025.</p> <p>Phase 3 - Fleet is in testing mode; devices have started to be installed on the appliances. Due Date February 2025.</p>
<p>CR063 Failure to deliver environmental obligations. This risk remains on the risk register indefinitely.</p> <p>Risk owner: Assistant Director of Corporate Services</p>	<p>Environmental teams channel and raid log monitor and update actions.</p> <p>Quarterly strategic environmental board meetings.</p>	<p>Waste Management Working Group in November 2024 discussed lack of visibility regarding extent of lithium battery usage and lack of risk assessment for introduction, use, maintenance, transportation, charging and disposal. A Waste Management Procedure document has been shared with SLT for consideration.</p> <p>Resources Committee meeting 30/09/24 – Environmental Strategy Update. Next steps identified including: (a) Installing telematics on operational vehicles; (b) considering renewable fuel options and (c) submitting applications as grant funding becomes available.</p>

Risk	Action	Update
<p>CR075 (SSC001) Failure to assure that staff are complying with the requirements of Health and Safety at Work Act 1974 and Management of Health and Safety Regulations and associated legislation. This risk remains on the risk register indefinitely.</p> <p>Risk owner: Assistant Chief Fire Officer, Service Delivery</p>	<p>1/12 actions open:</p> <ol style="list-style-type: none"> Maintenance of skills (MOS) power app. The app will link events from incidents, MOS activities, exercises, station-based training and requalification courses. 	<p>The Maintenance of skills app is anticipated to be delivered for general use by 31 December 2024.</p>
<p>CR080 Failure to create a diverse and inclusive workforce.</p> <p>Risk owner: Assistant Director of People</p>	<p>1/15 actions open:</p> <ol style="list-style-type: none"> Flexi duty system review 	<p>The People Strategy was launched in October 2024.</p> <p>This risk will be reviewed after the HMICFRS report following the cause for concern.</p>
<p>CR085 Inconsistent performance data evaluation process and impact on decision making.</p> <p>Risk owner: Assistant Director of Corporate Services</p>	<p>1/3 actions open:</p> <ol style="list-style-type: none"> Develop performance dashboards across the Service 	<p>Key Performance Indicators (KPIs) have been reviewed and reports will be updated to ensure consistency across all. There are a couple of key areas to be resolved before the risk is ready for de-escalation, namely Service Delivery dashboard and the People dashboard.</p>

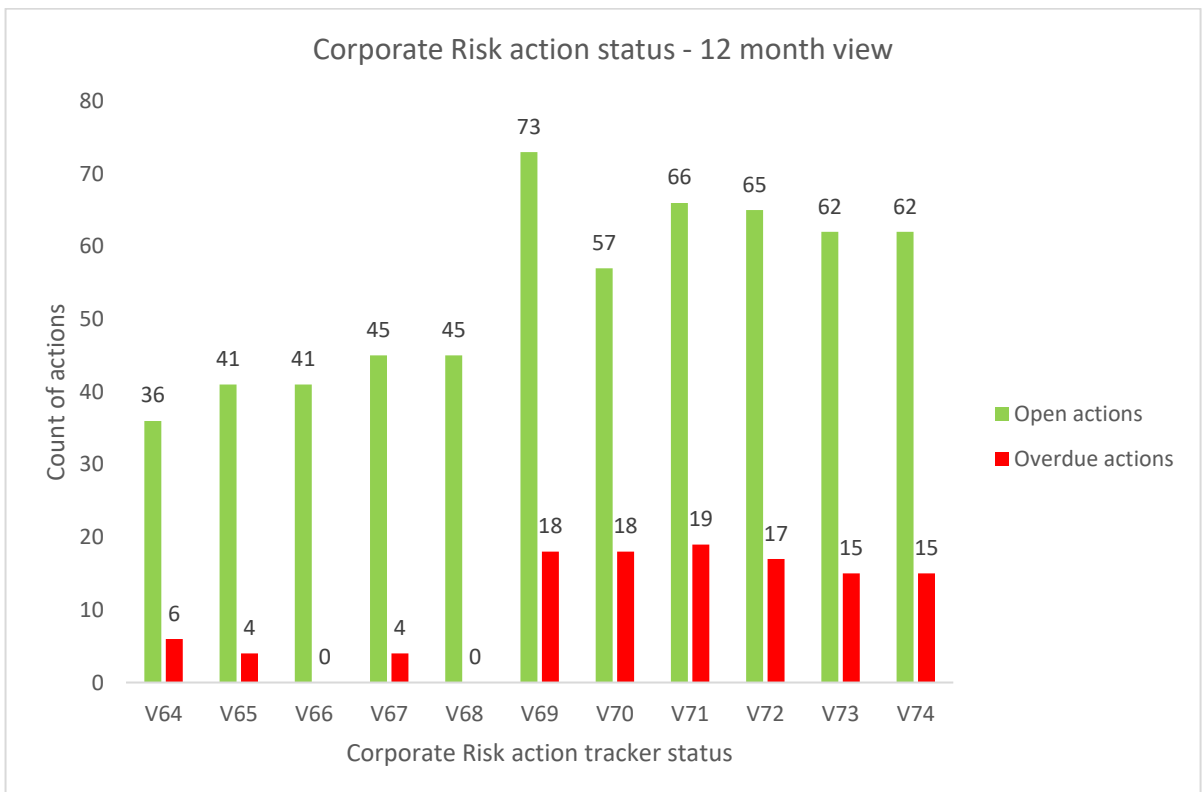
- 2.11. The Service risk profile has changed since the last report. The corporate risk register entries total eleven risks with no risks added, de-escalated to local and thematic risk registers or closed. The register is reviewed monthly by the Service Leadership Team and Executive Board dependent on net risk score, with high risks reviewed monthly and medium risks quarterly.
- 2.12. The Audit and Governance committee meeting on 29 September 2023 agreed that from 22 January 2024 the six-monthly corporate risk reports will include how long risks have been on the Corporate Risk Register, those risks that are static and those that when mitigated to a tolerable level will be de-escalated, see tables overleaf.





2.13. Over the last twelve months 66 actions have been closed (30%). As at February 2024, 220 were closed, increasing to 286 as at January 2025.

2.14. The graph overleaf illustrates the monthly number of open and overdue actions between February 2024 and January 2025.



2.15. As is normal, there have been minor changes to control measures across the risk portfolio. Risk owners are assigned to each risk with active mitigation in place. All risk register owners have reviewed and updated their risk mitigations and agreed new review dates. Overall, the Service Executive Board is duly satisfied with the adequacy of the risk mitigation progress.

3. CORPORATE RISKS ADDED SINCE THE LAST REPORT TO THE COMMITTEE

3.1. None.

4. RISKS DELEGATED TO LOCAL RISK REGISTERS

4.1. None.

5. BUSINESS CONTINUITY

5.1. There are currently 30 department business continuity plans, which are all in date. The six Group plans are being redesigned into one overarching Service Delivery plan with flowcharts for procedures.

5.2. The Contingency Response Team (CRT) is stood up in order for the Service to provide and maintain front line service delivery and its wider responsibilities in the event of a large-scale incident or significant disruptive event. The CRT work to ensure that a structured, controlled and effective approach is taken by DSFRS in circumstances where normal functioning of the Service is significantly disrupted. Over the previous twelve months CRT has stood up twice as indicated in Table 3 below:

Table 3.

Date	Event	Learning / Debrief
June 2024	Academy Breathing Apparatus	Event ongoing, CRT reopened October 2024.
19 th July 2024	Global IT issues (didn't affect DSFRS directly)	Run updates on standalone machines before rolling out to whole organisation.

5.3. Two department business continuity plans are currently activated:

- Academy training facilities activated 9 May 2024 by CRT, due to number of BA instructor vacancies and closure of Hot Villa facility.
- Prevention team, Home Safety app, refer to CR079.

5.4. The number of business impact assessments (BIA) required to understand the Service critical activities, has increased to 30. This is due to departments within the academy needing to have separate BIA's completed. Twenty-two have been completed with the remaining eight scheduled for completion by the end of December 2024.

- 5.5. Members of Extended Leadership Team participated in a power outage desktop exercise on 14 October 2024. The follow up National Power Exercise takes place on 24 February 2025. This exercise will ensure that identified actions and implemented contingency plans can continue to enable service delivery response.
- 5.6. The National Fire Chiefs Council (NFCC) supply chain survey and cyber resilience survey has been completed. The survey will help build an understanding of what planning is being undertaken in each FRS and identify any gaps or highlight where additional support may be required.
- 5.7. The annual National Resilience Industrial Action survey has been completed. This survey focuses on planning and preparedness for Industrial Action.
- 5.8. Over recent months there have been several storms, including Storm Darragh on 7 December 2024, which resulted in an interruption to power supply at stations. The Government issued a rare red warning alert to communities. A debrief is underway to identify lessons learned and update Business Continuity plans.

6. INSURANCE

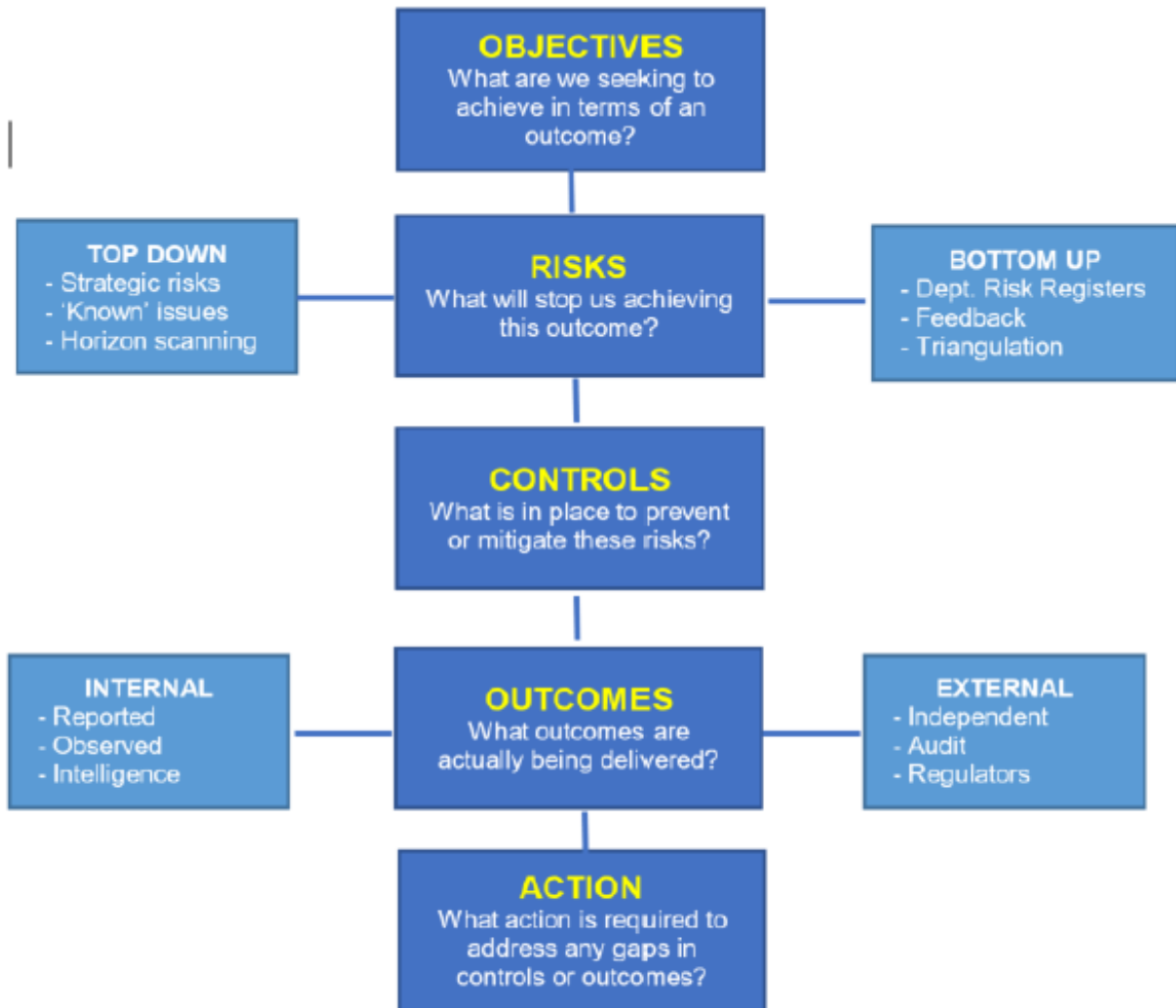
- 6.1. In 2023/24, the Service's Fire and Rescue Indemnity Company annual contribution was £933,653.03. This year the contribution has decreased by 9.09% to £848,749.47. Contributions are influenced by several factors including claims history, risk management practices and performance against key performance indicators (KPI). Motor contribution decreased due to improved claim reporting times, reduction in the number of motor vehicles, 540 to 509, and the installation of cameras and telematics in light fleet vehicles in 2022.
- 6.2. The Fire and Rescue Indemnity Company (FRIC) offers discounts for risk management activities up to a maximum of 15% of the net motor contribution. This year the Service received the maximum discount available.
- 6.3. There has been a 31% reduction in motor claims in 2023/24 (123) compared to the previous year 2022/23 (178). This number is lower than any year since the Service joined FRIC at the start of 2015/16. This could be attributed in part to the awareness raising and communication campaign throughout the Service around collisions with trees/hedges/grass verges, and telematics installed in light vehicles from 2022.
- 6.4. A business case for the installation of cameras and telematics for red fleet has been approved by EB, which will provide a discount on the Service's motor insurance of c£0.023m next year.

7. NEXT STEPS

- 7.1 The Corporate Risk Register will continue to be subject to monthly review by the SLT and EB. The next formal review of the Corporate Risk Register by the Committee is due to take place in six months' time.

MARIA PHILLIPS
Assistant Director of Corporate Services

Risk Management Framework



Agenda Item 8

REPORT REFERENCE NO.	AGC/25/4
MEETING	AUDIT AND GOVERNANCE COMMITTEE
DATE OF MEETING	20 JANUARY 2025
SUBJECT OF REPORT	PERSONAL PROTECTIVE EQUIPMENT (PPE) AUDIT AND CONTAMINANTS UPDATE
LEAD OFFICER	Assistant Director, Corporate Services
RECOMMENDATIONS	<i>That the report be noted.</i>
EXECUTIVE SUMMARY	The report provides information on key aspects of the provision for structural fire-fighting Personal Protective Equipment (PPE), an update on the outstanding actions from the PPE Audit from 2021-22 and a progress update on contaminants. This is provided as a result of further assurance requested by the Committee at its meeting on 29 November 2024 (Minute AGC/24/16 refers).
RESOURCE IMPLICATIONS	Resources and funding have been established.
EQUALITY RISKS AND BENEFITS ANALYSIS	ERBA in place within the policy and procedure for PPE and Contaminants.
APPENDICES	None
BACKGROUND PAPERS	None

1. INTRODUCTION

- 1.1. At the meeting of the Audit and Governance Committee on 29 November 2024, the Committee sought further assurance in respect of overdue, outstanding actions emanating from the audit of Personal Protective Equipment (PPE) undertaken in the 2021-22 financial year (Minute AGC/24/16 refers). Further assurance was also sought in respect of the delays associated with the Contaminants Project.
- 1.2. The particular concerns surrounded whether the Service was putting firefighters at risk with ill-fitting PPE and not providing appropriate training or management intervention. The issue of storage of PPE and segregation to avoid contamination was also raised.
- 1.3. Both of these matters are addressed within this report.

2. BACKGROUND

- 2.1. In 2021, a PPE Audit was commissioned by Devon and Somerset Fire and Rescue Service (the Service) on structural fire-fighting PPE. The report identified that the provision of PPE was appropriate, met relevant standards and that the policy and procedure, value for money and availability of PPE was in place. The report made recommendations on the training provision, management practices and storage of PPE on stations. The report did include references and observations regarding non-structural fire-fighting PPE. This matter was linked to issues regarding contaminants upon which separate recommendations were made as set out below.
- 2.2. A project board of Service representatives was established which meets monthly to implement the recommendations from the UCLan (University of Central Lancashire) report on contaminants. Phase 1 of the project has been completed and Phase 2 has been scoped with funding provided to implement in 2025. Work on implementation of Phase 2 deliverables is in progress. The National Fire Chiefs' Council (NFCC) guidance on contaminants is due to be published in April 2025 and a further review will be undertaken.

3. STRUCTURAL FIRE-FIGHTING PPE

- 3.1. The Service currently provides two sets of personal issue: tunic, trousers, gloves and single-issue helmet and boots as part of the structural fire-fighting provision. These garments meet the relevant standards and there is a cleaning and laundry provision in place. PPE pool hubs are established for replacement items. Policy, procedures and guidance support the use, care and replacement of PPE.
- 3.2. The audit included the recommendation to have an auditable e-learning package in place for the whole PPE provision, currently only e-learning on structural helmets is available. This recommendation is fully supported.

- 3.3. The plan within the Academy is to commence the PPE e-learning package in April 2025. A sizing and measuring guide is available and this has been updated to ensure it is accurate. Materials to develop a training package are available, however, the resources to convert this into an e-learning provision have been engaged on other priorities including contaminants.
- 3.4. Premises audits are undertaken on station where any storage considerations for PPE can be captured and managed by relevant departments. During the fleet replacement plans any structural PPE stored within the appliance bay have been relocated.
- 3.5. A sizing exercise for water rescue PPE was undertaken in 2023 and an extended range of sizes will be made available. Alternative options and sizes for gas tight suits are being considered as part of replacement plans.
- 3.6. Whilst not part of the PPE audit recommendations, a new structural fire-fighting glove has been introduced that is made of synthetic materials and can be laundered to reduce the impact of contamination.
- 3.7. Moving forwards, a scoping document has been developed for participation in the NFCC National Framework Agreement for PPE. Service personnel, including the Technical lead for Operational Assets and the Commercial lead for Procurement, are actively collaborating with Kent FRS as lead Service and other fire and rescue services to deliver a new national procurement framework for PPE. New PPE standards are also being published. Costs for PPE replacement have been included within the Medium-Term Financial Plan.

4. CONTAMINANTS

- 4.1. In 2020, a report by the University of Central Lancashire (UCLan) summarised the research of Professor Stec et al., which aimed to investigate rates of cancer and other diseases in UK firefighters; understand the long-term health effects of fire contaminants; and find ways to reduce exposure to contaminants in fire and rescue service work.
- 4.2. In 2022 the International Agency for Research on Cancer (IARC) declared exposure through working as a firefighter as carcinogenic (Lancet Oncology report).
- 4.3. The UCLan report provides many recommendations to fire and rescue services, as interim best practice, explicitly:
 - using respiratory protective equipment (RPE) more effectively;
 - avoiding cross-contamination wherever possible;
 - enhancing cleaning regimes for vehicles, equipment, clothing and workspaces; and
 - mandating personal hygiene and wash arrangements and facilities.

- 4.4. Phase 1 of the contaminant's project is complete. This phase has introduced a new fire-ground hygiene procedure and process with e-learning and equipment provided. PPE pool stock has been introduced for those undertaking Breathing Apparatus (BA) training to avoid heavy contamination of the personal issue PPE. This phase has focussed on minimising contamination in the workplace, reducing risk to staff, improved compliance with health and safety legislation and the UCLan report.
- 4.5. Phase 2 was developed through re-evaluation and gap analysis against the scientific recommendations following delivery of phase 1. Any gaps have been grouped into themes and structured stakeholder sessions held to determine requirements. High impact solutions that can be delivered in a relatively short time frame will be progressed through the Contaminants Board and longer-term solutions will be considered by an ongoing working group as further research and guidance is made available.
- 4.6. Solutions for delivery in 2025 are:
- Provide technicians with hygiene-processes, protective clothing and equipment;
 - Provide technicians with greater incident-based controls;
 - Add hygiene consumables to technician inventories, to support operational incidents and personal decontamination;
 - Install zone signage within workplaces, to control further cross-contamination;
 - Provide hygiene-considerate processes for cleaning-controlled areas of workplaces as well as operational and logistical support vehicles;
 - Monitor and, if necessary, improve air quality in workplaces;
 - Replace permeable furnishings to control surface contamination within high-risk areas of hot-fire training venues;
 - Mandated showering at training centres and stations following a hygiene process with the provision of towels and appropriate shower gel and update procedures;
 - Provide purpose-built machines for periodic deep cleaning of non-launderable PPE such as breathing apparatus sets and helmets;
 - Develop and implement a means of recording and reporting exposure for operational staff, training instructors and fireground technicians;
 - Replace leather helmet cradles, and any fabric elements of personal issue facemasks, with Nomex to enable a complete personal decontamination;
 - Provide greater health and wellbeing education, cancer awareness and Systematic Nomenclature of Medicine Clinical Terms (SNOMED) code advice; and
 - Review, refine and enhance risk-assessment arrangements for new or expectant mothers, to ensure adequate protection from exposure to contaminants.

5. CONCLUSION

- 5.1. The structural fire-fighting PPE provision within the Service is fit for purpose and supported by policies and procedures with teams in place for the ongoing management of the supply arrangements. The Service has been working towards participation in the NFCC National Framework Agreement for PPE, which is expected October 2025, and will be undertaking the replacement of PPE thereafter. Financial provision has been included within the Medium Term Financial Plan (as revenue expenditure).
- 5.2. An e-learning package for PPE will be provided by the Academy to support Service Delivery training for end-users in the use, care and maintenance arrangements.
- 5.3. Work on contaminants continues to progress well and funding has been provided to deliver phase 2.

MARIA PHILLIPS
Assistant Director, Corporate Services

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